BUSITEMA UNIVERSITY
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P.O Box 236, Tororo, Uganda
P.O Box 266, Busia, Uganda
Gen: +256 - 393 001 033
Mob 1: +256 774 682 635
Mob 2: +256 782 999 874
Email: ar.acadreg@busitema.ac.ug
www.busitema.ac.ug

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MICROFINANCE SERVICES AND GROWTH OF SMALL AND MEDIUM ENTERPRISES: A CASE STUDY OF DALAUSI JUICE COMPANY, WANDEGEYA, KAMPALA, UGANDA.

BY

KWIKIRIZA MARION

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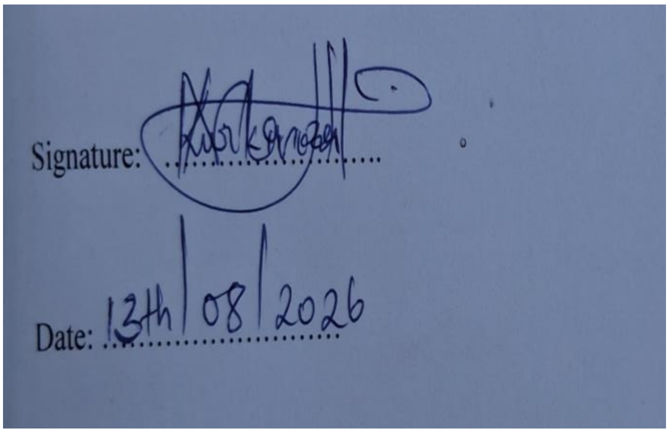
A Research Report Submitted To The Department of Economics and Entrepreneurship In Partial Fulfillment for The Requirement Of The Award Of Bachelors Of Science Education Of Busitema University

AUGUST, 2026

DECLARATION

I, **KWIKIRIZA MARION**, hereby declare that this research report is my original work and has not been presented to any other university or academic institution for the award of any qualification or degree.

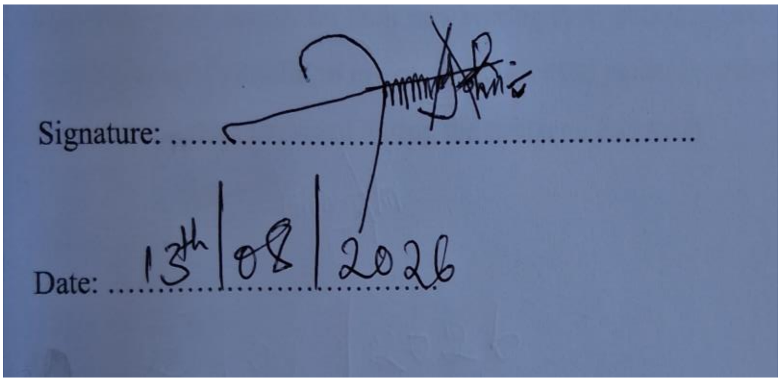
Name: KWIKIRIZA MARION



APPROVAL

This research proposal has been reviewed and approved by supervisor in his capacity as the student's university supervisor and is hereby submitted for examination.

Name: MR. LOKIRU JOHN ALEPER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DEDICATION

I dedicate this work first and foremost to Almighty God for granting me the strength, wisdom, and perseverance throughout my academic journey. I also extend this dedication to my parents and family for their unwavering love, encouragement, and continuous support. I am also deeply grateful to my supervisor for the guidance, patience, and valuable academic assistance that he provided during the course of this study

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I would like to start by expressing my sincere gratitude to the Almighty God for granting me the wisdom, strength, and perseverance that enabled me to complete this research successfully. His guidance throughout my academic journey has been a constant source of inspiration and resilience. To my family especially my parents, Mr. Bwanga George and Nakato Judith, my friends, am grateful for your unwavering support system throughout this journey. Your encouragement provided me with the strength to persevere when challenges seemed insurmountable. I am deeply grateful for your patience and love you showed me during the long hours of study and research. This is as much yours as it is mine, and I cherish the bond we share. Thank you for standing by me and believing in my potential every step of the way.

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ABSTRACT

This study examined the relationship between microfinance services and the growth of Small and Medium Enterprises (SMEs), using Dalausi Juice Company in Wandegeya, Kampala, as a case study. The study specifically assessed the role of loan services, savings/deposit services, and financial education/training in promoting SME growth. A descriptive cross-sectional research design was adopted, using both quantitative and qualitative approaches. Data were collected from respondents at Dalausi Juice Company using questionnaires and an interview guide and were analyzed using descriptive statistics, correlation, and regression analysis. The findings revealed that loan services had a moderate positive and significant relationship with SME growth ($r = 0.504$, $p < 0.001$), explaining 25.4% of the variation in growth. Savings/deposit services also had a positive and significant relationship with growth ($r = 0.582$, $p < 0.001$), explaining 33.9% of the variation, while financial education and training showed the strongest positive relationship ($r = 0.612$, $p < 0.001$), explaining 37.5% of the variation in SME growth. The study therefore concludes that microfinance services contribute significantly to the growth of Dalausi Juice Company by improving access to capital, strengthening financial stability, and enhancing financial management and decision-making skills. The study recommends that the company strengthen its use of affordable loan services, maintain regular savings, and provide practical and continuous financial education and training to its staff. The study further recommends that future research examine other factors such as market competition, customer demand, management practices, and operating costs that may influence SME growth.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter will comprise of the following sections; background of the study, problem statement, purpose of the study, objectives of the study, research questions, Scope, Significance of the study, definition of the key terms and conceptual framework

1.1 Background of the Study

Microfinance services have become an important means of improving access to finance for low-income individuals and small businesses. These services commonly include small loans, savings facilities, and other financial services that enable individuals and enterprises to manage their finances, invest in business activities, and respond to financial needs. Small and Medium Enterprises (SMEs) are important contributors to employment, income generation, and economic development globally. However, smaller firms often face greater difficulties in accessing external finance than larger firms because of limited collateral, high transaction costs, inadequate financial information, and perceived lending risks (World Bank, 2018). Access to appropriate financial services can therefore support business investment, employment creation, income generation, and enterprise growth (World Bank, 2013).

In Africa, access to finance remains an important challenge for SMEs and other small businesses. The World Bank (2024) reported that access to loan and deposit services remains particularly limited in Sub-Saharan Africa, where many households and small businesses have limited formal relationships with financial institutions. The lack of access to appropriate financial services can restrict the ability of small businesses to obtain working capital, invest in productive activities, and expand their operations. Similarly, the African Development Bank found that SMEs in East Africa play an important role in employment and economic development but continue to face constraints in accessing finance. A study covering Kenya, Tanzania, Uganda, and Zambia found that only about 20 percent of SMEs in Sub-Saharan Africa had a line of credit from a financial institution, demonstrating the continuing challenge of SME financing in the region (Calice et al., 2012).

In East Africa, SMEs are an important part of the private sector and provide employment opportunities to a large proportion of the population. However, financial constraints continue to affect their ability to develop and expand. Calice et al. (2012) found that banks in Kenya, Tanzania, Uganda, and Zambia considered SMEs an important and potentially profitable market, but several factors limited the expansion of SME lending. These included information problems, lending risks, and difficulties associated with providing appropriate financial products. More recently, the African Development Bank has continued to support initiatives aimed at strengthening financial integration and expanding access to long-term financing for businesses in East Africa, including Uganda (African Development Bank, 2026). This indicates the continued importance of improving financial access for enterprises in the region.

In Uganda, micro, small and medium enterprises play a major role in economic activity and employment. The United Nations Capital Development Fund (UNCDF, 2026) reported that micro and small enterprises make up almost 90 percent of private-sector firms in Uganda, employ more than 2.5 million people, and generate approximately 75 percent of the country's GDP. Despite their importance, access to formal business finance remains limited. UNCDF (2026) reported that only about 9–10 percent of micro and small enterprises have a formal loan or line of credit, while Uganda's MSME financing gap was estimated at UGX 31.4 trillion. The major challenges include lack of collateral, high transaction costs, inadequate business information, and difficulties faced by financial institutions in serving small businesses. These challenges demonstrate the continued need for suitable financial services that can support the operation and growth of SMEs.

Although Uganda has made progress in improving financial access, access to financial accounts does not necessarily mean that small businesses have adequate productive finance. According to UNCDF (2026), about 81 percent of Ugandan adults held a financial account, largely because of the expansion of mobile money, yet only a small proportion of micro and small enterprises had access to formal credit. The Government of Uganda and development partners have therefore introduced initiatives aimed at improving access to finance for SMEs. For example, the World Bank (2021) reported that the Investment for Industrial Transformation and Employment (INVITE) project was established to ease liquidity constraints affecting micro, small and medium enterprises and support new lending and longer-term financing for productive investment. Such initiatives demonstrate the importance attached to improving SME access to finance in Uganda.

At the urban level, Kampala provides an important environment for SME activities because of its large and diverse business population. Wandegeya is a busy commercial area where businesses operate in different sectors, including food and beverage production, retail, and other services. SMEs operating in such competitive environments require adequate financial resources to purchase raw materials, meet operating expenses, maintain cash flow, expand their activities, and respond to changes in customer demand. Microfinance services such as loans, savings and deposits, and financial education may therefore provide important support to SMEs. However, the availability of these services does not necessarily guarantee business growth, since their usefulness may depend on the amount of finance available, repayment conditions, financial management skills, and the specific needs of each business.

1.2 Statement of the Problem

Small and Medium Enterprises (SMEs) play an important role in Uganda's economy, accounting for about 90% of private-sector firms, employing more than 2.5 million people, and contributing approximately 75% of GDP (United Nations Capital Development Fund [UNCDF], 2026). Despite their importance, many SMEs continue to face difficulties in accessing affordable and appropriate finance needed for business expansion and sustainability. Recent evidence indicates that only about 9–10% of Uganda's micro and small enterprises have a formal loan or line of credit, while the national MSME financing gap is estimated at UGX 31.4 trillion (UNCDF, 2026). Challenges such as lack of collateral, high transaction costs, inadequate business information, and limited access to suitable financial products continue to restrict SMEs from obtaining productive finance (UNCDF, 2026).Although Uganda has made progress in financial inclusion, with a large proportion of adults having access to formal or digital financial services, access to financial services does not necessarily translate into access to affordable and suitable credit for business growth (UNCDF, 2026). The Government of Uganda and development partners have introduced various initiatives to improve access to finance for small businesses, including programs aimed at increasing lending and supporting productive investment (World Bank, 2021). However, there is still a need to establish whether microfinance services such as loans, savings and deposits, and financial education or training are effectively contributing to the growth of individual SMEs. In particular, limited evidence is available on how these services relate to the growth of SMEs operating in urban areas such as Wandegeya. Therefore, this study examined the relationship between microfinance services and the growth of Small and Medium Enterprises, with particular focus on Dalausi Juice Company in Wandegeya, Kampala.

1.3 **Objectives**

1.3.1 General Objective

To examine the relationship between microfinance services and the growth of Dalausi Juice Company in Wandegeya, Kampala

1.3.2 Specific Objectives of the Study

i. To ascertain the role of loan services on the growth of Dalausi Juice Company Wandegeya

ii. To establish the contribution of savings/deposits on the growth of Dalausi Juice Company Wandegeya

iii. To ascertain the role of financial education /training on the growth of Dalausi Juice Company Wandegeya

1.4 Research Questions

I. What is the role of loan services on the growth of Dalausi Juice Company?

ii. How does Savings/ deposits contribute to growth of Dalausi Juice Company?

iii. What is the role of financial education/training on the growth of Dalausi Juice Company

1.5 Hypothesis

I. H_{01}: Loan services have no significant effect on the growth of Dalausi Juice Company.

H_{11}: Loan services have a significant effect on the growth of Dalausi Juice Company.

ii. H_{02}: Savings and deposit services have no significant contribution to the growth of Dalausi Juice Company.

H_{12}: Savings and deposit services have a significant contribution to the growth of Dalausi Juice Company.

iii. H_{03}: Financial education and training have no significant effect on the growth of Dalausi Juice Company.

