MAKERERE UNIVERSITY

MAKERERE UNIVERSITY BUSINESS SCHOOL

DIGITAL FINANCIAL SERVICES ADOPTION, PLAUSIBILITY AND FINANCIAL INCLUSION AMONG THE RURAL HOUSEHOLDS OF KILEMBE SUB COUNTY IN KASESE DISTRICT

BY

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PLAN A

NOVEMBER, 2025

DECLARATION

I **ZAWAD KEZIA**, Registration Number 2022/HD10/830U, a student of Makerere University Business School declare that the content contained in this dissertation is ultimately developed through my personal effort. I also declare that the authorities from which I extracted information have all been recognized. More so, I assure that the dissertation has never been presented in any university, tertiary institution or any other institution for higher learning whether within or outside Uganda for an award of any sort.

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APPROVAL

We hereby append our signatures to authorize the submission of this dissertation as University academic supervisors.

Signature..... Date..27/11/2025.....

Dr. Edward Kabaale

Signature..... Date..27th/11/2025.....

Ms. Lovince Akurut

DEDICATION

To my loving husband Baluku Timothy and my children Terry, Turner and Terron thank you for your support, guidance and encouragement. This research is dedicated to you with deepest gratitude and love.

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LIST OF ACRONYMS

ATMs	Automatic Teller Machines
BOU	Bank of Uganda
CGAP	Consultative Group to Assist the Poor
CVI	Content Validity Index
DFID	Department for International Development
DFS	Digital Financial Services
DoI	Diffusion of Technology
FSDU	Financial Sector Deepening Uganda
GDP	Gross Domestic Product
GSMA	Global System for Mobile System Association
SDGs	Sustainable Development Goals
SPSS	Statistical Package for Social Sciences
UBOS	Uganda Bureau of Statistics

ABSTRACT

Enhancing financial inclusion is a key driver for achieving SDGs through poverty minimization, gender and social equality, and employment creation. Nonetheless, many households remain financially excluded. This research investigated the linkage between digital financial services adoption, plausibility and financial inclusion in the rural households of Kasese District. This research was a cross-sectional and adopted a quantitative research approach. It used a sample of 344 households in Kilembe Subcounty in Kasese district and obtained data from household heads, preferably women. This study used a questionnaire to collect data, analyzed using SPSS v. 25. The study found out that there is a positive association between digital financial services adoption and financial inclusion. Furthermore, there was a positive association between plausibility and financial inclusion. The study noted that there is a positive association between digital financial services adoption and plausibility. The study also obtained that both digital financial services adoption and plausibility significantly predicted financial inclusion. It also noted that financial inclusion is more driven by plausibility compared to digital financial services adoption. In conclusion, the study emphasizes that digital financial services adoption and plausibility are exceptionally important in uplifting financial inclusion. The research recommends; financial literacy sensitization; conducting digital financial services adoption promotion campaigns; increased investment in information technology; and continuous digital financial services innovation.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter offers an introductory part of the study clearly indicating the background and explanation of the statement of the problem to provide a basis for undertaking the research. Other critical areas such as a list of objectives, questions, and conceptualization are equally highlighted.

1.2 Background of the Study

Enhancing financial inclusion is a key driver for attaining Sustainable Development Goals (SDGs). It is associated with poverty minimization, gender and social equality, as well as creating employment (Yawe et al., 2022). Financial inclusion also creates a perfect environment for vulnerable and marginalized communities to easily access financial services anywhere anytime at favorable rates (Aarakit et al., 2022). Empiricists also reveal that financial inclusion enhances financial literacy, stimulates economic growth and development, and contributes towards Gross Domestic Product (GDP) (Bongomin et al., 2024; Demirgüç-Kunt et al., 2020; Ozili, 2021). Accordingly, financial inclusion continues to attract the attention of empirical, institutional, and policy interest worldwide (Museba et al., 2021).

Nonetheless, World Bank Report (2022) demonstrates many households globally remain financially excluded. It indicates that 1.4 billion globally do not possess a bank account. Moreover, it is concerned by the fact that majority of such people are mainly women more so in rural households. In Sub-Saharan Africa, over 51% of individuals, especially women in rural households do not have any formalized account whereas 80% of individuals who have accounts are also not actively using these accounts (World Bank Report, 2022). In Kenya 21%, South Africa 15%, and in Senegal 44% are not actively carrying out formal financial transactions (World Bank Group,

2024). In Uganda, Global Findex (2020) reveals 34% of people remain financially excluded. Uganda Bankers Association (2023) indicates 54% of adults in Uganda do not use any formal financial service, 75% of which are in rural areas without the exception of Kasese. Notably, 72% rural households in the region do not access reliable financial services. One can hardily access mobile money services where he/she can withdraw more than Ugx. 100,000/=. Financial services quality also remains wanting, more so in Kilembe, Katwe, and Mpondwe. Moreover, 87.5% of rural people move at least 5 km before they can access formal financial services (Financial Sector Deepening Uganda, 2023). Statistics obtained between 2019 and 2023 rank Kasese with one of the lowest number of financial services with over 82.1% unable to access credit, and 63% mobile money seasonal users (FSD, 2023).

Previous research suggests that digital financial services adoption can enhance financial inclusion because it is associated with easy accessibility, convenience, relatively cheaper (Mutebi & Byaruhanga, 2020). Moreover, it improves outreach which improves on financial services quality (Ebong & Babu, 2021; Elderson, 2020; Evanoff, 2019; Erol & Radi, 2022; Garner et al., 2016; Lyons & Hanna, 2021; Mutebi & Byaruhanga, 2020).

Plausibility on the other hand influences people to exhibit positive attitude, and behavior which attracts many rural people to use a range of available financial services (Grohmann & Menkhoff, 2021; Klein, 2003; Lombardi et al., 2016). Both digital financial services adoption and plausibility are theoretically grounded into the Diffusion of Innovation (DoI) initiated by Rogers (2003). The theory indicates that technology acceptance is intrinsically and psychologically driven. Moreover, it demonstrates that individuals' intrinsic drive differs, justifying why people can never adopt technology simultaneously (Dearing & Cox, 2018).

Nevertheless, there is a general paucity of empirical research explaining the influence of digital financial services adoption and plausibility on financial inclusion. Studies available either explore digital financial services adoption, or plausibility, rather than a combined effect (Bongomin, Malinga, Amani & Balinda, 2024; Ebong & Babu, 2021; Okot & Kasekende, 2024). Additionally, most of the studies available rely on literature to draw conclusions, as opposed to undertaking an empirical approach to derive conclusions that are evidence-based (Bongomin et al., 2024; Ebong & Babu, 2021). Although a study by Okot and Kasekende (2024) only focuses on the association between variables giving less attention to the predictability which contribute significantly to the managerial implications. Therefore, undertaking this study will provide a more comprehension regarding the linkage between digital financial services adoption, plausibility, and financial inclusion.

1.3 Problem Statement

Financial inclusion is vital because it facilitates easy accessibility to financial services at reasonable costs (Aarakit et al., 2022; Yawe et al., 2022). However, many rural households in Kasese district remain financially excluded. They are facing accessibility, quality, and affordability issues with the state of financial services within the region (Uganda Bankers Association, 2023). Notably, more than 87.5% move at least 5 km to access financial services, such as withdrawing at least Ugx. 100,000/=. Households in Kilembe, Mpondwe and Katwe are not accessing quality services because some of them do not have digital gargets to interface with financial systems (FSD, 2023). If this is not checked, rural households are bound to continue facing credit accessibility challenges, encounter security and safety challenges emanating from consistent holding of physical money, and encounter minimal social and economic growth. It could be likely

that rural households in Kasese financial exclusion may be due to inadequate digital financial services adoption, and plausibility. The studies emphasizing these factors though have been conducted in other areas in Uganda (Ebong & Babu, 2021; Mutebi & Byaruhanga, 2020).

1.4 Purpose of the study

To examine relationship between digital financial services adoption, plausibility and financial inclusion in the rural households of Kasese District.

1.5 Research Objectives

i. To examine the relationship between digital financial services adoption and financial inclusion among the rural households of Kilembe sub county, Kasese District

ii. To explore the influence between plausibility and financial inclusion among the rural households of Kilembe Sub county, Kasese District.

iii. To explore the influence between digital financial services adoption and plausibility among the rural households of Kilembe Sub county, Kasese District.

iv. To examine the predictability of digital financial services adoption and plausibility on financial inclusion among rural households in Kilembe Sub county, Kasese District.

v. To assess the mediating effect of plausibility in the relationship between digital financial services adoption and financial inclusion among households in Kilembe Sub county, Kasese district

1.6 Research Questions

i. What is the relationship between digital financial services adoption and financial inclusion among the rural households of Kilembe Sub county, Kasese District?

ii. How does plausibility relate to financial inclusion among the rural households of Kilembe Sub county, Kasese District?

iii. What is the relationship between digital financial services adoption and plausibility among the rural households of Kilembe Sub county, Kasese District?

iv. What is the predictability of digital financial services adoption and plausibility on financial inclusion among rural households in Kilembe Sub county, Kasese District?

v. What is the mediating effect of plausibility in the relationship between digital financial services adoption and financial inclusion among rural households in Kilembe Sub county, Kasese District?

1.7 Scope of the Study

1.7.1 Content Scope

The major concepts which were tackled in this study were digital financial services adoption, plausibility and financial inclusion. The concept of digital financial services adoption was studies as an independent variable, whereas plausibility was a mediating variable. Financial inclusion was explored as a dependent variable. The study's major focus was to examine how variables relate. The predictability of digital financial services adoption and plausibility on financial inclusion was equally be explored. Moreover, the study went on further to examine the mediation of plausibility in the relationship between digital financial services adoption and financial inclusion.

1.7.2 Geographical Scope

The study was conducted among the rural households of Kasese District because the area was ranked to have one of the highest unbanked households. FSD (2023) denotes more than 93% of communities in this area are financially excluded.

1.7.3 Time Scope

This study was conducted from January 2024 to March 2025.

