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Motivators of Mobile Phone Debt Financing among College Students in Kenya

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Abstract:
Mobile phone debt financing is above 90% among all phone users in Kenya, irrespective of the reason for borrowing, and at least three-quarters of the youth who own mobile phones in Kenya have accessed and utilized formally acquired debt financing, including mobile phone loans. In addition, mobile phone debt financing is essential for empowering the youths by enabling them to engage in small entrepreneurship ventures and even support their education programs. Hence, the study attempted to determine the motivators of this kind of debt financing among college students in Kenya. Using a purposive sampling technique, 377 students from four major colleges and universities in Kisumu City, Kenya, with a total population of 18,700 students, were applied to obtain data. Descriptive and inferential statistics were used, and the findings revealed that government regulations and credit terms are the most significant motivators of mobile phone debt financing among college students in Kenya. Sensitization and social influence were also found to moderately influence mobile debt financing.

Keywords: *Debt financing, mobile phone lending, digital loans, college students, financial innovation, Kenya*

1. Introduction

The development of financial transactions being done through mobile phones, such as transfer of money, borrowing, raising of funds, payment of bills, and assets management, are types of financial innovations in the twenty-first century and are done using high-tech electronic devices. Digital debt financing, which involves using a mobile phone to borrow funds and repay it digitally, is one of the major modern financial technology innovations of our times (Björkegren & Grissen, 2018). Since the digital debt financing process is instant, remote, and automated, it makes the borrowing process different and more popular than all the other conventional loan processes, particularly for the youth population (Mazer & Rowan, 2016).

The introduction of Mpesa in 2007, a mobile money platform in Kenya, was followed by an explosion and growth of other financial service providers, such as Tala, Opesa, KCB-mpesa, Fuliza, Equitel, the Branch, M-Coop Cash, and M-Akiba (Varga, 2017). These financial technology companies have been the key initiators of digital debt financing technology applications (Apps) in the country. The names of these companies pop up on internet-facilitated mobile phones, targeting mostly the youths, like college students, who are the majority of the tech-savvy populace in Kenya. Therefore, according to Malala (2018), the application of mobile phones for debt financing has been advantageous to the Kenyan population, particularly the youth, in areas such as the availability of credit, reduced transaction costs of borrowing, and convenience.

The use of mobile phones in Kenya is very popular among the youth, as about 72% of college students use internet-enabled smartphones, which gives them access to those who provide debt financing through mobile phones (Njagi & Silas, 2016). According to Totolo (2018), mobile phone debt financing is above 90% among all phone users in Kenya, irrespective of the reason for borrowing. In addition, Malala (2018) reported that by 2017, at least three-quarters of the youth who owned mobile phones in Kenya had accessed and utilized formally acquired debt financing, including mobile phone loans. Financial freedom through mobile phone debt financing is essential for empowering the youths by enabling them to engage in small entrepreneurship ventures and even support their education programs (Kaffenberger, 2018). Hence, the study attempted to determine the motivators of this kind of debt financing among college students in Kenya.

2. Literature Review

The study was guided by the united theory of acceptance and use of technology (UTAUT) under the perspective of the use of mobile phone platforms to access debt finance. According to Dwivedi, Rana, Jeyaraj, Clement, and Williams (2019), the UTAUT theory is widely applied by researchers to demonstrate the use and acceptance of information technology in improving social and economic activities within the society. In the discussion of findings of the original initiator of the UTAUT theory, there are three direct causes of intention to apply a technological advancement; these include: performance expectancy, effort expectancy, and social influence, and two direct causes of application behavior, intention, and facilitating conditions (Venkatesh, Morris, Davis, & Davis, 2003). Venkatesh et al. (2003) also noted that the significant regulating variables of the model include experience, gender, voluntariness, and age. Therefore the study used the suggested variable of UTAUT model in developing the applied independent variables, questionnaire constructs, and the target groups in the sample.

2.1. Sensitization

Sensitization, majorly by the providers of mobile phone loans, is on the rise among college students who have formed a rewarding market for most debt financing institutions, and the literature confirms that the mobile phone debt providers are pushing for a portion of this market since it offers brand-loyalty and instant revenue for them (Amato-McCoy, 2005). The digital debt providers use flexibility and broad access to the internet and mobile phones, especially in Kenya, to accomplish their goals through sensitization (Waithaka & Nzeveka, 2015).