H_{13}: Financial education and training have a significant effect on the growth of Dalausi Juice Company.

1.5.1 Content scope

This study content will be limited to the assessment of effectiveness of microfinance services on growth of small and medium enterprises in Uganda

1.5.2 Geographical scope

The study was conducted at Dalausi Juice Company in Wandegeya, Kampala, Uganda. Wandegeya was selected because it is a busy urban business area with many Small and Medium Enterprises that use different microfinance services, including loans, savings and financial training. The area provided a conducive environment for examining some of the financial challenges affecting SMEs, such as high operating costs, competition and difficulties in obtaining affordable credit. Wandegeya is also convenient for the researchers to access during data collection. The presence of several microfinance institutions in and around the area makes it appropriate for examining how microfinance services relate to the growth of SMEs.

1.5.3 Time Scope

The study was carried out from April to August 2026. This period gave the researcher enough time to collect the necessary information, analyze the data and come up with the findings. The period was also considered appropriate because enabled the study to use recent information when examining how microfinance services affect the growth of SMEs at Dalausi Juice Company.

1.6 Significance of the study

1.6.1 Government

The study will be useful to the Government of Uganda by providing information on how microfinance services can support SME growth. The findings may help improve financial policies and programs that increase SMEs’ access to affordable credit, contributing to job creation, higher incomes, and economic growth.

1.6.2 Microfinance Institutions

The study will be useful to microfinance institutions by showing how loans, savings, and financial training affect SME performance. The findings may help them improve their services; address challenges faced by SME owners, provide better financial support, and reduce loan repayment problems while promoting SME growth.

1.6.3 Universities

The study will be helpful to universities and other learning institutions by providing additional information about microfinance services and the growth of SMEs. Students and researchers who want to carry out related studies may use the findings as a source of information. The study will also help to improve understanding of financial inclusion and how financial services can support small businesses and entrepreneurs in Uganda and other developing countries.

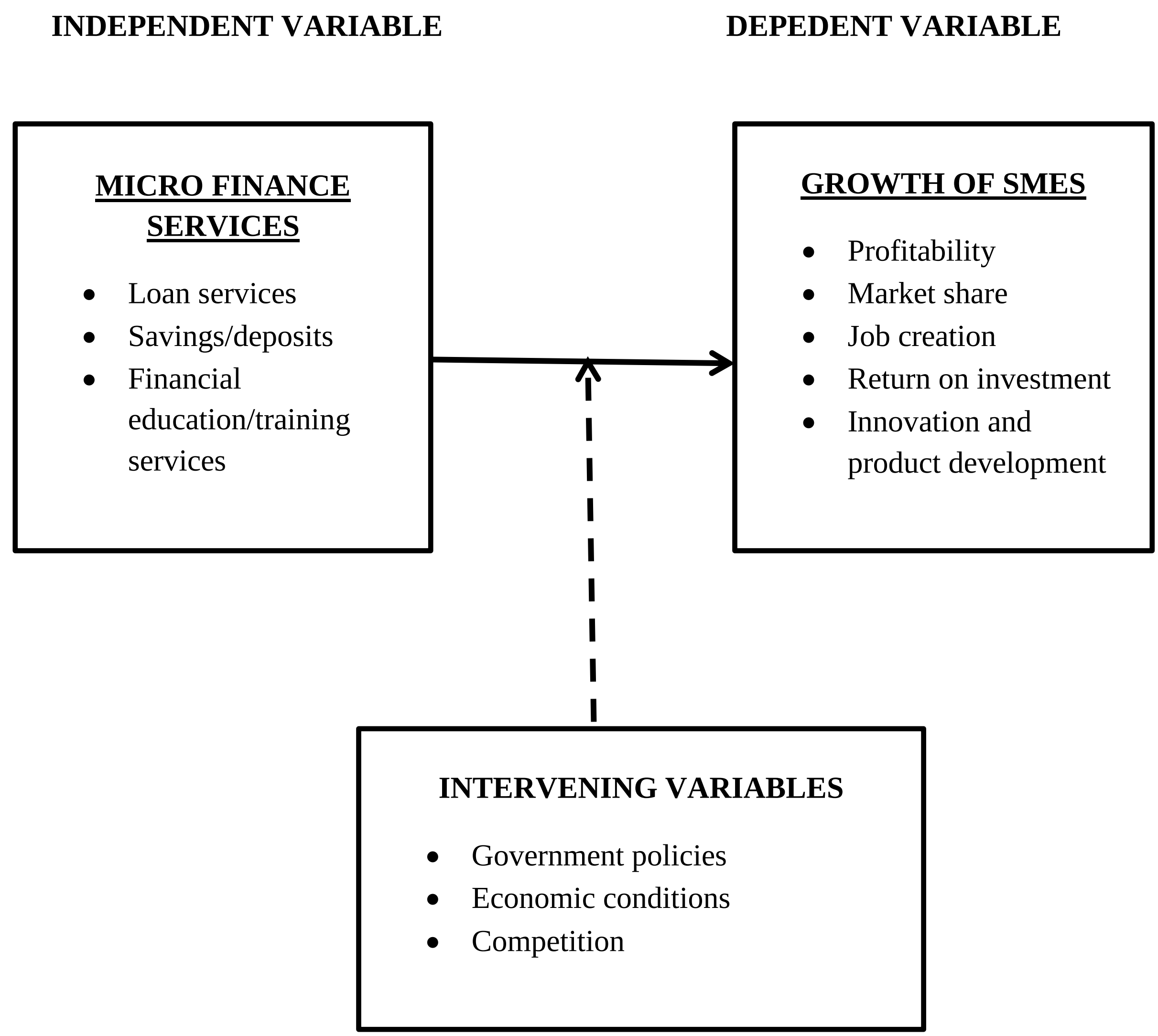
1.6.4 Small and Medium Enterprises (SMEs)

Small and Medium Enterprises (SMEs) will benefit from the study by helping business owners understand how to effectively use microfinance services. The findings will show how loans, savings, and financial training can improve business management, cash flow, and business activities while helping SMEs overcome challenges that may affect their growth and operations.

1.6.5 Community

The community may also benefit when SMEs grow and become more stable. As these businesses expand, they can create more jobs and provide people with a wider range of goods and services. This can help improve the incomes and living conditions of people in the community. In areas such as Wandegeya and the surrounding communities, better access to microfinance services may therefore support the growth of small businesses, reduce poverty and contribute to local economic development.

1.7 Conceptual Framework



Source: The conceptual framework of this study is adapted from the works of Joseph Schumpeter (1934), Joseph Stiglitz (1981), and Annamaria Lusardi (2015) on financial access, entrepreneurship, and financial literacy.

The conceptual framework of the study shows how microfinance services may influence the growth of Small and Medium Enterprises (SMEs). Microfinance services are considered the independent variable and include loan services, savings and deposit services, as well as financial education and training. SME growth is the dependent variable and can be seen through indicators such as increased profitability, a larger market share, creation of new jobs, improved return on investment, and the development of new products and ideas. However, the relationship between microfinance services and SME growth can also be affected by other factors, such as government policies, economic conditions, and the level of competition in the market. These factors may either support or limit the extent to which microfinance services contribute to the growth of SMEs.

1.8 Definition of Key Terms

1.8.1 Microfinance Services

According to Yunus (1998), microfinance services refer to financial services such as small loans, savings, and other forms of financial support provided to low-income individuals to help them start or expand businesses and improve their livelihoods.

1.8.2 Loan Services

Loan services refer to the provision of borrowed funds by financial institutions to individuals or businesses with an obligation to repay within a specified time, usually with interest. According to Frederic Mishkin (2013), loans are essential financial instruments that support investment, working capital, and business expansion.

1.8.3 Savings/Deposits Services

Savings or deposit services refer to financial services where individuals or businesses store money in financial institutions for safety, interest earnings, and future use. According to Rosemary Barber (2010), savings promote capital accumulation and financial stability for households and enterprises.

1.8.4 Financial Education/Training Services

Financial education or training services refer to programs designed to improve knowledge and skills in financial management, budgeting, and investment decision making. According to Annamaria Lusardi (2015), financial education improves financial behavior and enhances economic decision making.

1.8.5 Growth of SMEs

Growth of SMEs refers to the expansion and improvement of small and medium enterprises in terms of profitability, employment, sales, and market reach. According to Paul Burns (2016), SME growth involves increases in size, assets, and operational efficiency over time. The

Organization for Economic Co-operation and Development (2005) also defines SME growth as improved productivity and competitiveness of small firms.

1.8.6 Profitability

Profitability refers to the ability of a business to generate income that exceeds its costs and expenses. According to Attrill Peter (2012), profitability measures how efficiently a firm uses its resources to generate profit.

1.8.7 Market Share

Market share refers to the percentage of total sales in a market controlled by a particular business. According to Philip Kotler (2017), market share reflects a firm's competitive strength. The American Marketing Association (2019) defines it as the proportion of total industry sales earned by a company.

1.8.8 Job Creation

Job creation refers to the generation of new employment opportunities within an economy or business sector. According to David Blanchflower (2014), SMEs play a major role in creating jobs globally. The International Labor Organization (2020) states that job creation reduces unemployment and improves living standards.

1.8.9 Return on Investment (ROI)

Return on investment refers to the financial gain or loss from an investment relative to its cost. According to James Tobin (1982), ROI is a measure of investment efficiency. The Corporate Finance Institute (2020) defines ROI as a performance metric used to evaluate profitability of investments.

1.8.10 Innovation and Product Development

Innovation and product development refer to the creation of new or improved products, services, or processes to meet market needs. According to Joseph Schumpeter (1934), innovation drives economic development through creative destruction.

1.8.11 Government Policies

Government policies refer to laws, regulations, and strategies used by the government to guide economic activities. According to Dani Rodrik (2008), policies influence economic performance and business development.

1.8.12 Economic Conditions

Economic conditions refer to the overall state of the economy including inflation, employment, and income levels. According to N. Gregory Mankiw (2015), economic conditions influence business decisions and performance.

1.8.13 Competition

Competition refers to rivalry among businesses offering similar products or services in a market. According to Michael Porter (1980), competition determines industry profitability and strategy. The Organization for Economic Co-operation and Development (2019) defines competition as a driver of efficiency, innovation, and consumer welfare

CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction

This chapter reviewed and analyzed related literature published by authors' articles, books, journals, reports and previous dissertations related to the topic in question and its variables in order to give an insight into the study as well as expressing the need for this study. The research topic was analyzed in relation to the study variable and specific objectives as explained below

2.1 Theoretical Review

2.1.1 Financial Systems theory

Financial Systems Theory, developed by scholars such as John Gurley and Edward Shaw in the 1950s and later supported by Joseph Schumpeter and Joan Robinson, explains that a well-developed and efficient financial system is essential for economic growth because it mobilizes savings, allocates resources effectively, and supports investment and innovation. The theory views financial institutions such as banks, microfinance institutions, and informal savings groups as key intermediaries that connect surplus funds to individuals and businesses in need of capital, thereby stimulating productivity and enterprise development.

Within this framework, microfinance plays a crucial role in promoting financial inclusion by providing accessible financial services such as small loans, savings, and insurance to low-income individuals and SMEs that are often excluded from formal banking systems due to lack of collateral or credit history. For SMEs, access to these diverse financial services enhances their ability to manage cash flow, invest in expansion, adopt new technologies, and withstand economic uncertainties, ultimately contributing to business growth and sustainability. In developing economies such as Uganda, where many entrepreneurs rely on informal or semi formal financial structures, the integration of microfinance into the broader financial system strengthens the overall financial ecosystem and supports inclusive economic development.