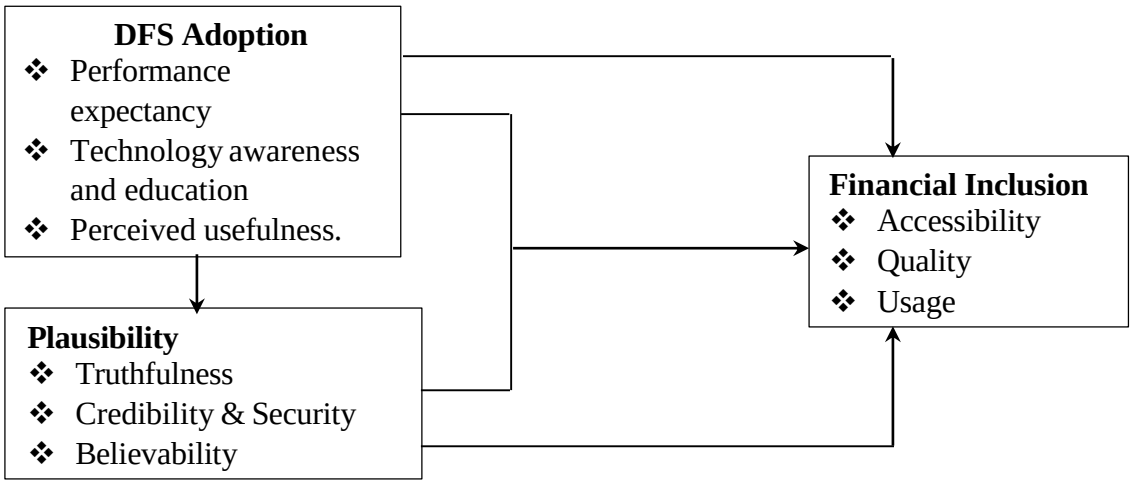
1.8 Significance of the study

This study is expected to have managerial, leadership, policy and economic contributions. From a managerial perspective, the study will enrich information regarding the relevance of digital financial services' adoption and inclusion to guide futuristic decisions.

Policy makers from the study will formulate policies of engagement between the different financial related boards such as the department for information development (DFID), Financial Sector Deepening Uganda (FSDU), (UBOS), (BOU) and rural households on the issues of financial inclusion.

Future researchers are bound to use this study as a source of reference as they undertake studies containing any of the variables herein.

1.9 Conceptual Framework



Source: *Aduja & Kalunda, 2012; Atadouanla Segning et al., 2024; Beck, Senbet, & Simbanegavi, 2015; CGAP 2012; Claessens & Rojas-Suárez, 2020; Kikulwe, 2018; Kilimvi & Ezekwesiri, 2023; Lombardi et al., 2016; Munyegera & Kaggwa, 2017; Perlman, 2018*

The conceptual framework expressed the diagrammatic roadmap of the study. It postulated that financial inclusion is the dependent variable and it's conceptualized in terms of accessibility, quality, and usage of financial services (CGAP 2012; De la Torre & Schmukler, 2017; Shihadah,

2020; Perlman, 2018). According to this framework, digital financial services adoption relates with financial inclusion. In particular, it reveals that perceived usefulness of the digital financial services will enhance usage of financial service hence financial inclusion (Atadouanla Segning et al., 2024; Claessens & Rojas-Suárez, 2020; Munyegera & Kaggwa, 2017). Furthermore, it denotes that technology awareness increases accessibility and adoption of financial products hence financial inclusion, as it is the case with perceived usefulness (Beck, Senbet, & Simbanegavi, 2015).

On the other hand, the model indicates that plausibility is conceptualized in terms of truthfulness, credibility, and believability of digital financial services. (Lombardi et al., 2016; Sinatra, 2019; Sinatra & Lombardi, 2020). It demonstrates that once digital financial services are true, credible and believable; they significantly enhance adoption and usage of digital financial services by the rural households of Kasese District. Furthermore, this model points out that the digital financial services adoption and plausibility influence financial inclusion (Beck et al., 2015; Kikulwe, 2018; Kilimvi & Ezekwesiri, 2023). Moreover, it postulates that through plausibility, digital financial services adoption can stimulate financial inclusion, hence a mediating role.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter envisages literature which is explored in line with the study objectives. It also indicates and explains the theory which was adopted to inform this research. The key concepts of the study as emphasized under the content scope in the aforementioned chapter are also comprehensively explained in this particular chapter.

2.2 Theoretical Review

This study was guided by the Diffusion of Innovation theory (Rogers, 2003) This theory postulates that over time, an idea or product gains momentum and diffuses (or spreads) through a specific population or social system. The diffusion of innovations theory is a valuable framework for understanding how new ideas, practices, and products spread through a population (Sutton, 2014). According to Rogers (2003), the theory identifies key players as: innovators, early adopters, early majority, and laggards. It explains that innovators are those open to taking risks and are those first to embrace new ideas. Early adopters are individuals in trying new technologies and assessing their value to society (Dearing & Cox, 2018). The early majority are those that facilitate the integration of an innovation into main stream society and represent the general population. The late majority are people who follow the early majority in adopting innovations as part of their daily lives and are also part of the general population. Laggards are individuals who are slow to adopt innovative products and new ideas compared to the general population (Kaminski, 2011).

This theory is truly applicable to this research in that it defines the way people respond or react to new innovations. For example, while the urban settlers quickly adopt and access new technologies like digital services whom the theory categorizes as early adopters and the others as laggards

which in my context of study are rural households who are slow and actually take long to adopt and access new innovations. The theory of diffusion of innovations aims to describe the process of adoption of new ideas and practices and the reasons behind why the adoption of new ideas can extend over extended periods. (Sutton, 2014).

According to this theory, the rate of diffusion of innovation is influenced by the ratio of rural to urban population with in a society, the educational level of the society, and the degree of industrialization and development (Rogers 2003; Tornatzky & Klein, 1982). The theory of diffusion of innovations is extensively used by marketers to promote the adoption of their products (Yarilet, 2023). For example, the adoption of a digital service starts with a set of people passionate about the product to use it for free in return for sharing it widely. These early adopters are responsible for evangelizing its utility to main stream audiences (Armstrong, 2010). Additionally, the theory points out obstacles met in adopting innovations diffusing into society such as value of the innovations as perceived by society, the level of education, the risks associated with adopting something new, cultural attributes in other words if the innovation aligns the cultural values of a given society, and the level of psychological motivation. The theory is justified because it embraces acknowledges the fact that technology adoption is systematic and discontinuous in nature to explain why different areas continue to experience disproportionate levels of technology adoption. Moreover, the theory embraces that technology is intrinsically driven which gives a strong ground for plausibility.

2.3 Digital Financial Services Adoption

Digital financial services (DFS) are defined as the services that rely on the use of digital technologies which include electronic payments, credit, lending facilities, digital savings as well as insurance products (World Bank, 2020). Digital financial services are still defined in simplest

by Appah, Tebepah and Newstyle (2023) as a suit of financial services utilized by customers via digital technology. Moreover, "Digital financial services (DFs) are viewed today as a relatively low cost means of transactional financial services (Halton, 2015; Perlman 2018). The adoption of digital financial services is accelerated by the speed and accuracy by which service users access the financial service and this is further enhanced by the continuous technological innovation in banking (GSMA, 2020; Pazarbasioglu, Mora, Uttamchandani, Natarajan, Feyen & Saal, 2020; Ebong & Babu, 2021).

Financial services in the digital realm such as mobile money, have increased their usage (Eton, Mwosi, Okello-Obura, Turyehebwa & Uwonda, 2021; Mugume & Bulime, 2022). They not only help with transactions and transfers but also gather user information for forming a credit history to aid in lending (Ebong & Babu, 2021; Okot & Kasekende, 2024). Mobile money refers to money accessible and usable through mobile phones, which has played a significant role in turning mobile phones from mere communication devices into digital finance tools (Jenkins, 2008; Hamdan, Lehmann-Uschner & Menkhoff, 2022; Kitimbo, 2021). From this description about the adoption of digital financial services, it is important to note that adoption depends on how much satisfaction a customer derives from a service. (Salehi, Blanchet, Vassall & Borghi, 2021).

Globally, banks are adopting multiple channel strategies that are intended to meet customer preferences and perceptions with the intention to have their services adoptable by consumers (Deloitte, 2020). Given the scholarly view as regards the adoption of technological innovations in the area of finance, it is true that the speed, accuracy and efficiency of digital services automatically enhance adoption (Alalwan et al, 2017; Gao, Li & Zhao, 2018). However, it is not automatic that adoption of a digital financial service is dependent on its speed, accuracy and

efficiency only but also on other factors for example the degree to which a digital service is available within one's reach (Museba et al., 2021; Arun & Kamath, 2020). More still, mobile money a digital financial service has become more popular because it helps overcome traditional market imperfections like information imbalance and transaction expenses. These factors often prevent low-income individuals from accessing financial services preventing them from escaping poverty (Hamdan et al., 2022; Natile, 2020).

Furthermore, the rise in financial service is emphasized by the greater quantity of mobile money accounts held by adults in comparison to the number of accounts held in commercial banks. (GSMA, 2020). This trend indicates a notable shift towards the acceptance of digital financial services across a broader demographic (GSMA, 2020). The increase in usage of mobile money services is influenced by the wide spread use of mobile devices and the demand for financial products and services among those without access to traditional banking. (CGAP 2013). Research findings indicate that the adoption of mobile services is depend on two main factors: a customer's social circle and specific group of customers classified as early adopters of mobile technology. (CGAP, 2013). Moreover, it's uptake has mushroomed following the outbreak of COVID 19 pandemic (Awinja & Fatoki, 2021; Mugume & Bulime, 2022). Therefore, understanding how digital financial services adoption can stimulate financial inclusion is inevitable.

2.4 Plausibility

The concept of plausibility is interpreted differently by various scholars from different schools of thought for example some scholars regard plausibility as the perceived truth and believability of an idea by individuals or groups who believe it to be true (Hofer, Hartmann, Eden, Ratan & Hahn, 2020; Lombardi et al., 2016). According to Abendroth and Richter (2020), plausibility is believed to stem from the trustworthiness and the source of any information. Similarly, Tversky and

Kahneman (1982) one of the conventional authorities of the plausibility concept postulate it is synonymous to truthfulness and strongly emphasize it is paramount in explaining decision making.

Researchers posit that explanations with strong conceptual coherence and a high word distribution coherence are more likely to be perceived as credible (Abendroth & Richter, 2020). Conversely, if a large amount of baseline knowledge is activated, the scenario would be easy to comprehend. According to these researchers, a scenario is considered credible if prior knowledge aligns with its current understanding. Therefore, the clearer the information about a digital service as well as vast knowledge about it, the more it becomes adoptable and utilized and the reverse is true. (Connell and Keane 2006; Schmidt-Scheele, 2020; von der Au, Rauschnabel, Felix & Hinsch, 2023). The more believable a service appears; the more inclined people are to trust it. In making a plausible judgment, individuals seek to establish a mental connection between a scenario and the existing knowledge about it basing on such analysis to determine whether or not to adopt financial services which are associated with improved efficiency and accessibility (Connell & Keane 2006; Nahari et al 2010).