Sensitization also may influence mobile phone debt financing practices through the curriculum offered by the colleges under the courses the students undertake. According to Kotzé and Smit (2008), money management amongst college students is mostly motivated by the formal financial education they receive. However, many studies, such as Efrata (2019) and Khairani and Alfarisi (2019), found out that there is no major influence of financial literacy on the financial management practices of an individual, including debt financing.

2.2. Social Influence

Social influence is the degree to which college students' behavior on debt management is subjective to the social cycle of friends, marketing models, behavioral biases, and self-discipline. According to Olson and Rick (2014), the pattern of debt management is greatly inclined to the social cycles of friends, particularly among the youth population. In addition, it is also believed that with the right level of self-discipline, students can be attracted to debt financing to lay a good foundation for strong financial management in the future (Smith, 2012). Behavioral bias is a major determinant of entrepreneurs' decisions, and it is believed to have an influence on entrepreneurs, including the youth, particularly in debt financing (Rasool & Ullah, 2020). Therefore, social beliefs and attitudes are one of the major factors of debt financing among individuals, both for business and personal ventures, particularly in mobile phone debt financing in East Africa (Malinga & Maiga, 2020; Mugambe, 2017; Rendall, Brooks, & Hillenbrand, 2021).

2.3. Government Regulation

The advancement of technology has created an expansion of consumer credit, particularly among borrowers with a high-risk profile, like students, and this has necessitated a lot of debt management regulations from the governments to support the lenders (Song, Keys, & Geng, 2018). Malinga and Maiga (2020) studied the factors that influence mobile phone borrowing among traders in East Africa and found out that facilitating conditions, such as licensing, disclosure, policies and legislation, and enforcement, is a major determinant of mobile debt financing. Cornelli et al. (2021) and Zimmerman and Arnold (2013) also found out that financial regulations by governmental authorities are key to digital borrowing, particularly from the supply side.

2.4. Credit Terms

The cost of borrowing, which is mainly determined by credit terms, such as repayment period, default terms, interest fees, and collateral, is considered the to be one of the chief prohibitive factors to mobile debt financing among students, particularly in Kenya (Zimmerman & Arnold, 2013). According to Santoso, Trinugroho, and Risfandy (2020), loan interest fees and default terms are significant motivators of mobile debt financing, particularly small amount borrowers like students. The capping of interest rates, particularly for formal financial institutions, was introduced in Kenya in 2016 to help manage the borrowing cost and, in turn, influence debt financing positively. However, this has not been achieved (Alper, Clements, Hobdari, & Moya Porcel, 2020). Therefore, it was of interest to find out whether credit terms, including interest fees, are the main motivators of mobile debt financing among college students in Kenya.

3. Methodology

The study applied a descriptive research design to collect, organize, summarise and analyze data. The population of the study was made up of 18,700, both female and male, students from four major colleges and universities in Kisumu City in Kenya. According to Krejcie and Morgan's (1970) table of sampling, a sample size of 377 students was selected using the purposive sampling technique from the student population. The purposive sampling technique, being a non-probability sampling, is convenient where randomization is not easy as it was for this study (Etikan, Musa, & Alkassim, 2016).

A mixed-method approach was used in the data collection process, applying semi-structured interviews, questionnaires, and existing literature. According to Terrell (2012), the mixed-method approach is convenient in research since it allows the researcher to use various design choices in collecting both quantitative and qualitative data.

The study analysed qualitative data collected from secondary sources thematically. On the other hand, quantitative analysis was applied in the analysis of quantitative data collected through the questionnaires and one-on-one interviews with some students. The reliability test for the questionnaires as a good data collection instrument revealed that all the items were consistent, with an average Cronbach's alpha coefficient of 0.79, which is above the recommended 0.70 for social studies (Peterson, 1994).

In quantitative analysis, the study applied both descriptive and inferential statistics using Statistical Package for Social Sciences computer software. Regression analysis was done for inferential statistics using regression model 1.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \quad \ldots\ldots 1$$

Where Y represents mobile debt financing, and β_0 represents the constant coefficient. β_1, β_2, β_3, and β_4 are coefficients of the independent variables X_1, X_2, X_3, and X_4 representing sensitization, social influence, Government regulation, and credit term, respectively.