2.1.2 Credit Rationing Theory

Credit Rationing Theory, developed in the 1980s by Joseph Stiglitz and Andrew Weiss and further supported by scholars such as Michael Rothschild, explains that in financial markets characterized by imperfect information, lenders may deliberately limit the supply of credit even to borrowers who are willing and able to pay prevailing interest rates. This occurs because lenders face challenges such as adverse selection and moral hazard, where they cannot easily distinguish between high risk and low risk borrower, leading them to adopt conservative lending practices to minimize potential losses. As a result, Small and Medium Enterprises SMEs, which often lack collateral, formal financial records, or strong credit histories, are disproportionately affected and may be denied access to credit despite being viable businesses. Microfinance institutions play a critical role in addressing this gap by using alternative lending approaches such as group lending, character-based assessments, and close monitoring of borrowers, which reduce information asymmetry and build trust between lenders and clients. By extending credit to underserved SMEs, microfinance services enable these businesses to finance working capital, invest in technology, hire labor, and expand operations, thereby promoting enterprise growth and economic development, particularly in developing countries such as Uganda where access to formal credit remains limited.

2.1.3 Entrepreneurship Theory

Entrepreneurship Theory, strongly influenced by the work of Joseph Schumpeter, particularly his work published in 1934, and later expanded by scholars such as Scott Shane and S. Venkataraman, emphasizes that entrepreneurs are central drivers of economic development through their ability to identify opportunities, innovate, and create new businesses that stimulate productivity and employment. The theory argues that economic growth is not only dependent on access to capital but also on the presence of individuals with entrepreneurial vision, skills, and the ability to take calculated risks within a supportive environment.

In this context, microfinance institutions play a dual role by not only providing financial services such as microloans and savings facilities but also by offering non-financial support including business training, mentorship, financial literacy programs, and capacity-building initiatives that enhance entrepreneurial competence. These support mechanisms help SME owners develop critical skills in areas such as business planning, financial management, marketing, and innovation, which are essential for sustaining and scaling their enterprises. By fostering an entrepreneurial mindset and strengthening the capabilities of business owners, microfinance contributes to the creation of resilient and competitive SMEs, thereby reinforcing long-term economic growth and development, especially in emerging economies such as Uganda where many entrepreneurs operate in resource-constrained environments.

2.2 The role of loan services on growth of SMES

Loan services play an important role in the growth and development of Small and Medium Enterprises (SMEs), particularly because many small businesses have limited internal financial resources. Access to external credit enables SMEs to obtain working capital, purchase productive assets, increase inventory, improve production capacity, and expand their business operations (Beck & Demirgüç-Kunt, 2006). However, information asymmetry between lenders and borrowers can lead to credit rationing, whereby some SMEs may fail to obtain financing even when they are willing and able to repay the loans (Stiglitz & Weiss, 1981). Limited access to credit can therefore constrain business investment, technological improvement, and expansion. Conversely, when SMEs obtain appropriate and affordable loan services, they are better able to finance business activities, respond to market opportunities, increase productivity, and improve their competitive position (Beck & Demirgüç-Kunt, 2006). Therefore, loan services can serve as an important source of finance for SME expansion, profitability, and long-term sustainability**.**

2.3 The role of saving /deposit services on growth of SMES

Savings and deposit services can contribute to SME growth by helping business owners accumulate capital and strengthen their financial resilience. Regular savings can provide enterprises with internally generated funds that can be used to finance business activities, meet unexpected expenses, and reduce excessive dependence on external borrowing (Dupas & Robinson, 2013). Access to savings facilities can also promote financial discipline by encouraging business owners to plan their finances and set aside resources for future business needs. Furthermore, savings can provide a financial buffer during periods of fluctuating income or unexpected business expenses, thereby supporting continuity of operations (Dupas & Robinson, 2013). Accumulated savings may also be reinvested in the purchase of equipment, expansion of business activities, and improvement of products and services. Therefore, savings and deposit services can contribute to the financial stability, investment capacity, and sustainable growth of SMEs.

2.4 The role of financial education/ training services on growth of SMES

Financial education and training are important in improving the ability of SME owners to make informed financial and business decisions. Financial literacy enables entrepreneurs to understand concepts such as budgeting, saving, borrowing, investment, and financial planning, which can improve the management of business resources (Lusardi & Mitchell, 2014). Financial education can also strengthen entrepreneurs' ability to evaluate borrowing decisions, manage debt, control expenses, and plan for future business activities. In addition, business training can improve entrepreneurs' knowledge of financial record keeping, cash-flow management, pricing, marketing, and investment decisions, thereby supporting better business management practices (McKenzie & Woodruff, 2017). Entrepreneurs with stronger financial and managerial skills may therefore be better positioned to identify business opportunities, manage risks, improve efficiency, and sustain their enterprises. Consequently, financial education and training services can contribute to improved profitability, operational efficiency, and long-term growth of SMEs.

2.5 Growth of SMES

The growth of Small and Medium Enterprises (SMEs) can be assessed through changes in business performance and expansion over time. Common indicators of SME growth include increases in sales revenue, profitability, employment, assets, market share, and business output (Storey, 1994). SME growth may also be reflected in improvements in productivity, innovation, competitiveness, and the ability of a business to expand its operations and respond to changing market conditions (Burns, 2016). Access to financial resources can enable SMEs to invest in productive assets, increase their working capital, adopt new technologies, and develop new products and services, which may contribute to improved business performance and expansion (Beck & Demirgüç-Kunt, 2006). In addition, growing SMEs can contribute to employment creation and economic development through increased production and business activities (Ayyagari et al., 2011). Therefore, SME growth in this study is considered in terms of improvements in profitability, market share, employment creation, return on investment, and innovation or product development.

2.6 Research Gap

Previous studies have shown that financial services can influence the performance and growth of Small and Medium Enterprises (SMEs), particularly through access to credit, savings, and financial education (Beck & Demirgüç-Kunt, 2006; Lusardi & Mitchell, 2014). However, most studies have focused on these services separately or have examined broad groups of SMEs rather than a specific enterprise. This creates a content gap because limited attention has been given to the combined role of loan services, savings/deposit services, and financial education or training in promoting SME growth. There is also a contextual and geographical gap, since findings from other countries and regions may not fully reflect the financial challenges faced by SMEs in Uganda, particularly those operating in urban areas such as Wandegeya, Kampala. In addition, there is a methodological gap because some previous studies have focused on large populations of SMEs, while limited evidence exists from individual enterprises using both quantitative and qualitative approaches to examine the relationship between microfinance services and business growth. Therefore, this study sought to address these gaps by examining the influence of loan services, savings/deposit services, and financial education/training on the growth of Dalausi Juice Company in Wandegeya, Kampala, Uganda.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This section described the methods that were used to conduct the study and achieve its objectives. It explained the study variables, their measurement, sources of data, and data collection methods. It also described how the collected data was analyzed and tested to ensure reliable and relevant results.

3.1 Research Design

The study used a cross-sectional research design with elements of both qualitative and quantitative approaches (mixed methods) to collect data from respondents at one point in time. It also used an analytical research design to examine the collected information and identify patterns and relationships among the study variables. A correlational research design was also used to establish the relationship between the independent and dependent variables. The variables were studied as they naturally occurred without manipulation. The collected data was analyzed using statistical methods, including correlation coefficients, to determine the strength and direction of the relationships between the variables.

3.2 Study area

The study was carried out at Dalausi Juice Company, located at Aisha Kasule House, Plot 154–155, Bombo Road, Wandegeya, Kampala, Uganda. Dalausi Juice Company is engaged in the production and delivery of fresh fruit juices made from natural fruits without added sugars, additives, or preservatives. The company offers a variety of fresh fruit juices, specialty and wellness juice blends, and provides beverage catering and setup services for events such as weddings, introductions, and other public functions. The company was selected as the study area because it is a Small and Medium Enterprise operating in the beverage sector and provides a suitable setting for examining how microfinance services influence SME growth.

3.3 Study population

The study involved a total population of 41 respondents from different departments at Dalausi Juice Company. The respondents included the company manager, accounts officers, customer service representatives, operations staff, stores and warehouse staff, and production staff. The company manager contributed 1 respondent, accounts had 3 respondents, customer service had 5 respondents, operations had 3 respondents, and stores and warehouse had 5 respondents. The production department had the largest number of respondents, with 24 employees.

3.4 Sampling technique

Sampling refers to the process of selecting a subset of individuals from a larger population to represent the characteristics of the entire population. The main purpose of sampling was to obtain a representative group that allowed the researcher to collect accurate and relevant data for the study (Mugenda & Mugenda, 2013).

3.4.1 Purposive sampling

Purposive sampling was a non-probability sampling method where respondents were selected based on their knowledge, experience, and relevance to the study (Mugenda and Mugenda, 2013). In this study, the method was used to select management members of Dalausi Juice Company because they were involved in important decisions and had useful information about microfinance services such as loans, savings, and financial training. Their knowledge helped the researcher understand how these services affected the growth and performance of the business.

3.4.2 Simple random sampling

Simple random sampling is a probability sampling technique in which every individual in the population has an equal chance of being selected, ensuring that the sample is unbiased and representative (Mugenda and Mugenda, 2013). In this study, simple random sampling was used to select production staff, stores and ware house officers of Dalausi Juice Company. This method was appropriate because it gave all members an equal chance of participation, reduced selection bias, and provided balanced information on how microfinance services such as loans, savings, and financial training influenced the growth of the business.

3.5 Sample size

A total of 36 respondents were selected from a population of 41 individuals at Dalausi Juice Company using the Using the Krejci and Morgan (1970) table for sample size determination. This method was adopted to ensure that the sample adequately represented the study population and provided reliable and valid data for the research conducted at Dalausi Juice Company.

Table 1: showing the sample size of the respondents

No.	Departments	N	S	Sampling strategies
1.	Company manager	1	1	Purposive sampling
2.	Accounts officers	3	3	Purposive sampling
3	Customer service representatives	5	5	Purposive sampling
4	Operations Department	3	3	Purposive sampling
5	Stores& ware house officers	5	5	Simple random sampling
6	Production Department	24	19	Simple random
	Total	**41**	**36**	

Source: Primary data, (2026)

3.6 Data collection sources

Data was attained from both primary and secondary sources as below;

3.6.1 Primary data

The study used primary data, which was collected directly from respondents at Dalausi Juice Company. Self-administered questionnaires were used to obtain firsthand information from the respondents. The researcher personally distributed the questionnaires and provided guidance where necessary. This helped to improve the accuracy, completeness, and reliability of the information collected for the study.

3.6.2 Secondary data

Secondary data was also used in the study. It consisted of information previously collected and analyzed by other researchers. The data was obtained from textbooks, academic journals, newspapers, company reports, and reliable online sources. Secondary data helped provide background information, support the primary findings, and strengthen the analysis of the study.

3.7 Data Collection Method

The data for this study was gathered through various techniques which are described in detail below.

3.7.1 Questionnaire method

The study mainly used questionnaires to collect primary data from employees and supervisors at Dalausi Juice Company. This method was chosen because it was cost-effective, easy to administer, and allowed data to be collected within a short time. The questionnaires provided privacy to respondents and reduced interviewer influence. The questions were designed according to the study objectives and research questions, making the responses easy to code, analyze, and interpret.

3.7.2 Interview method

The study also used interviews to collect detailed information from managers and heads of departments at Dalausi Juice Company. Face-to-face interviews allowed the researcher to ask follow-up questions and clarify unclear issues. This helped the researcher obtain accurate, reliable, and detailed information about the study problem.

3.8 Data collection instrument

Data for the study was gathered through self-administered questionnaires and structured interview guides.

3.8.1 Questionnaires

A structured questionnaire bearing adequate statements on each objective was set and administered to the respondents at Dalausi Juice Company. The questionnaire had a section that captured the demographic characteristics of the respondents and a Likert scale with five alternative responses from which the respondents were required to choose appropriately. Questionnaires were preferred because they saved time and promoted the independence of the respondents.

3.8.2 Interview Guide

The researcher carried out face-to-face verbal interactions with employees and management at Dalausi Juice Company to obtain valuable information. An interview guide containing relevant questions for each objective was prepared and used during the interviews. Specific dates and times were agreed upon with the respondents. The researcher asked questions while the interviewees provided their responses, which were recorded using a smartphone to avoid forgetting important information. Interviews enabled the researcher to obtain firsthand information that was deeply and carefully examined.