2.5 Financial Inclusion

Financial inclusion is a dominant terminology which has progressively received much focus and attention. It is defined as a mechanism of providing everyone, irrespective of his/her indifference financial services (Aarakit et al., 2022; Ozili, 2021; Kilimvi & Ezekwesiri, 2023). It is also defined as a mechanism of ensuring that financial services are accessible, affordable and usable for all members of society (Hamdan et al., 2022; Kumar et al., 2017). Moreover, it is the assessment of accessibility, affordability and fairness of financial services (Kaffenberger & Zhang, 2019). Moreover, Finocchairo and Oehmke, 2015 argue that attributes such as standard, suitability, promptness, and cost-effectiveness of financial services.

Quality is one of the dimensions widely applied in assessing financial inclusion (Aarakit et al., 2022; Tay et al., 2022). A critical review indicates that quality is evaluated using a range of criteria which encompass affordability, transparency, convenience, equitable treatment, consumer protection, financial literacy, loan burden and choice. Although aspects such as accessibility, availability, timeliness usage and the regulatory environment including policy framework have also been emphasized (Demirgüç-Kunt, 2020; Finocchairo & Oehmke, 2015). It is agreed that these dimensions tackle many of the obstacles that lead to financial exclusion for the population on the fringes who are marginalized from financial markets due to some form of social exclusion.

Other sources regard financial inclusion as the endeavor to ensure the sustainable delivery of financial products and services to vulnerable and low-income groups in an affordable, transparent and sustainable manner (Ebong & Babu, 2021; Bongomin et al., 2024). Although, it goes without saying financial inclusion has begun to replace greater emphasis on usage. There is evidence indicating that, despite the availability of services, the utilization of these services is often low. For instance, the Mzansi initiative in South Africa resulted in the opening of approximately 6 million bank accounts. However as of 2011 only 3.7 million of these accounts remained active. (World Bank 2014).

Further methods are now being utilized to gauge the extent of financial inclusion. One significant advancement is the use of mobile money accounts to assess financial inclusion (Ebong & Babu, 2021; Hamdan et al., 2022). Mobile money has been particularly recognized as a major contributor to improving financial inclusion in Africa, where other means of financial access are limited. Literature also indicates that the emergence of mobile money services has stimulated the

development of a new form of entrepreneurship, leading to increased job opportunities (Kitimbo, 2021; Okot & Kasekende, 2024). When people are excluded from the financial system, it does not mean that they refrain from using any financial services. Therefore, if those with lower income and other marginalized groups cannot access formally established financial services, they turn to informal financial arrangements (Bongomin et al., 2021).

2.6 Digital Financial Services Adoption and Financial Inclusion.

It has been emphasized that digital financial services adoption stimulated financial inclusion. From one perspective, it is revealed that digital financial services can motivate individuals and households to access loans or credit, thereby enhancing inclusion (Eton et al., 2021; Tay et al., 2022). A World Bank Survey (2015) found that digital financial services has contributed towards account number holders demonstrating how such technologies build a financially inclusive community.

According to Demirgüç-Kunt et al., (2020), the widespread acceptance and engagement in digital banking hinges on the availability of affordable and sustainable financial products and services. It is crucial to offer easily accessible and cost-effective options for the general public (Museba et al., 2021). Expanding digital payment platforms and providing a wider range of digital financial products and services can help include underserved populations particularly those in remote areas with limited access to traditional banks (Cuenca, 2021). As digitalization continues to transform economies across all sectors, there is a growing emphasis on the adoption, usage and accessibility of digital financial services and products. This digital transformation has been recognized as a catalyst for promoting adoption and enhancing global economic development (Cele & Gumede, 2024; Hamdan et al., 2022).

As Al-Smadi (2023) stresses, the financial sector is also leveraging technological intervention to improve financial inclusion, aiming to bring the financially excluded population into the formal economy. The establishment of an inclusive ecosystem that facilitates access to funds, capital growth, and risk reduction is essential for achieving this goal (Osabutey & Jackson, 2024).

However, the high costs of managing multiple accounts, limited access in remote locations, and low transaction volume are barriers to the adoption of digital financial services (Njanike & Mpofu, 2024). The integration of financial instruments and services with electronic networks such mobile banking, internet banking, e-money, smartcard payments and electronic fund transfer, has significantly transformed the financial landscape and facilitated greater adoption and inclusion (Appah et al., 2023; Pazarbasioglu et al., 2020). The inevitability of the adoption of digital financial services and its eventual inclusiveness lies in the reduced cost, convenience, and increased accessibility to users (Yang & Zhang, 2022). The financial industry has transitioned brick-and-mortar model to a virtual structure, drawing the attention of academic researchers (Jack & Suri, 2014). Scholars have studied various factors that influence the demand for technology- enabled services as well as the supply of financial instruments through different channels. Different theories and models have been proposed to analyses the intentions of end users towards these services. (Kasemharuethaisuk & Samanchuen, 2023; Yan, Siddik, Akter & Dong, 2021).

The principles and framework for the adoption of digital financial services and inclusion are fascinating. They are based on social, logical and psychological foundation shading light on how users embrace or reject technology. It is further stressed that when people develop a positive attitude toward digital service, hence adopting it. Therefore, the cost and affordability of the service play crucial role in the adoption financial services ultimately leading to inclusion. (Lenka & Sharma, 2017).

2.7 Plausibility and Financial Inclusion

The plausibility of digital financial services and financial inclusion are interconnected (Klein, 2003). Although, this empirical research is concerned by the fact that most of the prevailing studies in relation to this subject matter are generally old. Digital financial services need to be perceived as accessible and available to abroad spectrum of the population, including, those in remote or underserved areas (Connell & Keane, 2006). Trust and confidence are important aspects of plausibility and are crucial for the acceptance of digital financial services. Establishing trust and confidence can encourage individuals who were previously hesitant to engage with formal financial services to adopt digital alternatives, promoting financial inclusion. (Lombardi et al 2016).

Additionally, digital financial services should be perceived as a cost-effective and efficient compared to traditional banking methods, attracting individuals who might be deterred by high fees associated with traditional banking and thereby promoting financial inclusion (Isberner & Kern-Isberner, 2017). It is essential for users to understand the benefits and functionalities of digital financial services in order for them to appear plausible. (Lombardi et al, 2016). This research is concerned by the fact much as available research consistently embraces plausibility, there is a general lack of recent empirical research. This raises a question as to whether these finding are still applicable.

Increasing financial literacy and awareness about digital financial services can empower individuals to utilize these tools for their financial needs, contributing to greater inclusion. Clear and supportive regulatory frame work also enhances the plausibility of digital financial services (Grohmann & Menkhoff, 2021). Although this research is somewhat recent, it does not specifically

focus on plausibility much as it highlights issues envisaged within the concept as core in stimulating financial inclusion. It is therefore prudent to have a more specific study which can exhaustively explore the potential of plausibility. Regulatory clarity can attract wider range of financial service providers fostering a competitive and diverse ecosystem that is more conducive to financial inclusion. (Khandker, 2011). Continuous innovation and the ability to tailor services to diverse needs enhance the plausibility of digital financial solutions. (Lombardi et al, 2016).

Another important aspect influencing digital financial services they should be intuitive and user-friendly. Appositive user experience can encourage individuals with varying levels of technology proficiency to adopt digital financial tools promoting financial inclusion (Sinatra & Lombardi 2020). Therefore, the plausibility of digital financial services influences their adoption and this adoption in turn, plays a crucial role in advancing financial inclusion. (Kaffenberger & Zhang 2019).

2.8 Digital Financial Services Adoption and Plausibility

Empirically, most of the studies contend that digital financial services adoption and plausibility relate (Eton et al., 2021; Tay et al., 2022). Although this is the case, there is a lack of consistence when it comes the determination of which factor in particular influences the other. Some of the scholars premise that digital financial services adoption is the one which results in plausibility (Abendroth & Richter, 2020; Hofer et al., 2020; Lombardi et al., 2016). In their argument, they propose that an individual cannot develop a positive belief and acknowledge credibility of a given technology which he/she has not interfaced with. In fact, a study by, Demirgüç-Kunt et al., (2020) expressed that first time usage of technology is important because it facilitates an environment where a customer can have practical experience towards technology. The study indicates that most

potential customers tend to have a multitude of assumptions and stereotypes regarding digital innovations which can only change if one adopts and interfaces with technology directly. With the same reasoning, previous researchers, especially Cele and Gumede (2024) and Hamdan et al., (2022) obtained that digital financial services adoption is paramount because it is driven by one's usefulness and efforts expectations which contribute significantly towards promoting plausibility.

On the other side of the coin, there is a growing body of knowledge which argues that its rather plausibility which determines one's desire to adopt technology including digital financial services. Notably Isberner and Kern-Isberner (2017) as well as Lombardi et al, (2016) all contend that attitude and perception are the ones which influence the decision to adopt technology. Moreover, these studies emphasize that perception and attitude are a matter of how plausible individuals are. Furthermore, research by Grohmann and Menkhoff (2021) expressed that development of positive belief and perception of credibility makes individuals to consider embracing specific technology.

The different schools of thoughts that continue to prevail between digital financial services adoption and plausibility suggests a desire for further study and the need to identify which reasoning to sideline with. In this research, it is suggested that either way, the relationship between the two variables actually exists and that the issue of which factor influences the other is largely dependent upon the status of the customer. Some individuals, as earlier emphasized in the Diffusion of Innovation theory are generally innovators who appreciate any innovation which they come across. According to this study's reasoning, these people impliedly have a positive feeling and perception towards technology to the extent that their believability and credibility is high. This could be different when it comes to late adaptors and laggards who want to adopt technology when they are sure it is appropriate.

2.9 Digital Financial Services Adoption, Plausibility and Financial Inclusion

Generally, there is limited empirical research demonstrating how digital financial services adoption and plausibility can contribute to financial inclusion. Instead, most scholars elaborate how either plausibility or digital financial services adoption are paramount. Amidst this paucity, Weik (2023) denotes plausibility, and adoption are paramount in financial inclusion, although this conclusion is not backed up with any form of empirical findings. The research stresses that plausibility instigates belief in the truthfulness of a scenario hence boosting financial inclusion. On the other side of the coin, Lombardi et al., (2016) indicate when it comes to digital services, once people believe in a digital service, they are more likely to rely on it and use it frequently. The seriousness attached to digital financial services also speeds up their adoption which in turn influences their inclusion (Eton et al., 2021; Tay et al., 2022). However, Nordman (2019) emphasizes that plausibility alone does not guarantee adoption and usage.

Notably, Weinstein and Turner (2012) note that plausibility measures how well an assumption aligns with our existing knowledge. Whereas, Spohn (2012) indicates that perceived reality of digital financial services significantly influences their adoption, subsequently advancing inclusion. Likewise, Janasike (2021) reveals that plausibility reflects our level of certainty (probabilistic beliefs), which boosts the likelihood of acceptance, ultimately fostering inclusion. Therefore, any service approached with precision, raises the chances of adoption which in turn advances inclusion. Plausibility in a given service guides decisions regarding its adoption, enabling its use and inclusion. An indication that when a service is considered plausible it undoubtedly influences adoption which adoption in turn accelerates its inclusion.