4. Results and Discussion

The response rate of the study was 78% of the targeted respondents of 377 students, representing a total of 294 questionnaires and interview schedules filled and scored by the respondents. Out of these returns, 67% were from male respondents and 33% from female respondents, which corresponds to the overall statistics of the college students in Kisumu and Kenya in general. The results also showed that the highest percentage of the respondents (39%) were aged between 23 and 26 years old, followed by 36% aged between 27 and 31 years old and 15% and 10% aged between 18 and 22 years, and 32 and 35 years, respectively. The motivators and mobile debt financing descriptive statistics were then done for the data, based on a Likert scale score of 1 (strongly disagree) to 5 (strongly agree), from all the 294 returns and revealed the following results:

4.1. Sensitization

Table 1 below illustrates that the constructs of sensitization that moderately enhance mobile phone debt financing among college students, based on the mean score values, were: Understanding the consequences of signing a contract and accepting the conditions and terms of the mobile debt provider with a mean of 3.503, followed by the awareness of mobile phone debt financing products offered at 3.500.

The students are also aware of the mobile debt financing institutions in their locality at a mean score of 3.497. The other sensitization constructs also showed mean scores above 3.000 with scores on being aware of other loan products offered, which generated a mean score of 3.146, and awareness of the different digital means of delivering financial products and services with 3.126. The students are also aware that mobile debt service providers have a duty to treat customers fairly and ensure transparency and clarity. The students, in addition, are also aware that some mobile debt products and services may be unregulated, with the lowest mean score of 3.041. The average mean score of the sensitization constructs was also above 3.000 (3.279), indicating that sensitization could be one of the motivators of mobile debt financing among college students in Kisumu City and generally in Kenya, but moderately.

The moderate motivation of sensitization was of concern since more awareness of financial services and products is essential for sound decisions making by borrowers. This moderate sensitization may be because most students normally begin their college careers without a lot of knowledge of personal financial management (Falahati, Paim, Ismail, Haron, & Masud, 2011; Goetz, Durband, Halley, & Davis, 2011).

Sensitization	Mean	Std. Deviation
Awareness that some mobile phone debt products and services may be unregulated and informal	3.041	1.379
Have knowledge that mobile debt providers should treat customers fairly and ensure that information is transparent and clear	3.068	1.330
Awareness of the other digital means of delivering financial services and products	3.126	1.231
Being aware of other loan products offered	3.146	1.668
Cognizant of the procedures followed to get mobile phone debt	3.194	1.324
Knowledge of consumer obligations and rights in the digital lending	3.235	1.243
Giving attention to certain digital financial services, such as crypto currencies, and initial coin offerings, for personal purposes or for raising business funding	3.478	1.187
Awareness of the mobile debt financing institutions in your locality	3.497	1.031
Having knowledge of mobile debt financing products offered	3.500	1.057
Understanding the consequences of digitally signing a contract and accepting the terms and conditions of a mobile debt provider	3.503	1.156
Composite Mean	3.279	1.261

Table 1: Sensitization on Mobile Phone Debt Financing
Source: Researcher (2022)

4.2. Social Influence

Table 2 below shows that the constructs of social influence had a mean score of 3.436, indicating that there is a moderately high motivation of social influence on mobile debt financing practices among college students in Kisumu. The major factors of social influence include a social cycle of friends at 3.573 and personal self-discipline at 3.469. The behavioral biases and simplicity of the processes caused marketing techniques also generated scores slightly more than average at 3.356 and 3.347 respectively. This implies that the students are aware that the mobile lending processes and behavioral biases are also motivators under the social influence and may influence mobile borrowing among college students in Kisumu, Kenya.

Social Influence	Mean	Std. Deviation
Marketing models that simplify online mobile phone financing processes increase the temptation to borrow without considering the consequences	3.347	1.056
I am aware that simplified marketing and online lending processes play on well-known behavioral biases	3.356	1.214
I am disciplined enough to manage the temptations of marketing and simplified mobile phone lending processes	3.469	1.216
I get tempted to access mobile phone debt financing mostly when I see other students from my social cycle of friends doing so.	3.573	0.955
Composite Mean	3.436	1.110

Table 2: Social Influence on Mobile Phone Debt Financing
Source: Researcher (2022)

The findings on social influence, particularly under the factor of the social circle of friends with the greatest indicator, concur with the study of Malinga and Maiga (2020), who tried to develop a model for mobile money adoption among traders in Uganda. They found out that traders were likely to use mobile money-borrowing facilities if their business associates were also doing so.