3.9 Data quality control and management

3.9.1 Validity

The validity of the data collection instruments was ensured with the assistance of experts who reviewed and edited the questionnaire items. The researcher drafted the structured questionnaire and submitted it to the supervisor for careful review and refinement to ensure that all key aspects related to the study variables were adequately captured. As a benchmark for assessing validity, the researcher computed the Content Validity Index (CVI) of the instrument using the standard formula.

$$\text{C.V.I} = \frac{\text{Total number of items declared valid}}{\text{Total number of items in the instrument}}$$

3.9.2 Reliability

The reliability of the data collection instruments was assessed by testing the internal consistency of the study variables using Cronbach's Alpha coefficient, as recommended by Cronbach (1946). According to Amin (2005), a Cronbach's Alpha value of 0.70 or above was considered acceptable for an instrument to be reliable. The researcher conducted a pilot test using questionnaires administered to selected staff members of Dalausi Juice Company. After the pilot data were collected, the reliability coefficients were computed using SPSS software. Variables with Cronbach's Alpha values of 0.70 or above were considered reliable and retained, while items with lower values were reviewed and improved where necessary.

3.10 Data processing

After data collection, the researcher processed the information by cleaning, editing, coding, and organizing the responses for analysis. Editing helped identify and correct errors or incomplete responses, while coding involved assigning numerical values to the responses. The coded data was then presented in tables and summarized using frequencies and percentages to identify patterns and relationships among the variables. This process ensured that the data was properly organized and suitable for analysis.

3.10.1 Data analysis

Quantitative data was analyzed using the Statistical Package for the Social Sciences (SPSS) Version 26. Frequencies and percentages were used to summarize demographic characteristics, while means and standard deviations were used to describe the study variables. Pearson correlation analysis was used to determine the strength and direction of the relationship between microfinance services and the growth of Dalausi Juice Company. Regression analysis was also used to examine the effect of loan services, savings/deposit services, and financial education/training on SME growth. Qualitative data obtained from interviews was analyzed thematically. The findings were presented in tables and compared with the reviewed literature to draw logical conclusions and make appropriate recommendations. Statistical tests were evaluated at a 5% level of significance.

3.10.2 Research Procedure

The researcher obtained an introductory letter from the Research Coordinator of Busitema University and presented it to the management and staff of Dalausi Juice Company before distributing questionnaires or conducting interviews. Before data collection, respondents were informed about the purpose of the study and their role in providing information. This process helped ensure smooth and cooperative participation and enabled the researcher to collect accurate and complete data.

3.11 Ethical considerations

Ethical considerations are the principles that guide the researcher in conducting the study in a proper and responsible manner. The researcher ensured that respondents' information was kept confidential and that all participants gave informed consent before taking part in the study. The purpose of the research was clearly explained, and participation was voluntary. The researcher presented the collected information honestly without changing or misrepresenting respondents' views. Participants were also treated with respect, and clarification was provided where necessary to ensure that the information collected was well understood and accurately recorded.

3.12 Limitations of the Study

The study faced several challenges during the research process. Some financial information at Dalausi Juice Company was confidential and difficult to access. The researcher explained that the study was for academic purposes and assured management that the information provided would remain confidential. Financial constraints were also experienced due to expenses such as transport, data processing, printing, typing, and binding. The researcher managed these costs through financial support from family and friends and careful use of available funds. Time was another challenge because the researcher was also preparing for final examinations. A clear timetable was therefore prepared to balance research activities with academic responsibilities. Some managers and supervisors were also busy and unavailable for face-to-face interviews. Where necessary, telephone interviews were conducted to obtain the required information.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION INTERPRETATION AND RESULTS

4.0 Introduction

This chapter presents and discusses the findings from the field study on the effect of microfinance services on the growth of small and medium enterprises, using Dalausi Juice Company in Wandegeya as the case study. It starts with the response rate and the demographic characteristics of the respondents. The chapter then presents and discusses the findings based on the study objectives, with focus on how microfinance services contribute to the growth of small and medium enterprises.

Table 4.1: Response rate of respondents from Dalausi Juice Company Wandegeya

Number of responses	Frequency	Percentage
Successful	30	83.3%
Un successful	6	16.7%
Total	**36**	**100**

Source; Primary data 2026

The table shows the response rate obtained during the field study. Out of the 36 questionnaires that were distributed, 30 were properly completed and returned, giving a response rate of 83.3%. This indicates that most of the selected respondents took part in the study and provided the required information. The remaining 6 questionnaires, representing 16.7%, were not successfully returned or were incomplete. Therefore, the response rate was satisfactory and provided enough information for the study to analyze the findings and draw conclusions.

4.1 Demographic characteristics of respondents at Dalausi Juice company

This section describes the background information of the respondents who took part in the study. It presents details about their gender, age, level of education, work experience, and the departments in which they work at Dalausi Juice Company, Wandegeya. The information helps to show the characteristics of the respondents who provided data for the study.

4.2 Gender of respondents at Dalausi Juice Company

The researcher sought to investigate the distribution of respondents by gender. This was presented as in the table below

Table 4.2: Gender of respondents Dalausi Juice Company

Gender	**Frequency**	**Percentage**
Male	14	46.7%
Female	16	53.3%
TOTAL	**30**	**100**

Source; primary data 2026

The table presents the gender distribution of respondents at Dalausi Juice Company. Out of the 30 respondents who participated in the study, 14 were male, representing 46.7%, while 16 were female, representing 53.3%. The findings indicate that female respondents were slightly more than male respondents. However, the difference was relatively small, suggesting that both male and female respondents were fairly represented in the study. This balanced representation enabled the researcher to obtain views from both genders, thereby providing a broader understanding of the issues investigated at Dalausi Juice Company.

4.3 Age of respondents at Dalausi Juice Company

The study aimed to determine the age distribution of the respondents. The findings regarding the respondents' ages are summarized and presented in the section below.

Table 4.3: Age of respondents at Dalausi Juice Company

Age group	**Frequency**	**Percentage (%)**	**Cumulative Percentage (%)**
20-24	5	16.7%	16.7%
25-29	9	30.0%	46.7%
30-34	11	36.7%	83.4%
35-39	4	13.3%	96.7%
40-44	1	3.3%	100
Total	**30**	**100**	

Source: Primary data 2026

The table above shows the age distribution of respondents at Dalausi Juice Company. Most of the respondents were between 30–34 years, with 11 respondents making up 36.7% of the sample. This was followed by those aged 25–29 years, who were 9 respondents (30.0%). The 20–24 age group had 5 respondents (16.7%), while 4 respondents (13.3%) were aged 35–39 years. The smallest group was 40–44 years, with only 1 respondent representing 3.3%. The results show that most of the respondents were below 35 years of age. This means that the study mainly involved young and middle-aged employees who are actively involved in the company's daily activities. Their age and involvement in the business provided useful views on the issues covered by the study. Generally, the respondents were drawn from different age groups, which helped provide a broader view of the study variables at Dalausi Juice Company.

4.4 Level of education at Dalausi Juice company

The study aimed to examine the educational attainment of the respondents. In this regard, the findings revealed the following result**s.**

Table 4.4: Level of education at Dalausi Juice Company

Age group	**Frequency**	**Percentage (%)**	**Cumulative percentages (%)**
Certificate	1	3.3	3.3
Diploma	12	40.0	43.3
Degree	14	46.7	90.0
Masters	3	10.0	100.0
TOTAL	**30**	**100**	

Source; Primary data 2026

The table above shows the education levels of the respondents at Dalausi Juice Company. The largest number of respondents had a Bachelor's degree, with 14 respondents representing 46.7% of the total sample. This was followed by those with Diplomas, who were 12 respondents (40.0%). Three respondents (10.0%) had a Master's degree, while only 1 respondent (3.3%) had a Certificate. The results show that most of the respondents had attained at least a Diploma or Bachelor's degree. This means that the majority had a fairly good level of education and were able to understand the questions asked during the study. Their level of education also helped them provide relevant information about the activities and issues being examined at Dalausi Juice Company. Therefore, the education background of the respondents provided a good basis for collecting useful information for the study.

4.5 Departments of respondents at Dalausi Juice Company

The study aimed to identify the departments in which the respondents were employed. The findings obtained are presented below.

Table 4.5: Departments of respondents at Dalausi Juice Company

Department	Frequency	Percentages (%)	Cumulative percentages (%)
Accounts Department	3	10.0	10.0
Production department	13	43.3	53.3
customer service department	5	16.7	70.0
Operations department	3	10.0	80.0
Management	1	3.3	100
Total	**30**	**100**	

Source; Primary data 2026

The table presents the distribution of respondents according to the departments in which they worked at Dalausi Juice Company. Out of the 30 respondents who participated in the study, the Production Department had the highest number of respondents, with 13 respondents representing 43.3% of the total sample. This was followed by the Customer Service Department, which had 5 respondents representing 16.7%. The Accounts Department and Operations Department each contributed 3 respondents, representing 10.0% each, while the Management category had 1 respondent, representing 3.3% of the total sample. The findings show that all the departments included in the study were represented, although the majority of respondents came from the Production Department. The higher representation of production staff was reasonable because the department had a relatively larger number of employees and was directly involved in the company's main production activities. The inclusion of respondents from Accounts, Customer Service, Operations, and Management also provided different perspectives on the financial and operational activities of the company. Therefore, the departmental distribution provided a relatively broad representation of employees and management, enabling the researcher to obtain information from different areas of Dalausi Juice Company concerning the role of microfinance services in SME growth.

4.6 Descriptive statistics

4.6.1 Loan services at Dalausi Juice Company

Respondents were asked to rate their level of agreement regarding some of the issues considered in the study, as indicated in the table below

Table 4.6: Descriptive statistics on loan services

Statement	Mean	S.D
Our company has access to loan services from microfinance institutions	3.80	0.95
Our company easily qualifies for loans when needed	3.60	1.10
Our company uses loans to expand business operations	3.47	1.04
Our company uses loans to increase production capacity	4.13	0.86
Our company uses loans to purchase raw materials and inputs	3.67	0.99
Our company uses loans to improve daily business cash flow	3.67	0.99
Our company is satisfied with interest rates on loans received	3.90	0.96
Our company repays loans within the agreed time period	3.33	1.12
Our company has experienced growth due to loan services received	4.27	0.78
Our company considers loan services for business survival and expansion	3.90	0.96
Overall	**3.77**	**0.98**

4.7 Interpretation

On the issue of whether the company has access to loan services from microfinance institutions, the mean of 3.80 shows that most respondents agreed with the statement. The standard deviation of 0.95 shows that the responses did not differ greatly. This means that Dalausi Juice Company can access loans from microfinance institutions when it needs additional funds for its activities.

Respondent 1 (Management staff) was asked how access to loan services has influenced the growth of Dalausi Juice Company. The respondent said: "The loans have helped us get money when the company does not have enough. We have used the money to buy materials, increase production, and also support some of our expansion plans." This finding shows that loan services have provided the company with additional funds for different business needs. The money obtained from loans has therefore helped the company continue its operations and support its growth.

Regarding whether the company easily qualifies for loans when needed, the mean of 3.60 shows that respondents generally agreed. The standard deviation of 1.10 shows that there were some differences in the responses. This suggests that although the company is able to get loans, qualifying for them may not always be easy for everyone because of the conditions set by lenders. On the issue of whether the company uses loans to expand business operations, the mean of 3.47 shows that respondents generally agreed, although the level of agreement was not very high. The standard deviation of 1.04 shows some differences in the responses. This means that loans are used to support expansion, but they may also be used for other business needs.

Respondent 2 (Accounts staff) was asked about the challenges the company faces when accessing loans from financial institutions. The respondent explained: "The biggest problem is meeting some of the requirements. Sometimes the interest is also high, and you may have to wait for some time before the money is given to you." This response shows that access to loans is not always easy. Loan requirements, interest charges and delays in receiving funds can make it difficult for the company to get financing when it is urgently needed.