This is also further extended by Sinatra and Lombardi (2020), especially where they demonstrate that plausibility refers to likelihood of a claim, issue, or service being true or valid. On that note,

they conclude that plausible people quickly adopt an idea /service that is potentially truthful and such a truthful service draws many users as quickly as possible. However, it is important to note that research explaining the relationship between digital financial services, plausibility and financial inclusion is predominant in other areas and not Uganda. The current research seeks to close this gap.

2.10 Mediation effect of Plausibility in the relationship between Digital Financial Services Adoption and Financial Inclusion

There is significantly little empirical research to explain the mediation of plausibility in the relationship between digital financial services adoption and financial inclusion. Most of the studies available simply deduce this relationship (Eton et al., 2021; Tay et al., 2022). Some of the studies are of the view that adoption of technology is driven by the extent to which individuals perceive technology, although the perception is equally well-defined by plausibility (Abendroth & Richter, 2020; Hofer et al., 2020; Lombardi et al., 2016). On the other hand, academia emphasize that plausibility is essential because plays a crucial role in shaping behavior and attitude of individuals including the extend to which they intend to adopt information technology (Cele & Gumede, 2024; Demirgüç-Kunt et al., 2020).

On the other hand, Hamdan et al., (2022) reveal that digital financial; services adoption is paramount in stimulating financial inclusion, although it cannot singularly attain this objective. Rather, factors crucial in changing attitude and behaviour of people are core because they stimulate mindset change and increased desire to stimulate behavioural intentions. Although this study does not specifically highlight some of those factors, the study presumes that is possible that plausibility could be one of them since it is an attitudinal driver. Although, this remark can be concluded through comprehensive empirical research. The mediation is clearer where Lombardi et al (2016)

noted that perceiving digital financial services as a cost-effective and efficient compared mechanism as opposed to the traditional banking methods, plausibly increases individual intention to use it and enhance financial inclusion. Moreover, others postulate that seriousness attached to digital financial services their expression of plausible attitude which contributes significantly towards enhancing financial inclusion (Eton et al., 2021; Nordman, 2019; Tay et al., 2022).

2.10 Conclusion

Financial inclusion has gained prominence as an essential factor that stimulates efficiency and effectiveness of the economy. One of the factors recognized as fundamental in stimulating financial inclusion is digital financial services' adoption and plausibility. However, an empirical gap is eminent especially in Kasese district as far as understanding the role of digital financial services and plausibility as far as financial inclusion is concerned.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter contains the body of methods and procedures that were undertaken to ensure that research objectives and questions are addressed.

3.2 Research Design

The research design which was applied in this study was cross-sectional. In addition, the study undertook a quantitative approach. The decision to undertake a cross-sectional research design was based on the fact that it facilitates drawing conclusions and recommendations within a short period because it ensures that data to be used for this study purpose is obtained just once or in a snapshot (Creswell & Inoue, 2024). In addition, cross-sectional designs minimize bias in interpretation of results as it sticks to the natural phenomenon under investigation (Bono & Namara, 2011). Quantitative research approach was undertaken because of its ability to specifically show the cause-and-effect relationship between variables because it quantitatively reports results (Onwuegbuzie & Johnson 2006).

3.3 Study Population

The study population comprised 2,508 rural households in Kilembe Subcounty in Kasese district in Western Uganda (UBOS, 2017). This subcounty was selected because it was considered among the sub counties with the worst financial inclusion in Kasese district. This sub county is comprised of 7 parishes, and 20 villages.

3.4 Sample Size and Sampling Technique

A sample size of 344 households was used. This sample was scientifically derived using Yamane

(1967) formula. The study used this method of its associated with high level of accuracy in the estimation of sample from a given population. It ensures that a significant proportion of the sample is obtained from the population (Creswell & Inoue, 2024).

Stratified random sampling was used to obtain the sample size. This involved categorizing households according to their respective parishes and villages. The researcher ensured that each of the identified household was captured with a unique identifier. This method was used because it guarantees that the sample selected is comprehensive and constituent of the entire study scope (Creswell & Inoue, 2024). The number of households from each stratum was determined through a proportionate approach because it ensures a proportional representation of the population (Bhardwaj, 2019). Some of the household lists used in the study were obtained from the sub county chiefs and local council leaders. The researcher also applied a systematic sampling criterion by selecting the n^{th} household within the area until the expected household sample in the parish/village was obtained. The technique applied this method because it is associated with a possibility of attaining a high response rate because of the fact that it recognizes sample dummies as potential samples (Rahman, 2023).

3.4.1 Unit of Analysis

Households in Kilembe Sub county served as the unit of analysis.

3.4.2 Unit of Inquiry

Household head member, preferably a woman in a given household was considered as the unit of inquiry. The study focused on women because they are characterized as one of the most disadvantaged and vulnerable group experiencing financial exclusion (FSD, 2023).

3.5 Data Source

The study engaged primary data sources. This source is associated with providing firsthand information which is fit for the study. Moreover, primary data sources provided recent information contributing towards data accuracy (Aguiar, 2024).

3.6 Data Collection Instrument

The study applied a questionnaire instrument to collect data. (Raoprasert, Islam, Raoprasert & Islam, 2010). This instrument was used because it provides respondents with anonymity compared with other approaches. (Chandler, 2020). And this anonymity puts respondents at ease and encourages them to answer truthfully, which is great when you are trying to get a more honest and accurate picture of your subject under investigation. (Taherdoost, 2021).

The instrument was designed with a 5 Likert scale. The scale was used because it offers nuanced insights into opinions or attitudes (Creswell & Inoue, 2024).

3.7 Measurement of Variables

Digital financial services adoption was conceptualized in terms of performance expectancy, technology awareness and perceived usefulness (Hilbert, 2018; Keffenberger et al., (2018) The Items under DFS adoption were drawn from previous work of Zainudeen et al., (2017). These Items were modified to make them adaptable to the context of the study before they are subjected to the 5-point Likert Scale. (Likert, 1932).

Plausibility was conceptualized in terms of truthfulness, credibility and security, and believability. These factors have been emphasized as essential components in comprehending plausibility (Abendroth & Richter, 2020; Hofer, Hartmann, Eden, Ratan & Hahn, 2020; Lombardi et al., 2016). The Items that were used under this concept were adopted from previous scholarly works of Connell 2004; and Connell & Keane (2006). These were modified to fit the study context before

they were anchored on a 5-point Likert Scale.

Financial inclusion was comprehended in terms of financial accessibility, financial quality and financial affordability (Aarakit et al., 2022; Bongomin et al., 2021; Demirgüç-Kunt et al., 2020; Tay, Tai & Tan, 2022). The Items were obtained from previous work of Ma and Chao (2011), which were modified to fit the study context before they were subjected to a 5-point Likert scale for respondents to give their opinions.

3.8 Validity and Reliability

3.8.1 Validity

The validity of the questionnaire was determined using expert judgment and pilot study. Expert judgment involved presenting a draft questionnaire to the supervisors for their guidance. The suggestions and recommendations suggested by the supervisors were considered when amending the instrument. In the quest to obtain content validity, the researcher distributed the instrument to different people, not necessarily part of the sample to check for their understandability of the subject matter using an instrument which contained two options of "relevant" and "not relevant". Some of these people include; researchers and IT experts. Based on the responses obtained, the researcher computed CVI using the method; CVI=K/N; where K represented Items which were recognized as relevant, while N was the total number of questions under a specific construct/variable. As a general rule, the minimum recommended CVI should be 0.7 (70%) for the tool to be considered as contained valid items (Almanasreh, Moles & Chen, 2019). This threshold was put into consideration when evaluating validity of this instrument. Moreover, the result obtained through this exercise is presented under table 3.1

3.8.2 Reliability

Reliability of the instrument was determined through pretesting and examining the Cronbach

coefficient. The researcher carried out a mini-survey of 15 questionnaires in with households in another sub county, other than the Kilembe where the study was sought to be carried out. This was conducted to establish consistence in the responses and creating room for further adjustment of the instrument. Cronbach Alpha coefficient for each variable was further obtained from results to establish the consistence responses. According to Nunnally and Bernstein (1994), a Cronbach Alpha Coefficient of at least 0.7 should be obtained under each variable for results obtained to be considered reliable. The results obtained during this exercise are presented under table 3.1.

Table 3.1: Validity and Reliability

Variable/Construct	CVI	Cronbach's Alpha	N of Items
Digital Financial Services Adoption	**0.767**	**0.868**	**13**
Performance expectancy	0.8	0.866	5
Technology awareness & Education	0.75	0.858	4
Perceived Usefulness	0.75	0.879	4
Plausibility	**0.800**	**0.832**	**15**
Truthfulness	0.8	0.885	5
Credibility & Security	0.8	0.857	5
Believability	0.8	0.753	5
Financial Inclusion	**0.771**	**0.833**	**17**
Financial Accessibility	0.8	0.711	5
Financial Quality	0.714	0.895	7
Financial Usage	0.8	0.894	5

Source: Primary Data

From table 3.1 validity for each of the variables was above 0.7. The results in this case meant that the instrument contained good measures. This implied that the Items contained in the instrument were good, hence capable of obtaining data related to the studied variables. On the other hand, the reliabilities obtained were above the minimum of 0.7. This meant that the results obtained had reasonable consistence. The implication is that the results obtained were good enough not only for drawing conclusions and recommendations, but also reflective of the status quo of the status quo

3.9 Data Analysis, Presentation and Interpretation

Statistical package for social scientists (SPSS) version 25 was used to analysis. Results were presented using frequency table and inferential statistics. Frequency tables were applied on demographic characteristics results, while inferential statistics were applied to address study objectives.

3.10 Ethical Consideration

This study was conducted in line with specific ethical standards. The researcher made sure that an introductory letter is received from the university before undertaking the data collection process. The researcher went to Kilembe sub county seeking for official authorization to carryout research across households within the area. Participation in this study was also voluntary. A household member had the right to participate or not to participate in the study. Those who accepted to participate were also at liberty to discontinue participation at any time of their will. Worth noting, the researcher did not give any financial or promise any sort of benefit to as a technique of persuading potential respondents to participate in this research.

CHAPTER FOUR

PRESENTATION AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter provides results that were obtained from the practical investigation that was carried out from the study area. The results which were obtained relate to demographic characteristics, correlational and regression analyses results. These results are presented and interpreted accordingly to derive meaning and implications. The chapter also reports on the response rate that was attained.