4.3. Government Regulations

The findings in table 3 indicated that the level of knowledge of college students on the government regulations on mobile phone debt financing is high at an average mean score of 3.718, with the construct of enforcement through the Credit Reference Bureau (CRB) leading with a mean score of 3.799. The majority of students acknowledged that they understand the consequences of defaulting on repayments in terms of being listed as a defaulter with CRB. The enforcement regulation was followed by the licensing regulations. The students indicated from the results that they know how to ensure that the mobile phone debt financing providers are licensed by national regulatory authorities, at a mean score of 3.752. They also responded on keeping abreast of new digital innovations in financial practices and followed them closely consistently at a mean score of 3.697. The students also appreciate their responsibility to read and check their understanding of mobile phone product information and disclosure documents, as indicated with a mean score of 3.622.

Government Regulation	Mean	Std. Deviation
I appreciate my responsibility to read and check my understanding of mobile phone product information and disclosure documents	3.622	0.972
I keep abreast with new digital developments in finance and follow them on a regular basis	3.697	0.935
I know how to find out if a mobile phone debt financing service provider is authorized by the relevant national financial authorities.	3.752	0.848
I understand that default to repay a loan may result in the listing of my name with Credit Reference Bureau	3.799	0.918
Composite Mean	3.718	0.919

Table 3: Government Regulations on Mobile Phone Debt Financing
Source: Researcher (2022)

Respondents agree that they understand the repercussion of default, but also they agree that they took multiple loans. However, a warning by a recent statement by Central Bank of Kenya that some mobile phone debt providers operate like shylocks should be a great concern to policymakers within the industry. It may mean some mobile phone debt providers do not operate within the confines of the financial management requirements, or there is an infiltration by illegal players. Regulation may prove a challenge as some of the players operate virtually within and without the country boundaries and, as such, may require a multi-government or agency approach to ensure proper regulation to monitor mobile phone debt financing players. Government regulations, therefore, should target illegal mobile phone debt financing and their marketing and advertising trends. Nevertheless, the findings by Dalal (2018) indicated that the impact of government regulation through the credit reference bureaus on the credit performance of Kenyan banks enables financial institutions, including mobile debt financing providers to obtain credit information on prospective borrowers, thereby facilitating the evaluation of credit requests and minimizing the risks of default. The findings of their study revealed information from credit bureaus reduces lending costs by compelling debt providers to look out for good-ranking borrowers (Dalal, 2018).

4.4. Credit Terms

The findings in table 4 show that most of the students agreed that the factors of credit terms were found to enhance mobile phone debt financing among college students based on the average mean score of 3.664. The highest score of 3.846 was on the fact that they do not have to belong to a group to qualify for a loan. This was followed by the

repayment period factor of credit terms with the construct of "grace period for loan repayments is favorable", with a mean score of 3.738.

Credit Terms	Mean	Std. Deviation
Collateral required is sufficient for me	3.282	1.144
I do not fear taking loans because of the penalty in case of default	3.660	0.949
Interest charged on loans is fair	3.684	0.984
Amount loaned is sufficient to meet my project/college needs	3.687	0.845
Repayment period is fair to qualify for the amount of loan I need.	3.701	0.959
Absence of the requirement to produce financial reports affects my loan qualification	3.714	0.920
Grace period for loan repayments is favorable	3.738	0.848
I do not have to belong to a group to qualify for a loan	3.846	0.895
Composite Mean	3.664	0.943

Table 4: Credit Terms on Mobile Phone Debt Financing
Source: Researcher (2022)

The factor on the "absence of the requirement to produce financial reports affect my loan qualification" had a mean score of 3.714, and the result repayment period being fair for qualification of the amount of loan they need generated a mean score of 3.701. The other factor, "amount loaned is sufficient to meet their project or college needs", generated a mean score of 3.687. The score on "the interest charged on loans is fair" resulted in a mean of 3.684. It was also indicated that the students do not fear taking mobile debt because of the credit terms, with a mean score of 3.660 in the factor of "I do not fear taking loans because of the penalty in case of default". Since most of the mobile debt financing products do not require collateral, students agreed that "collateral required is sufficient", with a mean score of 3.282.