Regarding whether the company uses loans to increase production capacity, the mean of 4.13 shows a high level of agreement. The standard deviation of 0.86 shows that respondents had fairly similar views. This suggests that loans help the company increase its production capacity and handle more business activities. On the issue of whether the company uses loans to purchase raw materials and inputs, the mean of 3.67 shows general agreement. The standard deviation of 0.99 indicates that the responses were fairly close. This means that borrowed funds help the company buy the materials required for production, especially when the company does not have enough cash available.

Respondent 3 (Operations staff) was asked how loan services support the daily operations of the company. The respondent stated: "Loans help us when there is not enough cash for the day-to-day activities. We can use the money to buy raw materials, pay workers and take care of other expenses." This means that loans help the company deal with short-term financial needs. They can also prevent a shortage of working capital from affecting normal business operations.

Regarding whether the company uses loans to improve daily business cash flow, the mean of 3.67 shows that respondents generally agreed. The standard deviation of 0.99 shows a fairly small difference in their responses. This suggests that loans help the company meet some of its daily expenses and maintain its normal operations. On the issue of whether the company is satisfied with the interest rates on loans received, the mean of 3.90 shows that respondents were generally satisfied. The standard deviation of 0.96 shows that their opinions were fairly close. This means that the interest rates on the loans are generally considered manageable by the company.

On the issue whether the company repays loans within the agreed time period, the mean of 3.33 shows a lower level of agreement compared with most of the other statements. The standard deviation of 1.12, which is the highest in the table, shows that respondents had different opinions. This may mean that the company sometimes faces difficulties in making loan repayments on time, which can put pressure on its cash flow. On the issue of whether the company has experienced growth due to loan services received, the mean of 4.27 was the highest in the table. The standard deviation of 0.78 shows that respondents were quite consistent in their answers. This implies that loan services have contributed to the growth of Dalausi Juice Company, especially by providing funds for production and other business activities.

Respondent 4 (Management staff) was asked how loans have contributed to the expansion of the business. The respondent said: "The money we get from loans has helped us increase production and buy some of the things needed for the business. It has also helped us take on activities that we could not finance using our own money." This finding suggests that loan financing has made it easier for the company to undertake activities that require a large amount of capital. It has therefore supported expansion and increased production.

On the issue whether the company considers loan services important for business survival and expansion, the mean of 3.90 shows that respondents generally agreed. The standard deviation of 0.96 indicates that the responses were fairly similar. This means that loans are considered an important source of funds for keeping the business running and supporting its expansion.

Therefore, the mean of 3.77 shows that respondents generally agreed that loan services are important to Dalausi Juice Company. The standard deviation of 0.98 shows that there was some difference in the views of respondents, but the responses were generally around the average. The results suggest that loans help the company in increasing production, buying raw materials, managing daily cash needs and supporting growth. However, repayment of loans appears to be one area that may require more attention.

4.8 Correlation analysis between loan services and growth of Dalausi Juice Company

The study used correlation analysis to examine the relationship between loan services and the growth of Dalausi Juice Company. It focused on whether loan availability, affordability, and timely access to finance were related to improvements in sales, profitability, expansion and overall business performance. A positive relationship would indicate that better access to loans is associated with business growth.

Table 4.7: Showing correlation analysis between loan services and growth of Dalausi Juice Company.

	Variables	Loan services	Growth of Dalausi Juice Company
Loan services	Pearson correlation coefficient	1.000	.504**
	Sig.(2 tailed)		<.001
	N	30	30
Growth of Dalausi Juice Company	Pearson correlation	.504**	1.000
	Sig.(tailed)	<.001	
	N	30	30

Source: Primary data 2026

The table shows the correlation between loan services and the growth of Dalausi Juice Company. The results indicate a positive relationship between the two variables, with a Pearson correlation coefficient of 0.504 and a significance level of $p < 0.001$. This means that better loan services are associated with higher business growth. The value of 0.504 shows that the relationship is moderate, suggesting that access to loans can help the company get funds needed for its activities and expansion. Since the significance level is below 0.05, the relationship is statistically significant. Therefore, the null hypothesis was rejected, showing that loan services have a significant relationship with the growth of Dalausi Juice Company.

4.9 Regression analysis between loan services and growth of Dalausi Juice Company

The study used regression analysis to assess the effect of loan services on the growth of Dalausi Juice Company. It examined whether access to credit and the ability to finance business activities could influence the growth of the company

A significant positive result would indicate that loan services contribute to the growth of Dalausi Juice Company.

4.9.1 Model summary for regression analysis between loan services and growth of Dalausi Juice Company

The model summary shows how well loan services explain the growth of Dalausi Juice Company. It includes R, R Square, Adjusted R Square, and the Standard Error of the Estimate. R shows the strength of the relationship between loan services and growth, while R Square shows the proportion of changes in growth that can be explained by loan services. A higher R Square means loan services explain more of the changes in company growth, while a lower value means that other factors also contribute to the growth of the company.

Table 4.8: Model summary for regression analysis between loan services and growth of Dalausi Juice Company

Model	R	R square	Adjusted R square	Std Error
1	.504	.254	.227	.634

The table above shows the model summary for the regression analysis between loan services and the growth of Dalausi Juice Company. The results show that R was 0.504, indicating a moderate positive relationship between loan services and company growth. The R-squared value of 0.254 means that loan services explain 25.4% of the changes in the growth of the company, while the other 74.6% may be due to factors such as market conditions, management, customer demand, and business operations. The adjusted R-square of 0.227 shows that loan services still explain 22.7% of the changes in growth after taking the sample size into consideration. The standard error of 0.634 shows the difference between the actual values and those predicted by the model. Therefore, the results suggest that loan services contribute to the growth of Dalausi Juice Company, although other factors also affect its growth.

4.9.2 ANOVA results for regression analysis between loan services and growth of Dalausi Juice Company

The ANOVA results were used to check whether loan services significantly affect the growth of Dalausi Juice Company. The p-value shows whether the regression model is statistically significant. A p-value below 0.05 means that loan services have a significant relationship with company growth, while a value above 0.05 would mean that the relationship is not significant. The results therefore help to show whether loan services are an important factor in the growth of the company.

Table 4. 1: ANOVA results regression analysis on the effect of loan services and growth of Dalausi Juice Company

Model	Sum of squares (SS)	Df	Mean square	F-Statistics	Sig.
Regression	3.830	1	3.830	9.529	<.0001
Residual	11.255	28	0.402		
Total	15.085	29			

The table above shows the ANOVA results for the regression between loan services and the growth of Dalausi Juice Company. The model was statistically significant, with an F-value of 9.529 and $p < 0.001$. This means that loan services significantly predict the growth of the company. The regression sum of squares (3.830) represents the variation in growth explained by loan services, while the residual sum of squares (11.255) represents variation from other factors. Since the p-value is below 0.05, the null hypothesis was rejected. The findings therefore show that loan services have a significant effect on the growth of Dalausi Juice Company.

4.9.3 Coefficients for regression analysis between loan services and growth of Dalausi Juice Company

The coefficients table shows how loan services contribute to the growth of Dalausi Juice Company. It uses the coefficient, t-value, and p-value to show the direction and significance of the relationship. A positive and significant coefficient means that better access to loan services is associated with increased company growth, while an insignificant result would mean that loan services have little effect on growth.

Table 4:10: Coefficients for regression analysis between loan services and growth of Dalausi Juice Company

Predictor Variable	Unstandardized B	Std. Error	Standardized Beta	t-statistics	Sig. (P-value)
(Constant)	- 0.427	1.383		- 0.308	0.760
Loan services	1.136	0.368	0.504	3.087	0.005

4.10 Dependent variable: Growth of Dalausi Juice company

The table presents the regression coefficients for loan services and the growth of Dalausi Juice Company. The results show a positive and significant relationship, with B = 1.136, beta = 0.504, t = 3.087 and p = 0.005. This means that a one-unit increase in loan services is associated with a 1.136-unit increase in company growth. The beta value of 0.504 also shows a moderate positive effect. Since the p-value is 0.005, which is below 0.05, loan services are a significant predictor of the growth of Dalausi Juice Company. The constant was -0.427 with a p-value of 0.760, meaning it was not statistically significant. Generally, the findings show that better loan services are associated with increased growth of the company.

4.10.1 Saving/ deposits services at Dalausi Juice Company

Respondents were requested to indicate their level of agreement on various statements related to the study variables, as presented in the table below**.**

Table 4.11 Descriptive statistics on saving/deposit services

Statement	**Mean**	**S.D**
Our company maintains savings accounts with financial institutions	4.20	0.76
Our company regularly deposits money for future business use	3.83	0.95
Our company uses savings to support business expansion	3.97	0.89
Our company uses savings during financial emergencies	4.13	0.82
Our company benefits from interests earned from savings	3.27	1.11
Our company has improved financial stability due to savings	2.80	1.24
Our company encourage regular savings hobbies among the Staff	3.37	1.03
Our company uses deposits as source of internal investment	4.07	0.83
Our company has improved cash flow management through savings	3.90	0.96
Overall	**3.78**	**0.95**

4.11 Interpretation

On the issue of whether the company maintains savings accounts with financial institutions, the mean of 4.20 shows that most respondents agreed with the statement. The standard deviation of 0.76 is low, meaning that the respondents had similar views. This shows that Dalausi Juice Company keeps some of its funds in financial institutions, giving the company a safe place to keep money for future use.

Respondent 5 (Accounts staff) was asked how savings or deposit services contribute to the stability of the business. The respondent explained: “Saving is important because we can have our own money to use when something comes up. It also helps us avoid going for a loan every time we have a financial need.” This shows that savings provide the company with its own source of funds. Having money set aside can reduce dependence on borrowing and help the business deal with some financial nee

Regarding whether the company regularly deposits money for future business use, the mean of 3.83 indicates general agreement. The standard deviation of 0.95 shows that the responses were fairly close. This means that the company makes regular deposits, which can help it prepare for future business expenses and other financial needs. On the issue of whether the company uses savings to support business expansion, the mean of 3.97 shows that respondents generally agreed. The standard deviation of 0.89 indicates that there was not much difference in the responses. This suggests that the company can use part of its savings to finance expansion instead of relying only on loans or other outside sources of finance.

Respondent 6 (Management staff) was asked about the role of savings during financial difficulties. The respondent stated: “When business is not doing well or we get an unexpected expense, savings can help us get through that period. At least the business can continue operating as we look for other solutions.” This finding indicates that savings act as a reserve for the company during difficult periods. They can help the business meet unexpected costs without stopping its normal activities.

Regarding whether the company uses savings during financial emergencies, the mean of 4.13 shows strong agreement. The standard deviation of 0.82 shows that most respondents had similar views. This implies that savings provide the company with money that can be used when unexpected financial problems occur, helping the business continue its activities. On the issue of whether the company benefits from interest earned from savings, the mean of 3.27 shows a lower level of agreement. The standard deviation of 1.11 indicates that respondents had different views on the matter. This may mean that the interest earned from savings is not large enough to make a major difference to the company's financial position.

Respondent 7 (Accounts staff) was asked how often the business uses savings for reinvestment. The respondent said: “We use savings for reinvestment when there is a need. For example, if we want to improve production or take up an opportunity and we have enough money saved, we can use it.” This suggests that the company sometimes uses its savings to finance investments. This can allow the business to improve its activities without depending entirely on external borrowing.

Regarding whether the company has improved financial stability due to savings, the mean of 2.80 shows that respondents generally did not agree strongly with the statement. The standard deviation of 1.24 shows considerable differences in the responses. This indicates that savings have not yet made a major improvement in the company's financial stability, meaning that other financial resources may still be needed. On the issue of whether the company encourages regular saving habits among staff, the mean of 3.37 shows a moderate level of agreement. The standard deviation of 1.03 indicates some differences in the respondents' views. This means that the company encourages saving among employees to some extent, but the practice could still be improved.

Regarding whether the company uses deposits as a source of internal investment, the mean of 4.07 shows strong agreement. The standard deviation of 0.83 indicates that the responses were fairly similar. This means that the company uses some of its deposited funds to support business investments, which can reduce its dependence on external borrowing.