4.2 Response Rate

The study methodologically targeted a total of 344 households from which one household member, preferably a woman was supposed to participate in the research. Only 219 households accepted to participate in the study and subsequently allowed to be interviewed by research assistants. In other words, this research achieved a response rate of 63.6%. The response rate obtained is considered acceptable in basic research which emphasizes a minimum of 60% (). The implication is that the study obtained adequate data which was sufficient enough to be relied on for making generalizations to the entire study area of households within Kilembe sub county.

4.3 Demographic Characteristics

This study obtained information regarding respondents' characteristics which include; sex, age bracket, education, economic activity, average monthly income, digital financial services, and digital banking services as indicated in table 4.1.

Table 4.2: Demographic Characteristics

Demographic Characteristic	Freq (n=219)	Percent
Sex		
Male	71	32.4
Female	148	67.6
Age bracket		
18-24yrs	15	6.8
25-29yrs	40	18.3
30-34yrs	47	21.5
35-39yrs	55	25.1
40-44yrs	23	10.5
45-49yrs	18	8.2
50yrs above	21	9.6
Education		
Never attended	33	15.1
Primary	147	67.1
Secondary Ordinary Level	37	16.9
Vocational Technical	2	0.9
Economic activity		
Farmer	182	83.1
Retailer	3	1.4
Food & Grocery	1	0.5
Charcoal & Fuels	11	5.0
Trader (Produce Buyer)	2	0.9
Tailor	20	9.1
Average monthly income		
Less than 10000	25	11.4
10000-25000	28	12.8
25001-50000	63	28.8
50001-75000	41	18.7
75001-100000	18	8.2
100001-200000	22	10.0
200001-400000	22	10.0
Digital financial services in your area		
Mobile Money Payments	50	22.8
Mobile Money Credit	46	21.0
Mobile Money Savings	123	56.2
Digital banking services		
Agent Banking	4	1.8
None	140	63.9
I don't know	75	34.2

Source: Primary Data

Table 4.1 indicated that majority were females representing 67.6%. This could be justified because of two reasons; first, the study targeted mainly women because of their high vulnerability as far as financial inclusion is concerned. Secondly, most women were housewives who never engaged in economic activities which necessitated them leaving their respective households. This has negative implications on financial inclusion on women because it minimizes their opportunity to access various financial services. In addition, women operation around households intensifies financial services information asymmetry which would prove inevitable in increasing their engagement in formal financial services.

Results in relation to education indicated that respondents were aged between 35-39 years (25.1%). Moreover, a significant number of respondents were noticed to range between 18 and 34 yrs (4.36%). With these results, it meant that most of the people in rural households in Kilembe sub county are young. This signifies a high potential to ensure a financially inclusive society considering the innovativeness of young people.

As far as education level is concerned, the results obtained that most of the respondents had acquired primary education constituting of 67.1%. These results meant that most households were less educated, which further suggests that they possessed less acquired skills, knowledge and abilities. According to this study, low education has negative implications on financial inclusion because such people are characterized with low comprehension of financial literacy which is commonly acquired through teaching and learning.

Results in table 4.1 further indicated that most majority of the respondents were engaged in farming as their primary economic activity. The implication is that majority of the households were characterized with seasonal cashflows. The inconsistence in inflows could be affecting financial

inclusion especially minimizing consistency in financial accessibility and financial usage.

Furthermore, majority earned between 25001-50000 (28.8%). This meant low cashflows among households. The low cashflows significantly affect financial inclusion since it propels household members to engage in informal financial services such as Village Savings and Loan Associations (VSLAs) because of the minimal savings capacity.

Respondents expressed that the digital financial service they were conversant within the area was mobile money savings (56.2%). The results meant that mobile money savings was the most digital financial service which households were mainly conversant. In this case, the results implied high usability of mobile money service. The results further implied that the majority of the households have legitimized mobile money as a convenient and easy way through which they can save.

Results further noticed that majority of the respondents expressed that there were no digital banking services that were available within their area (63.9%). A significant number also expressed that they did not know of any digital banking services which existed within (34.2%). These results implied that the degree of facilitating conditions to support financial inclusion were less prevalent. At the same time, these results implied that a significant number of households encountered lack of digital financial services information. These are bound to affect financial inclusion because they obstruct those interested in using digital financial services from accessing them due to their unavailability or lack of appropriate information on where to access services within their area.

4.4 Correlation Analysis

The study used a Pearson Correlation Analysis to examine the association between studied variables. This model was applied mainly to establish whether an association manifested, and if

so; the nature of the association either positive or negative. These results are presented under table 4.2.

Table 4.3: Pearson Correlation Analysis

Variable/Construct	1	2	3	4	5	6	7	8	9
Digital Financial Services (1)	1								
Performance Expectancy (2)	.727**	1							
Technology awareness (3)	.680**	.585**	1						
Perceived Usefulness (4)	.567**	.514**	.376**	1					
Plausibility (5)	.529**	.413**	.405**	.555**	1				
Truthfulness (6)	.525**	.557**	.620**	.515**	.403**	1			
Credibility (7)	.499**	.336**	.412**	.529**	.549**	.455**	1		
Believability (8)	.410**	.302**	.308**	.417**	.442**	.275**	.452**	1	
Financial Inclusion (9)	.618**	.533**	.508**	.591**	.635**	.544**	.635**	.492**	1

Note: n=219; **. Correlation is significant at the 0.01 level (2-tailed).

Source: Primary Data

4.4.1 Digital Financial Services Adoption and Financial Inclusion among the rural households

Results in table 4.2 revealed that there is a significant and positive relationship between digital financial services adoption and financial inclusion (r=.618, p<.01). Based on these correlation results, it meant that enhancing digital financial services adoption increases the propensity of financial inclusion. The implication is that building financially inclusive households requires them to integrate and utilize digital financial services. Results further indicated significant and positively association between perceived expectancy and financial inclusion (r=.533, p<.01); technology awareness and financial inclusion (r=.508, p<.01); and perceived usefulness and financial inclusion (r=.591, p<.01). In this case, this meant that enhanced perceived expectancy, perceived usefulness, and technological awareness is more likely to boost financial inclusion.

4.4.2 Plausibility and Financial Inclusion among the rural households

There is a significant and positive relationship between plausibility and financial inclusion as indicated in table 4.2 ($r=.635$, $p<.01$), meaning that enhanced plausibility is likely to translate in financial inclusion. The results therefore implied that households need to enhance plausibility to increase on the possibility of stimulating financial inclusion. Furthermore, the results indicated that truthfulness is significantly and positively associated with financial inclusion ($r=.544$, $p<.01$). These results meant that the more households perceive truthfulness is the more likely they would enhance financial inclusion. The results also revealed that there is a significant and positive association between credibility and financial inclusion ($r=.635$, $p<.01$). The results meant that enhanced credibility is bound to enhance financial inclusion. A significant and positive association was also reflected between believability and financial inclusion as indicated in table 4.2 ($r=.492$, $p<.01$). The results implied that enhanced believability is more likely to stimulate financial inclusion.

4.4.3 Digital financial services adoption and plausibility

Results in table 4.2 revealed a significant and positive relationship between digital financial services adoption and plausibility ($r=.529$, $p<.01$). The results meant that enhancement of digital financial services adoption is bound to enhance the propensity of plausibility. The results therefore implied that it is necessary enhance boost digital financial services adoption if households are to become more plausible. Results further indicated that performance expectancy is significantly and positively associated with plausibility ($r=.413$, $p<.01$). Additionally, the results obtained that there is a significant and positive association between technology awareness and plausibility ($r=.405$, $p<.01$). The results meant that boosting technology awareness is bound to enhance plausibility. Furthermore, the results obtained a significant and positive association between perceived

usefulness and plausibility (r=.555, p<.01). accordingly, the results meant that enhanced perceived usefulness stimulates the possibility of enhancing plausibility.

4.5 Regression Analysis

The study further carried out Multiple regression analysis to be able to examine the significance and predictability of studied variables on the dependent variable. To interpret this, the study based on values of Adjusted R^2, Beta (β) and significance value also referred to as the p-value. The study further examined the relevance of the overall regression model by examining the F-value, and its corresponding significance. These results are presented in table 4.3.

Table 4.4: Multiple Regression Model

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.493	0.165		9.072	0.000
	Digital financial services adoption	0.302	0.043	0.393	7.021	0.000
	Plausibility	0.344	0.045	0.427	7.631	0.000
		R	**R^2**	**Adjusted R^2**	**F**	**Sig.**
		.717[a]	0.514	0.509	114.058	.000[b]

Note: Dep Var: Financial inclusion; Independent variable; Digital financial services adoption; Med Var: Plausibility

Source: Primary Data

From table 4.3, the overall regression model obtained F-value=114.058, Sig=.000<.05 in the regression of digital financial services adoption and plausibility on financial inclusion. These results meant confirmed that there was a statistically significant linkage which manifested between digital financial services adoption, plausibility and financial inclusion. Therefore, these results implied that the model contained reliable results which were good enough for drawing conclusions regarding the interconnection obtained. As indicated in the table, Adjusted R2=509 was obtained

between the relationship between digital financial services adoption, plausibility and financial inclusion. The results meant that digital financial services adoption and plausibility statistically significantly predicted up to 50.9% of the variances in financial inclusion. From the table, it was revealed that digital financial services adoption revealed Beta=.393, $p<.05$. The results affirmed that digital financial services adoption significantly predicted financial inclusion.

On the other hand, the model revealed Beta=.427, $p<.05$ correspondent to plausibility. The results meant that plausibility significantly predicted financial inclusion. Furthermore, the Beta results indicated that of plausibility was higher (.427) compared to that of digital financial services adoption (.393). This meant that plausibility predicted higher variances in financial inclusion than digital financial services adoption. Therefore, the results implied stimulating financial inclusion necessitates both digital financial services adoption and plausibility. Although, the higher contribution depends on the degree of plausibility.

4.6 Mediation Effect of Plausibility the relationship between digital financial services and financial inclusion

The study applied a Med-Graph to examine the mediation of plausibility in the relationship between digital financial services adoption and financial inclusion. These results are presented in figure 4.1.