The findings suggested that credit terms are substantial motivators of mobile debt financing among students since most of these loans are instantly disbursed. However, the fact that the students and the youth, in general, prefer to take frequent multiple mobile debts should be a pointer to economic vulnerability. With reports from a few researchers, such as Momanyi (2021), showing default in loan servicing, multiple concurrent loans could mean an over-indebted group. Also, most college students do not have a stable and consistent income stream and rely on friends' and relatives' handouts. While it is true that mobile debt financing and micro-loans have broadened financial inclusion in Kenya and many parts of the world, the pace and speed at which fin-tech and digital credit players disburse short-term with high-interest rates are alarming (Kaffenberger, 2018; Lashitew, van Tulder, & Liasse, 2019). The marketing strategies of the digital players employed on social media also create a wrong impression that interest charged on digital credit is cheap. However, going by a few literature reports, the cost of defaulting on a loan could be more than double the initial interest rate (Dalal, 2018).

4.5. Mobile Phone Debt Financing

As per the findings in table 5 below, most of the students agreed that they had engaged in mobile phone debt financing with an average mean score of 3.474. The constructs indicated that students prefer mobile phone debt financing to banks and other loans at a mean score of 3.514 and also admitted that they even sometimes take mobile phone loans for friends, with a mean score of 3.543. The student also acknowledged that they have taken more than 1(one) loan from different mobile phone debt providers (Mkopa, Tala, etc.) for the last 1 year, with a mean score of 3.364.

Uptake of Digital Credit	Mean	Std. Deviation
I prefer taking loans from mobile phone debt financing providers (Mkopa, Tala, etc.) than banks or Saccos	3.514	1.014
I have taken more than 1 (one) loan from different mobile debt financing providers (Mkopa, Tala, etc.) for the last 1 year	3.364	1.261
I take digital credit from mobile phone debt financing providers to meet college needs	3.476	1.287
I sometimes take mobile phone debt for my friends	3.543	1.166
Composite Mean	3.474	1.182

Table 5: Mobile Phone Debt Financing
Source: Researcher (2022)

The findings imply that the college students in Kisumu County actively engage in mobile phone debt financing to meet their various needs, the key among them being meeting their college needs. This was indicated by a mean score of 3.476. Furthermore, the students take mobile debt financing from more than one mobile phone debt financing provider, hence a situation whereby the students end up acquiring multiple loans.

4.6. Diagnostic Tests

In order to apply inferential statistics to the data, the data were subjected to the diagnostic tests for data linearity, multicollinearity, and homoscedasticity tests and the results were as follows:

4.6.1. Normality Test

The Shapiro-Wilk and the Kolmogorov-Smirnovb tests were applied for the normality test. Based on the Kolmogorov-Smirnovb tests, which accept the null hypothesis of normality when the P value is less than or equal to 0.05 and fail to accept the null hypothesis if otherwise. This implies that the data is not normally distributed at 95% confidence level. On the other hand, based on the Shapiro-Wilk tests, the test also accepts the null hypothesis of normal distribution if the P (sig) value is less than 0.05.

	Credit Terms	Kolmogorov-Smirnovb			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
Uptake	3	.440	99	.000	.626	99	.000
	4	.415	177	.000	.634	177	.000
	5	.414	9	.000	.617	9	.000
a. Uptake is constant when Credit Terms = 2. It has been omitted.							
b. Lilliefors Significance Correction							

Table 6: Tests of Normality
Source: Researcher (2021)

4.6.2. Linearity Test

Linearity means that the correlation variables are represented by a straight line. Linearity as a diagnostic test applied to determine if the relationship between the motivators' variables and the mobile debt financing variables is linear. The null hypothesis was that there was no linear relationship between the motivator variables and the mobile debt financing variables. If the sig value, deviation from linearity >0.05, then the relationship between the motivator variables and mobile debt financing variable is linear. On the other hand, if the sig. value of deviation from linearity <0.05, the relationship between motivator variables and the mobile debt financing variable is nonlinear.