Respondent 8 (Management staff) was asked how savings or deposits have improved business performance. The respondent explained: “Savings have helped us control our cash better. When there is money saved, it becomes easier to meet some expenses and we do not always have to borrow.” This finding shows that savings can improve cash management and reduce pressure on the company to seek loans. It also gives the business some financial flexibility.

On the issue of whether the company has improved cash flow management through savings, the mean of 3.90 shows that respondents generally agreed. The standard deviation of 0.96 indicates that the responses were fairly close. This shows that savings help the company manage its available cash and meet some of its financial needs when they arise. Overall, the mean of 3.78

shows that respondents generally agreed that savings/deposit services are useful to Dalausi Juice Company. The standard deviation of 0.95 shows that there was some variation in the responses, although the views were generally similar. The findings show that savings are mainly useful for handling emergencies, supporting expansion, making internal investments, and managing cash flow. However, the low mean of 2.80 on financial stability shows that the company may need to improve its saving practices so that savings can provide greater financial security.

4. 12 Correlation analysis between Saving/ deposits services and growth of Dalausi Juice Company

The study used correlation analysis to examine the relationship between savings/deposits services and the growth of Dalausi Juice Company. It focused on whether better savings and deposit services were related to improvements in profitability, sales, expansion, and business operations. A positive correlation would show that improved savings/deposit services are associated with increased company growth.

Table 4.12: Correlation analysis between Saving/ deposits services and growth of Dalausi Juice Company

Variables	**Saving/ deposits services**		**Growth of Dalausi Juice Company**
Savings/ deposits services	Pearson correlation coefficient	1.000	.582**
	Sig. (2 tailed)		<.001
	N	30	30
Growth of Dalausi Juice company	Pearson correlation	.582**	1.000
	Sig.(tailed)	<.001	
	N	30	30

The table above shows the correlation between savings/deposits services and the growth of Dalausi Juice Company. The results show a positive relationship, with a Pearson correlation coefficient of 0.582 and $p < 0.001$. This means that better savings and deposit services are associated with higher growth of the company. The value of 0.582 shows a moderate positive relationship. It also suggests that savings and deposit services can help the company improve its financial position and have funds available for business activities. Since the p-value is below 0.05, the relationship is statistically significant. Therefore, the null hypothesis was rejected, showing that savings/deposits services have a significant relationship with the growth of Dalausi Juice Company.

4.13 Regression analysis between Saving/ deposits services and growth of Dalausi Juice Company

The study used regression analysis to determine whether savings/deposits services influence the growth of Dalausi Juice Company. It examined whether changes in these services were related to sales, profitability, business expansion, and overall performance. A positive and significant result would indicate that better savings/deposit services contribute to the growth of the company.

4.14 Model summary for regression analysis between savings/ deposits services and growth of Dalausi Juice Company

The model summary shows how well savings/deposits services explain the growth of Dalausi Juice Company. It includes R, R Square, Adjusted R Square, and the Standard Error of the Estimate. R shows the strength of the relationship, while R Square shows the percentage of changes in company growth explained by savings/deposits services. The adjusted R Square gives a more accurate estimate after considering the model, while the standard error shows how closely the model predicts company growth.

Table 4.13 Model summary for regression analysis between savings/ deposits services and growth of Dalausi Juice Company

Model	R	R square	Adjusted R square	Std Error
1	.582	.339	.315	.597

The table presents the model summary for the regression analysis between savings/deposits services and the growth of Dalausi Juice Company. The R value of 0.582 shows a moderate positive relationship between savings/deposits services and company growth. The R Square value of 0.339 means that these services explain 33.9% of the changes in the growth of the company, while the remaining 66.1% can be linked to other factors such as market conditions, management, customer demand, and how the business operates. The adjusted R Square of 0.315 shows that savings/deposits services still explain 31.5% of the changes in growth after taking the sample size into account. The standard error of 0.597 shows the difference between the actual results and those predicted by the model. Therefore, the findings indicate that savings/deposits services contribute to the growth of Dalausi Juice Company, although other factors also play a role.

4.15 ANOVA results for regression analysis between savings/deposits services and growth Dalausi Juice Company

The ANOVA results were used to check whether savings/deposits services significantly affect the growth of Dalausi Juice Company. The F-value and p-value show whether the regression model is statistically significant. A p-value below 0.05 means that savings/deposits services significantly predict company growth, while a value above 0.05 would indicate that the relationship is not significant.

Table 4.14 ANOVA results for regression analysis between savings/deposits services and growth Dalausi Juice Company

Model	Sum of squares (SS)	df	Mean square	F-Statistics	Sig.
Regression	5.114	1	5.114	14.365	<.001
Residual	9.971	28	0.356		
Total	15.085	29			

The table above shows the ANOVA results for the regression analysis between savings/deposits services and the growth of Dalausi Juice Company. The results show that the model was statistically significant, with an F-value of 14.365 and $p < 0.001$. This indicates that savings/deposits services have a significant relationship with the growth of the company. The regression sums of squares of 5.114 represents the variation in growth explained by savings/deposits services, while the residual sum of squares of 9.971 represents variation from other factors that were not included in the model. Since the p-value is less than 0.05, the null hypothesis was rejected. Therefore, the findings show that savings/deposits services make a significant contribution to the growth of Dalausi Juice Company.

4.16 Coefficients for regression analysis between savings/deposits services and growth of Dalausi Juice Company

The coefficients table shows the contribution of savings/deposits services to the growth of Dalausi Juice Company. It uses the B, Beta, t-value, and p-value to show the direction, strength, and significance of the relationship. A positive coefficient with a p-value below 0.05 would mean that savings/deposits services have a significant positive effect on the growth of the company.

Table 4.15 Coefficients for regression analysis between savings/deposits services and growth of Dalausi Juice Company

Predictor Variable	Unstandardized B	Std. Error	Standardized Beta	t-statistics	Sig. (P-value)
(Constant)	-0.342	1.102		-0.310	.759
Savings/ deposits services	1.109	0.293	0.582	3.790	.000

Dependent variable: Growth of Dalausi Juice Company

The table above shows the regression coefficients for savings/deposits services and the growth of Dalausi Juice Company. The results show a positive and significant relationship, with B = 1.109, beta = 0.582, t = 3.790, and p = 0.000. This means that a one-unit increase in savings/deposits services is associated with a 1.109-unit increase in the growth of the company. The beta value of 0.582 also shows a moderate positive contribution of savings/deposits services to company growth. Since the p-value is below 0.05, the relationship is statistically significant. The constant was -0.342 with a p-value of 0.759, meaning that it was not statistically significant Generally, the findings show that savings/deposits services are positively associated with the growth of Dalausi Juice Company.

4.17 Financial education/ training services at Dalausi Juice Company

Respondents were requested to indicate their level of agreement on various statements related to the study variables, as presented in the table below.

Table 4.16: Descriptive statistics on financial education/training services

Statement	Mean	S.D
Our company has received financial education or training from microfinance institutions	3.40	1.07
Our company understands better financial management after training	2.97	1.19

Our company applies knowledge gained from financial training in daily operations	3.63	0.96
Our Company has improved budgeting skills due to financial education	3.33	1.12
Our company makes better investment decisions after training	4.07	0.78
Our company has reduced financial mistakes due to training received	2.87	1.14
Our company keeps proper financial records after training	3.80	0.89
Our company has improved profitability due to financial education	3.50	1.01
Our company values financial training for business growth	3.77	0.94
Our company recommends financial education programs for SMEs	4.20	0.71
Overall	**3.55**	**0.98**

4.18 Interpretation

On the issue of whether the company has received financial education or training from microfinance institutions, the mean of 3.40 shows that respondents generally agreed with the statement. The standard deviation of 1.07 shows some differences in the responses. This means that Dalausi Juice Company has received some form of financial training from microfinance institutions, although the training may not have reached all areas of the business equally.

Respondent 9 (Management staff) was asked how financial education or training has improved business management skills. The respondent stated: "The training has helped us understand things like budgeting, keeping records and how to use business money properly. We are now more careful about some of the financial decisions we make." This indicates that financial training has improved the company's approach to managing its finances. Better budgeting and record keeping can also help the company make more informed decisions.

On the issue whether the company understands financial management better after training, the mean of 2.97 shows that respondents were not strongly in agreement. The standard deviation of 1.19 shows that there were noticeable differences in the responses. This suggests that the training has not improved financial management knowledge to the same level for everyone in the company, so more practical training may be needed. On the issue of whether the company applies knowledge gained from financial training in daily operations, the mean of 3.63 indicates general agreement. The standard deviation of 0.96 shows that the responses were fairly close. This Implies that the company is putting some of the knowledge gained from training into practice, particularly when handling its daily financial activities.

Respondent 10 (Accounts staff) was asked what financial challenges have been reduced because of financial training. The respondent said: "We have improved in budgeting and keeping records. We also try to avoid unnecessary spending because we now understand better how it can affect the business." This suggests that financial education has helped reduce some weaknesses in financial management. It has also encouraged better control of business expenses.

On the issue whether the company has improved its budgeting skills due to financial education, the mean of 3.33 shows a moderate level of agreement. The standard deviation of 1.12 indicates that respondents had different views. This suggests that financial education has helped improve budgeting to some extent, although the company may still have challenges in preparing and following budgets effectively.

Respondent 11 (Accounts staff) was asked how the company applies knowledge gained from financial training in its operations. The respondent explained: "We try to use what we learnt when preparing budgets, recording transactions, and checking our expenses. It has helped us to be more organized with the financial side of the business." This finding shows that the knowledge gained from training is being used in everyday activities. It has helped improve financial organization.

On the issue of whether the company makes better investment decisions after training, the mean of 4.07 shows a high level of agreement. The standard deviation of 0.78 is relatively low, meaning that respondents had similar views. This indicates that financial training has helped the company make better decisions when choosing where and how to invest its available funds.

Regarding whether the company has reduced financial mistakes due to training received, the mean of 2.87 shows a low level of agreement. The standard deviation of 1.14 indicates considerable differences in the responses. This suggests that financial training has not greatly reduced financial mistakes in the company, meaning that more practical guidance and follow-up may be necessary.

On the issue of whether the company keeps proper financial records after training, the mean of 3.80 shows general agreement. The standard deviation of 0.89 indicates that the responses were fairly consistent. This shows that training has helped the company improve the way it records financial information, which can make it easier to monitor income, expenses, and the overall financial position of the business. On the issue whether the company has improved profitability due to financial education, the mean of 3.50 shows that respondents generally agreed, although the level of agreement was moderate. The standard deviation of 1.01 shows some differences in the responses. This suggests that financial education may have contributed to better financial performance, but profitability is also likely to depend on other factors within the business.

Respondent 12 (Management staff) was asked about the impact of financial education on business decision-making. The respondent stated: “It has helped us think more about the financial side before making decisions. When we want to invest in something, we first look at the cost and what the business is likely to gain from it.” This response shows that financial education has encouraged more careful decision-making. Management is able to consider the financial consequences before committing company resources.

On the issue of whether the company values financial training for business growth, the mean of 3.77 shows general agreement. The standard deviation of 0.94 indicates that the responses were fairly close. This means that financial training is viewed as useful for improving the skills needed to manage the business and support its growth. Regarding whether the company recommends financial education programs for SMEs, the mean of 4.20 is the highest in the table, showing strong agreement. The standard deviation of 0.71 is also the lowest, meaning that respondents had very similar views. This indicates that the company sees financial education as important for SMEs and believes that such programs can help businesses improve their financial management and performance.

Therefore, the mean of 3.55 shows that respondents generally agreed that financial education and training services are useful to Dalausi Juice Company. The overall standard deviation of 0.98 shows some variation in the responses. The findings indicate that training has been useful in areas such as investment decisions, financial record keeping, daily financial operations, and awareness of business growth. However, the lower means for understanding financial management and reducing financial mistakes show that there is still a need for more practical and continuous financial training.

4.19 Correlation analysis between financial education/training services and growth of Dalausi Juice Company

The study used correlation analysis to examine the relationship between financial education/training services and the growth of Dalausi Juice Company. It focused on whether financial knowledge, skills, and training were related to improvements in financial management, profitability, sustainability, and business expansion. The analysis helped to show the strength and direction of this relationship.