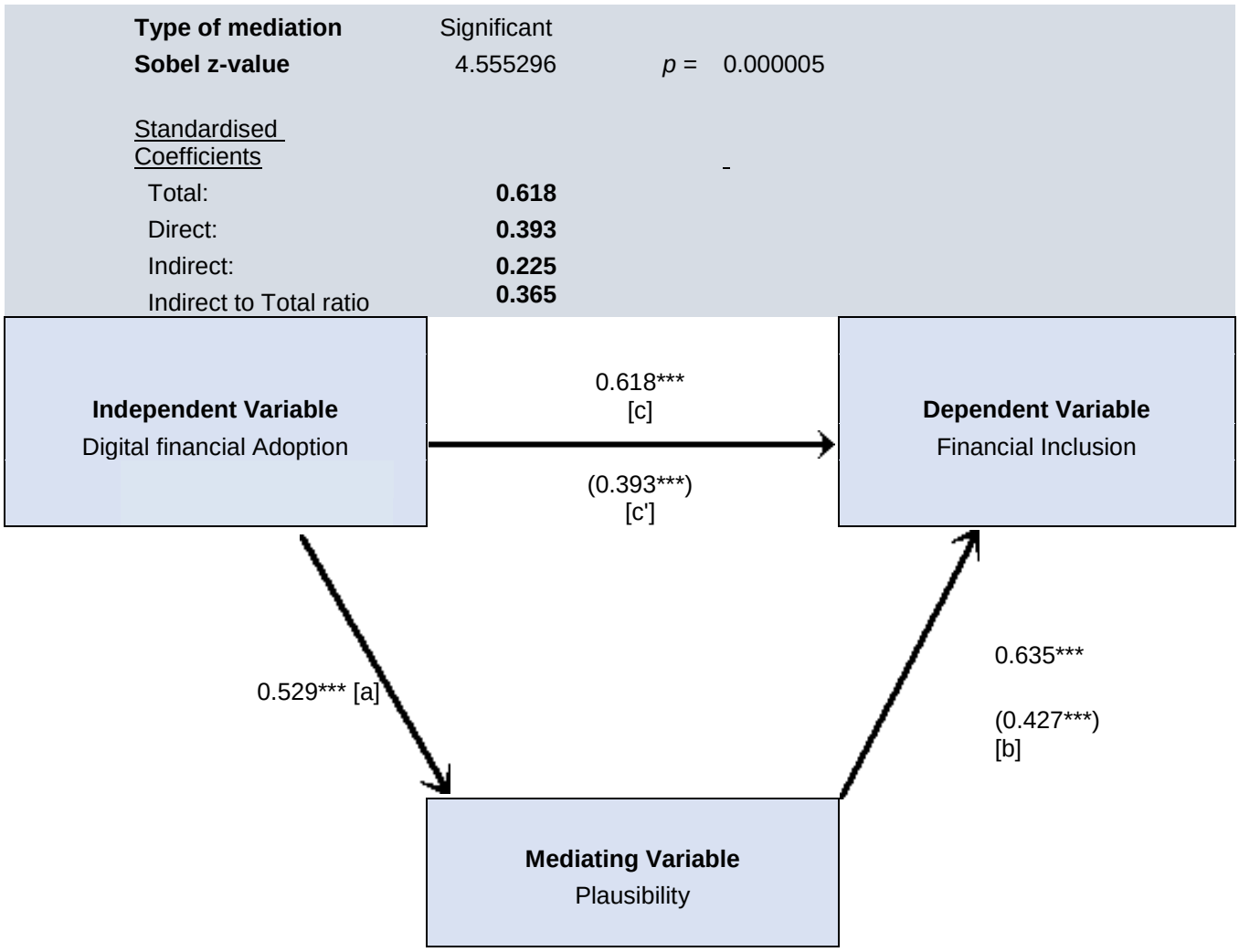


Figure 4.1: Mediation Effect of Plausibility the relationship between digital financial services and financial inclusion

Results in Figure 4.1 reveals a statistically significant relationship between digital financial services adoption and financial inclusion (r=.615, p<.001). In addition, the results that plausibility is statistically significant with financial inclusion (r =.635, p<0.01). Results also indicate that the relationship between the presumed mediator (plausibility) is statistically significant with financial inclusion (r =.635, p<0.01). more so, there is a significant relationship between digital financial services adoption and plausibility (r=.529, p<.01). The results fulfill the conditions upon which it can be concluded that a mediation manifests between the studied variables. Further analysis of the

results indicated that the significance of the basic relation (digital financial services adoption and financial inclusion) remained significant, even with the inclusion of the mediator into the analysis ($r=.618$ to $r=.393$; $p<.01$). Although this is the case, the degree of significance following the inclusion of the mediator reduced significantly .225 as reflected under the coefficients results. The decline meant that plausibility partially mediated the relationship between digital financial services adoption and financial inclusion. Specifically, results indicated that plausibility partially contributed 36.4% (0.225/0.618*100) in the total variance between digital financial services adoption and financial inclusion.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter discusses findings as obtained herein by comparing them with previous scholarly findings to establish any consistencies and contradictions thereof. It goes ahead to explain provide conclusions based on key findings, before deriving recommendations. This chapter also indicates the limitations identified with this study in addition to highlighting future areas for study.

5.2 Discussion of Findings

5.2.1 Digital Financial Services Adoption and Financial Inclusion among the rural households

It was found that digital financial services adoption positively relates with financial inclusion. The meaning we extract from these findings is that when rural households scale up the adoption and use of digital financial services, it is more likely that financial inclusion in such an area will equally improve. As this research argues, digital financial services are inclusive because they are virtual, enabling rural communities to easily access financial services whenever, wherever anytime. This would contribute towards financial inclusion because it would enable rural households' easy financial access which is an important aspect in examining financial inclusion.

In addition, this research also postulates that digital financial services play an important role in promoting financial inclusion since their existence minimizes the geographical disadvantage that rural communities face. These societies are in most cases located in areas which do not have physical branches for financial providers. With the adoption of digital financial services, rural communities would be able to access financial services conveniently and efficiency, thereby

enhancing their financial inclusion. Because accessibility of financial services through digital platforms does not necessitate movement, their contribution towards financial inclusion especially ensuring that people have access to low cost and efficient services can also be more evidenced. The findings are consistent with previous scholars who emphasized that digital financial services motivate individuals and households to access financial services because they are convenient and user friendly hence promoting financial inclusion (Eton et al., 2021; Tay et al., 2022). In the same way, Demirgüç-Kunt et al., (2020) expressed that the adoption of digital financial services automatically transits in financial inclusion because it brings financial services near households thereby improving accessibility and financial availability.

Therefore, this study informs policy makers to adopt strategies which can entice rural households to adopt digital financial services. According to this research, this is important considering that digital financial services are virtual and therefore can reach anywhere amidst the natural geographical obstacles that exist. Additionally, the findings further contribute towards our empirical understanding of the relationship between digital financial services adoption and financial inclusion, more so in a rural context.

Further extension of findings denoted that performance expectancy is positively associated with financial inclusion. These findings meant that as rural households become more and more expectant with digital financial services, the more it is likely to contribute towards their financial inclusion. To stress these findings, this research emphasizes that enhances performance expectancy plays a crucial role in guiding consumer behaviour, especially the decision making. The more people perceive prevailing digital financial services as one that can address their financial needs, the more they will get attracted to use the technology whenever a financial need arises, hence increasing financial usage which is one of the preconditions for financial inclusion. Henceforth,

with these findings, it can be emphasized that as long as rural households perceive digital financial services as safe and secure, the more they will be driven to utilize digital financial platforms to access financial services, thereby increasing financial access. If they perceive digital financial platforms as easy, the more they will opt to utilize digital financial services contributing towards addressing financial access challenges within the area.

Likewise, earlier research by Appah et al., (2023); and Pazarbasioglu et al., (2020) expressed that individuals often adopt technology which they have some confidence that it will address their expectations. The findings were also found to contend with the proposal emphasized by Yang and Zhang (2022) who indicated that individuals adopt technology upon building confidence that the technology which play an important role in addressing specific financial needs. In this case, it can be argued that technology adoption is psychologically driven. As long as an individual portrays positive psychological attachment, he/she will be driven to appreciate digital financial services subsequently stimulating financial inclusion.

Furthermore, this study obtained a positive relationship between technology awareness and financial inclusion. These findings meant that the more technology aware households become, is the more likely they would become financially included. In the same way, this study contends that the desire and willingness to use technology is driven by the degree of exposure. Technology awareness has the capacity to increase one's knowledge, skills, and abilities to use technology. These attributes are inevitable because they are associated with enhancing self-esteem and confidence which are instrumental in making many people to become envisaged within the financial system thereby improving on financial inclusion. Therefore, it is right to state that technology awareness would increase the desire and willingness of rural households to perceive digital devices such as smart phones, tablets, and laptops as easy to use. As a consequence, this

will increase the number of digital devices possessors within the area, which would increase the likelihood of using digital financial services in the near future hence enhancing financial access. In addition, the findings further posit that possession of necessary skills to use digital financial services which is inevitable in stimulating financial inclusion. Indeed, it is emphasized that people with skills tend to be confident and express high eagerness and exhibit innovative mindsets which is likely to increase their willingness to adopt digital financial services. The usability of such services will automatically play a crucial role in promoting financial usage and access which are key preconditions for a financially inclusive community.

Theoretically, the findings complement the diffusion of innovation theory which was initiated by Rogers (2003). This theory strongly emphasizes the need to boost communication as a means of promoting individual intention and actual diffusion of technology. In light of this emphasis, it can be argued that technology awareness is an outcome of communication. The relevance of technology awareness in promoting financial inclusion is a signal that diffusion of technology is indeed unlikely to happen without technological knowledge, which is in actual sense stimulated by the prevailing the various communication endeavors. Empirically, the relationship between technological awareness and financial inclusion is almost nonexistent. Indeed, scholars such as Cele and Gumede (2024), and Hamdan et al., (2022) mainly emphasize the need to promote digital financial services to promote financial inclusion, without necessarily indicating the mechanisms through which this can be achieved. Therefore, the current research is important because it provides more detailed findings illustrating how technology awareness as one of the constructs for digital financial services adoption can contribute towards financial inclusion. It further provides an insight of what managers need to do to boost financial inclusion as it affirms that creating technology awareness is one of the yardsticks.

Additionally, the findings established that perceived usefulness is one of the key components in digital financial services adoption. In essence, the study noted that there is a positive relationship which manifests between perceived usefulness and financial inclusion. The usability of such technology correspondingly promotes financial usage and improves financial quality because it provides a platform where community members are able to access financial services without having to labour so much in time of time and cost. Further, according to this research, individuals exhibit different technology adoption behavioral tendencies.

This reasoning is supplemented by Njanike and Mpofu (2024) who indicated that perception plays a crucial role in determining individuals' intention and actual usage of technology. On the other hand, Kasemharuethaisuk and Samanchuen (2023) postulate that digital financial services adoption is necessary in boosting financial inclusion. This study is therefore inevitable in a way that it provides locally bound findings indicating clearly that perception indeed plays a crucial role in determining technology adoption, specifically digital financial services adoption. Moreover, the consistence established between this study and previous scholars demonstrates that the essence of perception cuts across different environments.

In line with this argument, it can be argued that rural household members who perceive digital financial services as time saving stand will stand a higher chance of utilizing these platforms to access financial services. The findings further communicate that rural households are more likely to adopt digital financial services if they consider these technologies as convenient, thereby enhancing the level of financial inclusion. More so, the study is of the view that increased perception of technology as a key enabler for accessing financial services anywhere anytime will encourage time cautious household members to consider adopting and utilizing such technology.