			Sum of Squares	df	Mean Square	F	Sig.
Mobile debt financing * Government Regulation	Between Groups	(Combined)	22.307	14	1.593	15.816	.000
		Linearity	6.931	1	6.931	68.793	.000
		Deviation from Linearity	15.377	13	1.183	11.740	.000
	Within Groups		28.109	279	.101		
	Total		50.416	293			
			Sum of Squares	df	Mean Square	F	Sig.
Mobile debt financing * Social Influence	Between Groups	(Combined)	18.986	12	1.582	14.146	.000
		Linearity	6.742	1	6.742	60.277	.000
		Deviation from Linearity	12.244	11	1.113	9.952	.000
	Within Groups		31.430	281	.112		
	Total		50.416	293			
			Sum of Squares	df	Mean Square	F	Sig.
Mobile debt financing * Sensitization	Between Groups	(Combined)	6.959	13	.535	3.449	.000
		Linearity	.916	1	.916	5.900	.016
		Deviation from Linearity	6.043	12	.504	3.244	.000
	Within Groups		43.457	280	.155		
	Total		50.416	293			
			Sum of Squares	df	Mean Square	F	Sig.
Mobile debt financing * Credit terms	Between Groups	(Combined)	36.041	3	12.014	242.366	.000
		Linearity	35.343	1	35.343	713.014	.000
		Deviation from Linearity	.698	2	.349	7.041	.001
	Within Groups		14.375	290	.050		
	Total		50.416	293			

Table 7: Linearity Test Results
Source: Researcher (2021)

4.6.3. Multicollinearity Test

Multicollinearity measure the correlation among the independent variables. This correlation is not good because independent variables should not be dependent simultaneously. Tolerance and VIF statistics were computed. When the VIF value is between the score of 1-10, then there is no correlation, and if the VIF value is <1 or > 10, then there is a

correlation. The null hypothesis was that there was no multicollinearity between the motivator variables. The null hypothesis was accepted since the VIF values lie between 1 and 10, as shown in table 8 below.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.578	.147		3.942	.000		
	Government Regulation	.260	.033	.236	7.844	.000	.896	1.115
	Social Influence	.029	.019	.050	1.554	.121	.774	1.293
	Sensitization	.017	.031	.017	.546	.586	.826	1.210
	Credit terms	.545	.021	.784	25.702	.000	.875	1.143
a. Dependent Variable: Uptake								

Table 8: Multicollinearity Test Results
Source: Researcher (2021)

4.6.4. Heteroscedasticity Test

Heteroscedasticity implies unfit scatter. In regression model analysis, heteroscedasticity is in terms of the residuals or error term. Heteroscedasticity is not good in regression analysis since ordinary least squares (OLS) regression models assume that the error terms are determined from a population that has a constant variance (homoscedasticity). The glejser test was used to test for heteroscedasticity.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.918	.097		9.472	.000
Government Regulation	-.244	.022	-.570	-11.120	.000
Social Influence	-.010	.013	-.042	-.762	.447
Sensitization	.067	.021	.172	3.223	.001
Credit Terms	-.015	.014	-.056	-1.084	.279
a. Dependent Variable: Uptake of digital credit					

Table 9: Heteroscedasticity Test Results
Source: Researcher (2021)

4.7. Correlation Analysis

The association between all the variables of the study was tested with the use of correlation analysis. The correlation results are presented in table 10 below. Using Pearson r statistic, values between 0 and 0.3 indicate no correlation, 0.3 and 0.5 indicate a weak linear association, while values between 0.5 and 0.7 designate a moderate linear association, and values between 0.7 and 1.0 imply a strong linear association.

		Government Regulation	Social Influence	Sensitization	Mobile phone debt financing	Credit terms
Government regulations	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	294				
Social influence	Pearson Correlation	.213**	1			
	Sig. (2-tailed)	.000				
	N	294	294			
Sensitization	Pearson Correlation	.278**	.348**	1		
	Sig. (2-tailed)	.000	.000			
	N	294	294	294		
Mobile phone debt financing	Pearson Correlation	.371**	.366**	.135*	1	
	Sig. (2-tailed)	.000	.000	.021		
	N	294	294	294	294	
Credit terms	Pearson Correlation	.152**	.330**	.044	.837**	1
	Sig. (2-tailed)	.009	.000	.454	.000	
	N	294	294	294	294	294
**. Correlation is significant at the 0.01 level (2-tailed).						
*. Correlation is significant at the 0.05 level (2-tailed).						