Table 4.17: Correlation analysis between financial education/ training services and growth of Dalausi Juice Company

Variables		**Financial education/training services**	**Growth of Dalausi Juice Company**
Financial education/training services	Pearson correlation coefficient	1.000	.612*
	Sig. (2 tailed)		<.001
	N	30	30
Growth of Dalausi Juice Company	Pearson correlation	.612**	1.000
	Sig.(tailed)	<.001	
	N	30	30

The table shows the correlation between financial education/training services and the growth of Dalausi Juice Company. The results show a positive relationship, with a Pearson correlation coefficient of 0.612 and $p < 0.001$. This means that better financial education and training are associated with higher growth of the company. The correlation value of 0.612 indicates a moderate positive relationship, showing that financial knowledge and skills can help in making better decisions and managing business finances. Since the p-value is below 0.05, the relationship is statistically significant. Therefore, the null hypothesis was rejected, showing that financial education/training services have a significant relationship with the growth of Dalausi Juice Company.

4.20 Regression analysis between financial education/ training and growth of Dalausi Juice Company

The study used regression analysis to determine how financial education and training services influence the growth of Dalausi Juice Company. It focused on whether financial knowledge, budgeting, management skills, and better financial decision-making could improve profitability, resource use, business expansion, and sustainability.

4.21 Model summary for regression analysis between financial education / training and growth of Dalausi Juice Company

The model summary shows how well financial education and training services explain the growth of Dalausi Juice Company. It includes R, R Square, Adjusted R Square, and the Standard Error of the Estimate. R shows the relationship between training and company growth, while R Square shows the percentage of changes in growth explained by the training services. The adjusted R Square gives a better estimate after considering the model, while the standard error shows how accurately the model predicts company growth.

Table 4.18: Model summary for regression analysis between financial education/ training and growth of Dalausi Juice Company

Model	R	R square	Adjusted R square	Std Error
1	.612	.375	.352	.581

The table above presents the model summary for the regression analysis between financial education/training services and the growth of Dalausi Juice Company. The R value of 0.612 shows a moderate positive relationship between the two variables. The R-square value of 0.375 means that financial education and training services explain 37.5% of the changes in company growth, while the remaining 62.5% is related to other factors such as access to finance, market conditions, management, and business operations. The adjusted R-squared of 0.352 shows that the services still explain 35.2% of the changes in growth after considering the sample size. The standard error of 0.581 shows the difference between the actual results and the values predicted by the model. Therefore, the results indicate that financial education and training services are related to the growth of Dalausi Juice Company, although other factors also affect its growth.

4.22 ANOVA results for regression analysis between financial education/training and growth of Dalausi Juice Company

The ANOVA results were used to check whether financial education and training services significantly explain the growth of Dalausi Juice Company. The F-value and p-value show whether the regression model is statistically significant. A p-value below 0.05 means that financial education and training services significantly predict company growth, while a value above 0.05 would mean that the relationship is not significant.

Table 4.19: ANOVA results for regression analysis between financial education/training and Dalausi juice Company

Model	Sum of squares (SS)	df	Mean square	F-Statistics	Sig.
Regression	5.657	1	5.657	16.786	<.001
Residual	9.428	28	0.337		

The table above shows the ANOVA results for the regression analysis between financial education/training services and the growth of Dalausi Juice Company. The results show that the model was statistically significant, with an F-value of 16.786 and $p < 0.001$. This means that financial education and training services significantly predict the growth of the company. The regression sums of squares of 5.657 shows the variation in growth explained by financial education and training, while the residual sum of squares of 9.428 represents variation from other factors that were not included in the model. Since the p-value is below 0.05, the null hypothesis was rejected. Therefore, the findings show that financial education and training services have a significant relationship with the growth of Dalausi Juice Company.

4.23 Coefficient for regression analysis between financial education/training and growth of Dalausi Juice Company

The coefficients table shows the contribution of financial education and training services to the growth of Dalausi Juice Company. It uses the B, Beta, t-value, and p-value to show the size, direction, and significance of the relationship. These values help determine whether financial education and training services have a meaningful effect on the growth of the company.

Table 4.20: Coefficient for regression analysis between financial education/ training and growth of Dalausi Juice Company

Predictor Variable	Unstandardized B	Std. Error	Standardized Beta	t-statistics	Sig. (P-value)

(Constant)	-0.198	0.941		-0.210	.835
Financial education/training services	1.114	0.272	0.612	4.097	.000

Dependent variable: Growth of Dalausi Juice Company

The table shows the regression coefficients for financial education/training services and the growth of Dalausi Juice Company. The results show a positive and significant relationship, with B = 1.114, beta = 0.612, t = 4.097, and p = 0.000. This means that a one-unit increase in financial education and training services is associated with a 1.114-unit increase in company growth. The beta value of 0.612 shows a moderate positive contribution to growth. Since the p-value is below 0.05, the relationship is statistically significant, and the null hypothesis was rejected. The constant was -0.198 with a p-value of 0.835, so it was not statistically significant. Generally, the findings show that financial education and training services have a positive relationship with the growth of Dalausi Juice Company.

4.24 Growth of Dalausi Juice Company

Respondents were requested to indicate their level of agreement on various statements related to the study variables, as presented in the table below

Table 21: Descriptive statistics on growth of Dalausi Juice company

Statement	Mean	S.D
Our company has experienced an increase in overall business profitability over time	3.90	0.88
Our company has expanded its customer base in recent years	4.23	0.73
Our company has increased its sales turnover over time	4.03	0.85
Our company has improved its ability to compete with other businesses in the market	3.80	0.93
Our company has increased its market share in the industry	4.17	0.75
Our company has created more employment opportunities over time	3.67	0.96
Our company has introduced new or improved products or services	3.80	0.93
Overall	**3.94**	**0.72**

4.25 Interpretation

On the issue of whether the company has experienced an increase in overall business profitability over time, the mean of 3.90 shows that respondents generally agreed with the statement. The standard deviation of 0.88 shows that the responses were fairly close. This implies that Dalausi Juice Company has been experiencing an improvement in profitability, which is an important sign of business growth.

On the issue of whether the company has expanded its customer base in recent years, the mean of 4.23 shows a high level of agreement. The standard deviation of 0.73 is relatively low, meaning that most respondents had similar views. This indicates that the company has been able to attract more customers, which can increase sales and create a stronger position in the market.

Respondent 13 (Management staff) was asked how the business has grown in terms of profitability over time. The respondent said: "There has been an improvement in profitability as the business has grown. Sales have increased, although sometimes the costs of running the business also go up and affect the profit." This finding indicates that increased sales and business activities have contributed to better profitability. However, rising operating costs remain a factor that can reduce the amount of profit earned.

On the issue of whether the company has increased its sales turnover over time, the mean of 4.03 indicates that respondents generally agreed. The standard deviation of 0.85 shows that there was little difference in the responses. This suggests that the company has recorded an increase in sales over time, which can provide more revenue to support its operations and further growth. On the issue of whether the company has improved its ability to compete with other businesses in the market, the mean of 3.80 shows general agreement. The standard deviation of 0.93 indicates that the responses were fairly consistent. This means that Dalausi Juice Company has improved its position in the market and is in a better position to compete with other businesses.

Respondent 14 (Sales staff) was asked what changes have been observed in the company's market share since it started. The respondent explained: "We have more customers than we had before, and more people now know about our products. The increase in customers has also helped us improve our sales." This suggests that the company has strengthened its position in the market. An increase in customers and sales can help the company gain a larger share of the market

On the issue of whether the company has increased its market share in the industry, the mean of 4.17 shows a high level of agreement. The standard deviation of 0.75 indicates that respondents had fairly similar opinions. This suggests that the company has gained a larger share of the market, which may be linked to increased sales, more customers, and improved competitiveness.

Respondent 15 (Management staff) was asked how the business has contributed to job creation over the years. The respondent stated: "As the company has become bigger, we have needed more people to help in different areas such as production, sales and distribution. So, the growth of the business has created jobs for some people." This finding shows that the expansion of the company has created additional employment opportunities. Growth in business activities can therefore have benefits beyond the company itself.

On the issue of whether the company has created more employment opportunities over time, the mean of 3.67 shows that respondents generally agreed. The standard deviation of 0.96 indicates some differences in the responses. This implies that the growth of the company has created additional jobs, although the increase in employment may not be as high as the growth experienced in other areas. On the issue of whether the company has introduced new or improved products or services, the mean of 3.80 shows general agreement. The standard deviation of 0.93 indicates that the responses were fairly close. This suggests that the company has made efforts to improve its products or services, which can help it meet changing customer needs and remain competitive.

Respondent 16 (Production staff) was asked about the innovations or new products introduced to support growth. The respondent said: "We have tried to improve some of our juice products and introduce different varieties depending on what customers want. We have also worked on the packaging so that the products look better and can compete with others." This finding indicates that the company is using product improvement, new varieties, and better packaging to attract customers. Such changes can help Dalausi Juice Company remain competitive and support further growth.

Generally, the mean of 3.94 shows that respondents generally agreed that Dalausi Juice Company has experienced growth. The overall standard deviation of 0.72 indicates that the responses were quite consistent. The highest mean was recorded for the expansion of the customer base (4.23), followed by the increase in market share (4.17) and sales turnover (4.03). This shows that the company's growth can mainly be seen through attracting more customers, increasing its market presence, and improving sales.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSIONS AND RECOMMENDATION

5.0 Introduction

This chapter presents the findings based on the research objectives concerning the effect of microfinance services on the growth of small and medium enterprises, using Dalausi Juice Company in Wandegeya as the case study. It also presents the conclusions drawn from the study findings and provides recommendations on how microfinance services can be improved to support the growth of small and medium enterprises. The chapter further gives suggestions for future research in this area.

5.1 Discussion of the major findings

5.1.1 Effect of loan services on growth of Dalausi Juice Company Wandegeya

The findings show that loan services have an important role in the growth of Dalausi Juice Company. From the descriptive results, respondents generally agreed that the company uses loans to increase production, buy raw materials, meet daily expenses, and support business expansion. This is shown by the overall mean of 3.77. The correlation results also showed a moderate positive relationship between loan services and company growth ($r = 0.504$, $p < 0.001$). This means that when the company gets better access to loan services, its growth is also likely to improve. The regression results support this finding, with loan services explaining 25.4% of the changes in company growth. The ANOVA results were also significant ($F = 9.529$, $p < 0.001$), while the coefficient results showed a positive and significant effect of loan services on growth ($B = 1.136$, $\beta = 0.504$, $p = 0.005$). These results suggest that loans have helped Dalausi Juice Company obtain funds for production and other business activities. However, loan services do not explain all the growth of the company since other factors also account for a large part of the changes in growth. Therefore, access to loans is important, but factors such as customers, management, operating costs and market conditions also affect the growth of the company.

5.1.2 Influence of saving/deposits services on growth of Dalausi Juice Company Wandegeya

The findings show that savings and deposit services have contributed to the growth of Dalausi Juice Company. From the descriptive results, respondents generally agreed that the company uses its savings to support expansion, deal with emergencies, make investments, and manage cash flow. This is shown by the overall mean of 3.78. The correlation results also show a moderate positive relationship between savings/deposits services and company growth ($r = 0.582$, $p < 0.001$). This means that when savings and deposit services improve, the growth of the company also tends to improve. The regression results show that savings/deposits services explain 33.9% of the changes in company growth. The ANOVA result was also significant ($F = 14.365$, $p < 0.001$), showing that savings/deposits services have a significant effect on growth. The coefficient result further supports this, with $B = 1.109$, $\beta = 0.582$, and $p = 0.000$. This means that an increase in savings/deposit services is associated with an increase in company growth. The findings therefore suggest that savings help the company have money available for investment, emergencies, and daily financial needs. However, savings are not the only reason for the company's growth, since other factors account for the remaining 66.1%. Factors such as customers, management, market conditions and business operations may also affect the growth of Dalausi Juice Company.