5.2.2 Plausibility and Financial Inclusion among the rural households

Findings revealed that there is a positive relationship between plausibility and financial inclusion. These findings meant that the more plausible individuals become, is the more likely they are bound to become financially inclusive. Afterall, this research is of the view that plausibility stimulates one's intrinsic and psychological satisfaction in performing a specific behaviour. This means that plausibility has the potential to entice rural individuals to adopt digital financial services, which contributes towards boosting financial usage and access within the area. This will have significant consequences on financial inclusion because it would attract the unbanked communities to engage in formal financial services using the technology they trust and believe in. The findings are consistent with Connell and Keane (2006) who found out that plausibility is important because it shapes individuals' perception specific behaviours and actions. This study therefore provides further clarity by demonstrating one of the actions and behaviours that is driven by plausibility is the decision to use financial technologies which contributes significantly towards financial inclusion.

In particular, the findings obtained that there is a positive relationship between truthfulness and financial inclusion. In this case, the findings meant that the more individuals continuously look at technology with truthfulness is the more they will be persuaded to start adopting and utilizing it, something which is likely to scale up financial inclusion. In view of these findings, this research stresses that truthfulness is a matter of perception and mindset which has the ability to advances one's positive mentality towards prevailing technology. This translates in increasing the number of people who use digital financial services to improve on the status of financial usage and access within the area. Furthermore, plausible mindset would make people to trust digital financial services, which will act as a contributing factor in increasing the rate at which individuals access

financial services such as checking account balance, withdrawing from their account and depositing from their mobile phones, which increases convenience accessibility to financial services, as well as financial quality. These findings are in line with Lombardi et al (2016) who expressed that trust and confidence are important because they make individuals to express positive attitude towards technology, which increases their willingness and desire to adopt it.

On the other hand, the findings established that there is a positive relationship between credibility and financial inclusion. Accordingly, the findings implied that the more individuals perceive financial technology as credible is the more they are bound to become financially inclusive. This according to this study could be explained by the fact that credible financial services uplift individual confidence to adopt technology. Specifically, this research denotes that individuals are more likely to adopt and use financial technology which they consider transparent, and able to protect their personal data. Afterall, they will be sure that any mistake that occurs can easily be retrieved and corrected. In line with these findings, Grohmann and Menkhoff (2021) earlier revealed that credible technology attracts most kinds of people to use it. This is because it stimulates confidence and self-esteem that its application will results in better outcomes. Similarly, Sinatra and Lombardi (2020) emphasized that technologies which are perceived as highly credible are attractive compared to those which are not.

Furthermore, this study postulated that believability positively associates with financial inclusion. This meant that the more individuals boost their belief towards financial technology, is the more they stand a possibility of being financially inclusive. According to this research, this linkage can be explained by the fact that believability stimulates desire and willingness of an individual to make a first-choice decision to identify advantages which would propel subsequent usage. The findings are in line with previous scholars such as Connell and Keane (2006), and Nahari et al

(2010) who revealed that a plausible judgment will drive to adopt technology which plays a crucial role in boosting financial inclusion.

5.2.3 Digital Financial Services Adoption and Plausibility

It was established herein that digital financial services adoption is positively associated with plausibility. The findings meant that enhancing digital financial services adoption is likely to enhance individual plausibility. This association according to this research is explained by the fact that when individuals adopt digital financial services, they practically interface with the system, thereby identifying the associated benefits which play an important role in building individuals mentally, but also psychologically. Digital financial services adoption enables individuals to have a first-time experience which is important in plausibly transforming rural individuals. It is worth to note that individuals tend to have various assumptions, stereotypes and conspiracy theories before they interface with reality. Therefore, intensification of digital financial services adoption not only increases the chance for individuals to prove by themselves, but also sends a signal people are becoming more plausible.

These findings are in line with Lombardi et al., (2016) who emphasized that one's belief and attitude play an important role in propelling individual willingness to adopt and utilize digital financial services. With the same line of thinking, Eton et al., (2021) expressed that digital financial services adoption necessitates individual change of mentality and perception towards technology as a whole.

Therefore, this study brings to the attention that all individuals have specific needs and expectations which they tend to associate with technology. Therefore, the decision to adopt and use digital financial services lays a strong ground for individuals to affirm or disregard the potential

of the adopted financial system to meet their expectations. It can be argued that those individuals whose expectations are identified with the adopted technology will increase their degree of believability, truthfulness, and credibility. Therefore, this study informs us that promoting plausibility requires instituting mechanisms which encourage digital financial services adoption. In the same manner, Nordman (2019) expressed that digital financial services adoption creates a favorable environment for individuals to make a comprehensive technological assessment thereby advancing their belief and perception of credibility.

From these findings, it can further be stressed that when individuals adopt digital financial services and find out that they are fast and efficient, they are more likely to enhance their believability, and truthfulness. These benefits associated with digital technology stimulates the confidence and esteem, in addition to disproving earlier unrealistic mindsets they possessed. Similarly, it is found that digital financial services are stable, then individuals are more likely to increase their credibility and safety. According to this research, the credibility and safety exhibited by users of technology would result from the several interactions with the digital platforms which makes them identify the various benefits associated with its continued usability. The benefits on the other hand are the ones which drive individual mindset to recognize digital financial services as credible and safe.

This is consistent with Weinstein and Turner (2012) who emphasized that plausibility is inevitable because it affects overall perception which plays a crucial role in determining the nature of digital technology to adopt. Spohn (2012) also expressed that perceived usefulness and expectancy expectations are inevitable in building a positive attitude and mindset characterized by increased belief and perception of credibility. Therefore, this particular research is inevitable in the sense that provides localized empirical evidence to affirm the role of digital financial services adoption in plausibility. It demonstrates empirical research which contends to the fact that whenever

individuals adopt digital financial services, they practically test and identify the advantages and disadvantages associated with such technology, information which contributes significantly in shaping their belief, credibility, and evaluate the extent to which it is truthful or worth to continue using such technology.

On the other hand, the findings postulate that individuals who find adopted digital financial services convenient and time saving are likely to enhance plausibility. This is bound to be expressed in increased believability and truthfulness. Similarly, this study stresses that digital financial service adoption will enhance plausibility, more especially if such technology is found to be recognized as a convenient way for carrying out financial transactions. Moreover, this research argues that if adopted digital financial services is found to increase one's productivity especially in saving time, an individual is bound to exhibit an increasing tendency of plausibility especially endorsing credibility. This is consistent with Sinatra and Lombardi (2020) who indicated that the adoption of digital financial services plays crucial role in influencing one's approval or disapproval of technological potential.

5.2.4 Digital Financial Services Adoption, Plausibility and Financial Inclusion

It was established that digital financial services adoption and plausibility significantly predict financial inclusion. With these findings, it meant that digital financial services adoption and plausibility play a significant role in determining financial inclusion especially among rural households in Kasese district. The study stresses that when rural households adopt and utilize digital financial services, they become financially inclusive. This is true since digital financial services reaches distant areas than physical financial systems making it easy for rural households to access financial services. In addition, adoption of digital financial services is strongly considered as an important mechanism for minimizing costs associated with financial services accessibility.

This is so because these systems are virtual which implies that one can transact from anywhere anytime without incurring costs such as transport and time. The findings are in line with Cele and Gumede (2024); and Hamdan et al., (2022) who posit that digitalization continues to transform economies across all sectors, more so in improving the level of financial inclusion. With the same line of thinking, Cuenca (2021) revealed that digital transformation is the major catalyst for enhancing the financial system and framework within the economy.

The study therefore confirms that adoption of digital financial services is one of the conduits for building a financially inclusive community, especially households in rural areas. This is because these communities hardily have access to physical financial institutions which complicates it for rural households to access and use financial services. In congruence, scholars such as Eton et al., (2021); and Tay et al., (2022) emphasized endorsement and application of digital financial services automatically stimulates financial inclusion. They contend that such technology makes financial services easily accessible, fast and efficient, and convenient. Moreover, the findings are also in support of the Diffusion of Innovation theory, especially where it expresses that acceptance of innovation is inevitable in building a strong community which is fully immersed in a specific behaviour (Rogers 2003; Tornatzky & Klein, 1982). Therefore, promoting digitalized financial services ably addresses these mishaps making it easy to access financial services.

On the other note, the finding provide assurance that plausibility significantly leads to financial inclusion. This is further supported by the current research on ground that plausibility plays a crucial role in determining one's psychological and emotional status. Moreover, the willingness and desire to adopt financial technology to access financial services is mainly influenced by the intrinsic state of mind. Henceforth, it is right to say that plausibility, a psychological and emotional determinant has the capacity to shape individual perception towards technology, and subsequently

adaptation in the process. In particular, this research emphasizes that when individuals plausibly consider financial technology as truthful, they will develop a positive attitude which will propel them to start using it. The findings are in line with Sinatra and Lombardi (2020) who postulate that plausible people quickly adopt an idea /service such as financial systems because of the belief and confidence it instigates among hopeful adaptors.

Furthermore, this study further affirms that one's perceived credibility and security of financial technology will influence the desire and actual usage of such technology to access financial services. Indeed, this research denotes that individuals can hardily become financially inclusive by using financial technologies available unless they are full of confidence that the system is secure, accurate and transparent. Otherwise, they would rather engage in informal financial systems where they are sure they can hardily encounter losses. In the same way, this research stresses high degree of believability in financial technology enhances one's trust, esteem, and confidence to carryout financial transactions with the help of the system.

These findings are in line with Weik (2023) who emphasized that plausibility is important in facilitating financial inclusion since it finetunes minds of individuals to appreciate technology. Likewise, the findings are found to correspond with Janasike (2021) who expressed that the degree of confidence and belief towards technology is driven by the magnitude to which individuals feel plausible. Therefore, the findings are of the view that promoting a positive plausible community is critical in building a strong financially inclusive community. From a theoretical perspective, it is evident that the findings herein correspond with the proposed categorization of individuals and endorsement of the fact that adaptability of technology varies from one individual to another (Rogers, 2003). A recap of this theory indicates that customers can be categorized under

innovators, early adopters, early majority, and laggards. In this categorization, the theory emphasizes that belief and trust are key components which significantly influences where an individual lies. The explanation impliedly denotes the key role of plausibility given that its manifestation instigates belief and trust which are emphasized in Diffusion of Technology as key players in driving actions and behaviour.

The findings further obtained that plausibility is the better predictor of financial inclusion. As such, these findings denoted that plausibility results in more significant variances in financial inclusion compared to the magnitude to which individuals would become financially inclusive when they adopt digital financial services. In the same way, this study stresses that much as digital financial services adoption is paramount in financial inclusion, the decision to adopt such technology mainly driven by plausibility. When people have strong belief, credibility, and trust towards financial technology, that is when they will show a great desire and willingness to utilize digital financial services to increase their financial inclusiveness. These attributes are core in determining one's attitude, perception, endorsement, and desire to use technology. Therefore, it can be stressed encouraging digital financial services adoption tends to be more practical when one undertakes an approach which is able to make people more plausible with such technology.