Table 10: Correlations Analysis Results
Source: Researcher (2021)

4.8. Regression Analysis

To investigate the extent to which each of the motivator variables (sensitization, social influence, government regulations, and credit terms) influences mobile debt financing among college students in Kisumu, Kenya, the least square regression analysis was conducted using the regression model 1 above. The result of the regression analysis was presented in tables 11, 12, and13.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.875a	.765	.762	.203
a. Predictors: (Constant), credit terms, sensitization, government regulation, social influence				

Table 11: Regression Model Summary

The regression results show that the coefficient of determination (R-square) is 0.875. This shows that sensitization, social influence, government regulations, and credit terms account for 87.5% of the variability in the amount of mobile phone debt financing among college students in Kisumu, Kenya. It implies that the other independent variables not considered in this study would give an explanation for 13.5% of the variability in the level of mobile debt financing by the students. Therefore, the results indicate that the regression model results are significant and reliable in explaining the relationship between the motivator variables and mobile debt financing variables.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.559	4	9.640	234.947	.000b
	Residual	11.857	289	.041		
	Total	50.416	293			
a. Dependent Variable: Uptake of digital credit						
b. Predictors: (Constant), Credit Terms, Sensitization, Government Regulation, Social Influence						

Table 12: ANOVAa
Source: Researcher (2021)

The significance of the model was tested at 5% level of significance with a 2-tailed test. The significance value obtained was .000, which is a value below the critical coefficient at 5% level (0.000). Thus, the model is statistically significant in predicting mobile debt financing among college students. The calculated F in the model is 234.947 with 293 degrees of freedom. This indicates that the calculated F value is greater than the F critical at 5% level of significance, which is 2.3719. Therefore, the overall model is statistically significant.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.578	.147		3.942	.000
Government regulation	.260	.033	.236	7.844	.000
Social influence	.029	.019	.050	1.554	.121
Sensitization	.017	.031	.017	.546	.586
Credit terms	.545	.021	.784	25.702	.000
a. Dependent Variable: Mobile phone debt financing					

Table 13: Ordinary Least Squares Regression Results
Source: Researcher (2021)

The regression coefficients in the table answer the regression model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \quad \ldots\ldots 1$$

Where Y represents mobile debt financing, and β_0 represents the constant coefficient. β_1, β_2, β_3, and β_4 are coefficients of the independent variables X_1, X_2, X_3, and X_4 representing sensitization, social influence, Government regulation, and credit term, respectively, and ε the error term. Based on the results, the regression model is:

$$Y = 0.5780 + .017X_1 + .029X_2 + .260X_3 + .545X_4 + \varepsilon.$$

From the regression model results, it is clear that holding the independent variables constant at zero (0), the mobile debt financing by the college students in Kisumu, Kenya, could be 0.578, which is the level to which the college students would take the mobile phone debt without the influence of the motivator variables. In addition, the model results show that given a unit change in government regulations on mobile phone debt financing, the college students' level of mobile debt financing would have a positive result, resulting in a 0.260 times increase. On the other hand, a unit change in the students' social influence in college would result in a 0.029 increase change in the level of mobile phone debt financing among them. The regression model results also illustrate that a unit change in the students' sensitization on mobile phone debt financing products would result in a 0.017 increase in the level of mobile phone debt financing among college students. Lastly, the regression model results also indicate that a unit change in the credit terms of mobile phone debt

financing products would result in a positive change of 0.545 times in the level of mobile phone debt financing among college students in Kisumu, Kenya. The result on the constant coefficient, government regulations, and credit terms are also significant with p values of <0.025 at a 2-tailed test at 5 percent level of significance. This, therefore, approves that there is a statistically significant relationship between mobile debt financing among college students and credit terms, government regulation, social influence, and sensitization offered by the lending institutions being the motivators.

5. Conclusion

The study thus concluded that all the motivator variables, credit terms, government regulation, social influence, and sensitization, were found to have a positive influence on the level of mobile phone debt financing among college students in Kisumu, Kenya. Government regulation and credit terms were the most significant motivators of mobile phone debt financing. The students agreed that they understand the consequence of defaulting on repayment but also acknowledge that they take multiple loans from mobile phone platforms. While it is true that digital credit, including mobile phone debt financing and micro-loans, has led to broadening financial inclusion in Kenya and other parts of the world, the pace and speed at which mobile phone debt financing providers disburse short-term loans, very high-interest rates is of great concern to economic policymakers.

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