5.1.3 Effect of financial education/training services on the growth of Dalausi Juice Company

The findings indicate that financial education and training have contributed to the growth of Dalausi Juice Company. Respondents generally agreed that the training has helped the company in areas such as making investment decisions, keeping proper financial records, and applying financial knowledge in its daily activities. However, the lower scores on financial management and reduction of financial mistakes show that some areas still need more attention and practical training. The correlation results showed a moderate positive relationship between financial education/training and company growth ($r = 0.612$, $p < 0.001$), meaning that better financial knowledge and training are associated with better business performance. The regression results also showed that financial education and training explained 37.5% of the changes in company growth, while the ANOVA result ($F = 16.786$, $p < 0.001$) confirmed that the relationship was significant. In addition, the coefficient of $B = 1.114$ with $p = 0.000$ shows that an improvement in financial education and training is associated with an increase in company growth. Therefore, the results suggest that Dalausi Juice Company can benefit from providing more regular and practical financial training, although other factors also have an influence on the growth of the business.

5.2 Conclusion

5.2.1 Effect of loan services on growth of Dalausi Juice Company Wandegeya

The study concludes that loan services have a significant contribution to the growth of Dalausi Juice Company. The findings show that loans help the company finance production, purchase raw materials, manage daily expenses, and support expansion activities. The positive correlation and regression results confirm that better access to loan services is associated with improved business growth. However, since loan services explain only 25.4% of the changes in growth, the company's performance is also influenced by other factors such as customer demand, management, operating costs, and market conditions. Therefore, while continued access to affordable and timely loan services is important for the growth of Dalausi Juice Company, the company should also strengthen other areas of its operations to achieve sustainable growth.

5.2.2 Influence of saving/deposits services on growth of Dalausi Juice Company Wandegeya

In conclusion, savings and deposit services have a significant role in the growth of Dalausi Juice Company. The findings show that the company uses savings to manage cash flow, meet unexpected financial needs, support investments, and finance some expansion activities. The regression analysis indicates that savings and deposit services explain 33.9% of the variation in company growth, while the remaining 66.1% is influenced by other factors. The positive and significant regression results also show that better savings and deposit services are associated with improved business growth. Therefore, the company should continue strengthening its saving practices while also improving other areas such as management, customer demand, market conditions and business operations to support continued growth.

5.2.3 Effect of financial education/ training services on growth of Dalausi Juice Company

In conclusion, financial education and training have made a meaningful contribution to the growth of Dalausi Juice Company. The results show that the knowledge gained through training has helped the company in areas such as making investment decisions, keeping financial records, and handling its daily financial activities. The regression analysis showed that financial education and training account for 37.5% of the variation in the company's growth, while other factors account for the remaining 62.5%. The significant regression results also confirm that improvements in financial education and training are linked to better business growth. Therefore, the company should continue to provide practical financial training to its staff so as to improve financial management and decision-making, while also working on other factors that affect its overall performance.

5.3 Recommendation

5.3.1 Effect of loan services on growth of Dalausi Juice Company Wandegeya

Dalausi Juice Company should use loans mainly for activities that bring returns. The company should give priority to areas such as buying raw materials, increasing production, and expanding its operations. This will make it easier for the company to generate enough income to repay the borrowed money.

The company should look for loan providers with favorable terms. Management should compare interest rates, repayment periods, and other loan conditions before borrowing. This can help the company avoid taking loans that are too expensive to repay.

The company should plan for loan repayment in advance. A portion of the company's income should be set aside for loan payments so that instalments are made on time. This will help reduce the difficulties associated with delayed repayment and protect the company's cash flow

5.3.2 Influence of saving/deposits services on growth of Dalausi Juice Company Wandegeya

The company should develop a regular saving plan. A certain amount of money should be saved from the company's income whenever possible. This will give Dalausi Juice Company funds that can be used when unexpected expenses arise or when new business opportunities come up.

The company should use part of its savings to support business expansion. Where there are suitable opportunities, savings can be used to increase production, purchase necessary equipment, or improve other areas of the business instead of depending entirely on borrowed funds.

The company should keep an emergency savings fund. Having money reserved specifically for emergencies can help the company continue operating when sales are low or unexpected expenses occur. This can also reduce the need to take loans whenever the business faces a temporary financial problem.

5.3.3 Effect of financial education/training services on the growth of Dalausi Juice Company

Dalausi Juice Company should organize regular financial training for its staff. The training should focus on areas where the company still has challenges, especially financial management, budgeting, and avoiding financial mistakes.

The company should improve the way financial records are kept. Staff handling financial matters should be given practical guidance on recording transactions, controlling expenses, and preparing financial information. Proper records will help management know how the business is performing and where money is being spent.

The company should put the knowledge from training into practice. Employees should be encouraged to apply what they learn when preparing budgets, making investment decisions and managing company funds.

5.4 Areas for further research

Other factors influencing SME growth

Future studies could examine other factors that contribute to the growth of small and medium enterprises, such as marketing, customer demand, competition, management practices, operating costs, and access to markets. This would help explain the other factors that were not covered in the current study.

Loan repayment and SME performance

Further research could examine how interest rates, repayment periods, loan requirements, and repayment difficulties affect the performance and growth of SMEs. This would help determine whether the conditions attached to loans make it easier or harder for businesses to grow.

Long-term effects of financial education and training

Future researchers could study the long-term effect of financial education on SMEs, particularly in areas such as budgeting, financial record keeping, investment decisions, reduction of financial mistakes, and profitability. This would show whether the benefits of financial training are maintained over time.

Savings practices and financial stability of SMEs

Further research could examine how regular saving practices affect the financial stability and survival of SMEs during periods of low sales or unexpected expenses. The study could also assess how businesses balance the use of savings, loans and other sources of finance when making investment and expansion decisions.

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APPENDIX

APPENDIX 1: KREJCIE & MORGAN (1970) TABLE FOR SAMPLE SIZE DETERMINATION

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306

N	S	N	S	N	S
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	**66**	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370

N	S	N	S	N	S
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Source: Krejci & Morgan (1970, as cited by Amin, 2005)

APPENDIX II
QUESTIONNAIRES

Dear Respondent,

I am KWIKIRIZA MARION a student of Busitema University, conducting a research study titled **"Microfinance Services and the Growth of SMEs: A Case Study of Dalausi Juice Company, Wandegeya."** This study is purely for academic purposes, and all the information you provide will be treated with strict confidentiality. You are not required to indicate your name anywhere on the questionnaire. I kindly request you to complete the questionnaire accurately by filling in the spaces provided or selecting the appropriate options given. Your cooperation will be highly appreciated.

INSTRUCTIONS:

“Fill in the most correct answer to the space/box provided below”.

SECTION A

i. Gender

(a) ☐ Male (b) ☐ Female

ii. Age

(a) ☐ 20–24 years (b) ☐ 25-29 years (c) ☐ 30–34 years (d) ☐ 35-39 years (e) ☐ 40-44 years

iii. Education Background

(a) ☐ certificate (b) ☐ Diploma (c) ☐ Bachelor’s (d) ☐ Master’s

iv. Department of the Respondent

(a) ☐ Production (b) ☐ Customer service (c) ☐ Operations ☐ (e) Stores/warehouse (f) ☐ Production

iv. Position

(a) ☐ Manager (b) ☐ Head of Department (c) ☐ Employee (d) ☐ Supervisor

SECTION B: OBJECTIVE ONE: LOAN SERVICES AND GROWTH OF SMES

Rank these statements on a scale from 1 (Strongly Disagree), 2 (Disagree), 3 (Neutral**), 4 (Agree), 5 (Strongly Agree) by ticking.**

Statement	**1**	**2**	**3**	**4**	**5**
	SD	D	N	A	SA
Our company has access to loan services from microfinance institutions					

Our company easily qualifies for loans when needed					
Our company uses loans to expand business operations					
Our company uses loans to increase production capacity					
Our company uses loans to purchase raw materials and inputs					
Our company uses loans to improve daily business cash flow					
Our company is satisfied with the interest rates on loans received					
Our company repays loans within the agreed time period					
Our company has experienced growth due to loan services received					
Our company considers loan services important for business survival and expansion					

SECTION C: OBJECTIVE TWO: SAVINGS/ DEPOSITS SERVICES AND GROWTH OF SMES

Statement	**1**	**2**	**3**	**4**	**5**
	SD	D	N	A	SA
Our company maintains savings accounts with financial institutions					
Our company regularly deposits money for future business use					

Our company uses savings to support business expansion					
Our company uses savings during financial emergencies					
Our company benefits from interest earned on savings					
Our company has improved financial stability due to savings					
Our company encourages regular saving habits among staff					
Our company uses deposits as a source of internal investment.					
Our company has improved cash flow management through savings					
Our company considers savings services important for business growth					

SECTION D: FINANCIAL EDUCATION /TRAINING SERVICES AND GROWTH OF SMES

Statement	**1**	**2**	**3**	**4**	**5**
	SD	D	N	A	SA

Our company has received financial education or training from microfinance institutions.					
Our company understands better financial management after training					
Our company applies knowledge gained from financial training in daily operations					
Our company has improved budgeting skills due to financial education					
Our company makes better investment decisions after training					
Our company has reduced financial mistakes due to training received					
Our company keeps proper financial records after training					
Our company has improved profitability due to financial education					
Our company values financial training for business growth					
Our company recommends financial education programs for SMEs					

Study checks your feelings on loan services, savings services, and financial education services by following the rating below and ticking the appropriate choice: 5 - Strongly Agree (SA), 4 - Agree (A), 3 – Neutral (N), 2 -Disagree (D), 1 - Strongly Disagree (SD)

Section D: GROWTH OF SMEs

Please check your feelings on the growth of SMEs following the rating below and tick the appropriate choice: 5 - Strongly Agree (SA), 4 - Agree (A), 3 – Neutral (N), 2 -Disagree (D), 1 - Strongly Disagree (SD)

OBJECTIVE D: GROWTH OF SMEs

Statement	**1**	**2**	**3**	**4**	**5**

	SD	D	N	A	SA
Our company has experienced an increase in overall business profitability over time					
Our company has expanded its customer base in recent years					
Our company has increased its sales turnover over time					
Our company has improved its ability to compete with other businesses in the market					
Our company has increased its market share in the industry.					
Our company has created more employment opportunities over time					
Our company has introduced new or improved products or services					

THANK YOU FOR YOUR COOPERATION

APPENDIX III: INTERVIEW GUIDE

Dear respondent,

I, **KWIKIRIZA MARION**, a student of Busitema University, conducting a research study titled "Microfinance Services and the Growth of SMEs: A Case Study of Dalausi Juice Company, Wandegeya." The purpose of this interview is to obtain information about how microfinance services influence the growth of Dalausi Juice Company. The information provided will be treated with confidentiality and will be used strictly for academic purposes.

INTERVIEW QUESTIONS

A. Loan Services and Growth of Dalausi Juice Company

How has access to loan services influenced the growth of Dalausi Juice Company?

What challenges does the company face when accessing loans from financial institutions?

In what ways do loan services support the daily operations of the company?

How have loans contributed to the expansion of the company's business activities?

B. Savings/Deposit Services and Growth of Dalausi Juice Company

How do savings and deposit services contribute to the financial stability of the company?

What role do savings play in supporting the company during financial difficulties or emergencies?

How often does the company use its savings for reinvestment purposes?

In what ways have savings and deposit services improved the performance of the company?

C. Financial Education/Training and Growth of Dalausi Juice Company

How has financial education or training improved the company's financial management skills?

What financial challenges have been reduced as a result of financial education or training?

How does the company apply knowledge gained from financial training in its daily operations?

What impact has financial education had on the company's investment and financial decision-making?

D. Growth of Dalausi Juice Company

How has the company grown in terms of profitability over time?

What changes have you observed in the company's customer base and market share over the years?

How has the growth of the company contributed to the creation of employment opportunities?

What new products, product improvements, or other innovations has the company introduced to support its growth?

APPENDIX IX: BUDGET

DESCRIPTION	COST (UGX)
Printing	50,000
Binding	50,000
transport	80,000
photocopying	20,000
Miscellaneous	50,000
TOTAL	**250,000**