These findings are unique and exceptional from most of the predominating studies which simply acknowledge the manifestation of a relationship between either digital financial services adoption (Eton et al., 2021; Tay et al., 2022) or plausibility (Janasike, 2021; Sinatra & Lombardi, 2020; Weinstein & Turner, 2012) towards financial inclusion.

5.2.5 Mediation Role of Plausibility in the relationship between Digital Financial Services Adoption and Financial Inclusion

The findings obtained that plausibility significantly mediated the relationship between digital financial services adoption and financial inclusion. Further extensions of the findings obtained that plausibility was a partial mediator in the said relationship. In this case, the findings suggested that whereas digital financial services adoption had the ability to influence financial inclusion, its ultimate potential to attain so was partially dependent on the extent to which people feel plausible about technology. Indeed, this research stresses that when people feel plausible about technology, they get attracted towards it which increases their encouragement to utilize digital financial services, which is an important channel for enhancing financial inclusion.

The findings are in line with Lombardi et al 2016) who postulated that plausibility exhibited towards digital financial services is crucial in stimulating thee desire and willingness to adopt technology which stimulates financial inclusion. Likewise, Isberner and Kern-Isberner (2017) indicated that one of the major factors which drives individual desire and willingness to adopt technology is driven by how they feel about the technology to be adopted, an aspect which is mainly driven by plausibility. From this explanation, it is clear that digital financial services adoption partially has a bearing on plausibility. What is rather exceptional about this study is that if goes ahead to statistically and affirm this mediation unlike these previous studies. The study further stresses that while people may independently decide to adopt specific digital financial services, they are emotionally driven. In this case, plausibility becomes an important factor since it psychologically prepares individuals to appreciate and consider digital financial services as important and worthwhile, hence stimulating financial inclusion as they use these services. In the same manner, Grohmann and Menkhoff (2021) indicated that plausibility is key since it has a

bearing on the psychological status of technology users. This is indeed affirmed in this mediation which suggests a manifestation of partial mediation.

5.3 Conclusion

It is clarified that digital financial service adoption is one mechanism for promoting financial inclusion among rural households. Unlike traditional banking systems, this research advances that digital financial services are associated with high level outreach which makes it easy and simple for rural people to access financial services anywhere anytime. These advantages are important in encouraging many unbanked rural households to begin perceiving advantages associated with digital financial services to propel usage. It is also affirmed that plausibility is a key precondition for determining financial inclusion among rural households. This research notices that plausibility plays a crucial role in shaping people's attitude, perception and behaviour they portray towards a specific action. Its manifestation helps rural households in evaluating truthfulness, credibility and security, and degree to which one believes that engaging in actions which depict financially inclusiveness is worthwhile. Most important, this research demonstrates that much as adoption of digital financial services undoubtedly enhances financial inclusion, plausibility plays a better role. It is the one which influences one's intrinsic valuation of any financial technologies to determine which services to endorse or reject. The study therefore enriches the managerial and policy makers fraternity, especially by clarifying that the transformation of financial technology is an important channel for building a financially inclusive community. More so, that to achieve a financially inclusive community, it is core that individuals are guided mentality and psychology so that they exhibit positive plausibility.

5.4 Recommendations

Households in Kilembe subcounty should be sensitized about financial literacy by extending free workshops, seminars and trainings to understand to improve on their financial management and enrich their knowledge regarding the importance of engaging in formal financial transactions.

Digital financial services adoption promotion campaigns should be increased within Kilembe sub county. Notably, digital financial service providers such as financial institutions and telecommunication agencies should reducing digital financial service charges and offering discounts on technological such as smartphones. This is likely to encourage first usage and enable customers acquire experience.

Digital financial service providers should increase investing in information technology, specifically improving internet connectivity and broadband. They should therefore consider erecting communication mask systems, and cable laying to create a favorable environment where internet is stable for household members to interface with digital financial service platforms.

Digital financial service providers should innovatively continue simplifying their systems to ensure simplicity for households. In particular, providers should consider designing and integrating interfaces which allow individuals to navigate systems in their local language, simplify system protocols for an inclusive system which can accommodate both the learnt and the unlearned.

5.5 Limitations of the study

This study applied only a quantitative research approach amidst envisaging the concept of plausibility which is highly qualitative in nature. Accordingly, it is likely that the study was unable to comprehensively extract information which was sufficient enough to fully understand the status quo of this concept which would have been the case had it been approached qualitatively.

Much as the conceptualization of the study depicted a potential mediation, the study does not go ahead to test this, thereby raising another critical knowledge gap.

The study was conducted in only one sub county in Kasese district. As a consequence, this is bound to raise a lot of questions whether the findings established are truly representative and fit for generalizing to the entire district.

5.6 Areas for Further Study

1) Mixed research examining the relationship between digital financial services adoption, plausibility, and financial inclusion
2) Mediation effect of plausibility in the relationship between digital financial services adoption and financial inclusion.

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Appendix 1: Questionnaire Form

Dear Respondent,

I am conducting a study on a topic, Digital Financial Services Adoption, Plausibility and Financial Inclusion among the rural households of Kasese District. You have been chosen as one of the reliable persons to provide information about the topic in question. You are therefore requested to answer questions in the most honestly way to help reach and obtain objective conclusions and recommendations. The responses you will give shall be treated with utmost confidentiality and anonymity and strictly for research purposes.

SECTION A

Demographic characteristics;

1. **Sex**

Male	Female

2. **Age Bracket**

18-24	25-29	30-34	35-39	40-44	45-49	50 above

3. **Education**

Never Attended	Primary	Secondary ordinary level	Secondary Advanced Level	Vocational Technical	Tertiary

4. **Economic activity engaged**

Farmer	Retailer	Food & Grocery	Mobile money	Charcoal & Fuels	Bodaboda	Trader (eg. Produce buyer)	Tailor	Others

5. **Average monthly income**

Less than 10000	10000-25000	25001-50000	50001-75000	75001-100000	100001-200000	200001-400000	400001 above

6. **Digital financial services available in your area**.

Mobile money payments	Mobile money credit	Mobile money savings	Remittances	Deposits and withdrawals	None	I don't Know

7. **Which digital banking channels available in your area?**

Automatic Teller Machine (ATM)	Internet banking	Agent banking	None	I don't know

SECTION B

Key: 1. Strongly disagree (SD), 2. Disagree (D), 3. Not sure (NS), 4. Agree (A), 5. Strongly agree (SA)

DIGITAL FINANCIAL SERVICES ADOPTION		**SD**	**D**	**NS**	**A**	**SA**
	Performance expectancy					
PE 1	I think digital financial services are fast in handling financial services	1	2	3	4	5
PE 2	I have a feeling digital financial services are stable	1	2	3	4	5
PE 3	In my thinking digital financial services offer easy means of savings and payments	1	2	3	4	5
PE 4	I am contented digital financial services can meet my needs.	1	2	3	4	5
PE 5	I am sure that digital financial services are able to protect money from theft or loss.	1	2	3	4	5
	Technology awareness and education					
TE1	I find it easy to use digital devices (e.g., smart phone, tablet).	1	2	3	4	5
TE2	I understand the risks associated with using digital financial services.	1	2	3	4	5
TE3	I know what to do when I make a mistake while using any digital financial service.	1	2	3	4	5
TE4	I possess the necessary skills required to use digital financial services.	1	2	3	4	5
	Perceived usefulness					
PE1	Using digital financial services can save me from wasting time.	1	2	3	4	5
PE2	Digital financial services are important because I enable me access financial services anywhere anytime.	1	2	3	4	5
PE3	I think that using digital financial services can enable me fulfill my financial tasks.	1	2	3	4	5
PE4	Digital financial services offer a more convenient way of dealing with finance.	1	2	3	4	5
PE5	I think using digital financial services can make me more productive.	1	2	3	4	5

PLAUSIBILITY		**SD**	**D**	**NS**	**A**	**SA**
	Truthfulness					
TR1	Digital financial services provide correct account balances	1	2	3	4	5
TR2	Online financial statements are reliable.	1	2	3	4	5
TR3	The information provided by digital financial services is trustworthy.	1	2	3	4	5
TR4	Digital financial are reliable	1	2	3	4	5
TR5	Digital financial services are worthy relying on.	1	2	3	4	5
	Credibility and Security					
CS1	Digital financial services haves a good track record	1	2	3	4	5
CS2	Digital financial services are trusted in the management of finances	1	2	3	4	5
CS3	Digital financial services are transparent about their business practices	1	2	3	4	5
CS4	Digital financial services give special attention to the interest of customers	1	2	3	4	5
CS5	Digital financial protect individual persons data	1	2	3	4	5
	Believability					
BE1	Digital financial services provide correct information	1	2	3	4	5
BE2	Financial data displayed on digital financial platforms provides confidence	1	2	3	4	5
BE3	Digital financial services clearly explain financial services	1	2	3	4	5
BE4	Online financial statements are reasonable	1	2	3	4	5
BE5	Digital financial services ensure transparency in transactions	1	2	3	4	5
FINANCIAL INCLUSION		**SD**	**D**	**NS**	**A**	**SA**
	Accessibility					
AC1	Digital financial services ensure transparency in transactions	1	2	3	4	5
AC2	The availability of phones, computers and tablets enables use of digital financial services	1	2	3	4	5
AC3	Financial services are readily available in our area.	1	2	3	4	5
AC4	Our area is full with numerous financial service options.	1	2	3	4	5

AC5	The internet connectivity to use digital financial services is convincing	1	2	3	4	5
	Quality					
QU1	Financial services are always available when needed.	1	2	3	4	5
QU2	The financial services available within match my needs.	1	2	3	4	5
QU3	I find the financial services available in our area useful.	1	2	3	4	5
QU4	The financial services available provide consistent performance whenever I use them.	1	2	3	4	5
QU5	The financial services available hardily encounter technical issues.	1	2	3	4	5
QU6	Financial services are secure for all financial transactions.	1	2	3	4	5
QU7	Financial services in this area are reliable.	1	2	3	4	5
	Usage					
US1	I have a bank account through which I carryout financial transactions.	1	2	3	4	5
US2	Of late, the number of transactions I carry out within a financial system has increased.	1	2	3	4	5
US3	I frequently visit the bank to transact.	1	2	3	4	5
US4	I encourage by debtors to pay me through a formal way (e.g., mobile money, bank)	1	2	3	4	5
US5	I use a financial system when making any payments.	1	2	3	4	5

Thank you for your cooperation.