



The Role of FinTech Innovation in Driving Financial Inclusion and SME Growth: Evidence from Emerging Economies

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Abstract: This study examines the impact of FinTech innovation on financial inclusion and small business growth within emerging economies. We employed a quantitative cross-sectional design across five emerging economies, analyzing data from 984 small and medium-sized enterprises (SMEs) through stratified random sampling. Primary data were collected via structured questionnaires and interviews, while secondary data came from central bank reports and industry databases. Statistical methods included multiple linear regression, Structural Equation Modeling (SEM), and Confirmatory Factor Analysis. Our results reveal widespread FinTech adoption: 84.9% of businesses used digital payments, 76.3% adopted mobile banking, and 61.8% accessed digital lending. FinTech adoption significantly predicted business growth ($\beta = 0.45, p < 0.001$), with the regression model explaining 75.2% of variance ($R^2 = 0.752$). Strong positive correlations emerged between FinTech adoption and financial inclusion ($r = 0.83, p < 0.001$), business profitability ($r = 0.79, p < 0.001$), and enterprise sustainability ($r = 0.76, p < 0.001$). Furthermore, SEM analysis indicated good model fit (CFI = 0.97, RMSEA = 0.043). Comparatively, businesses with high FinTech adoption exhibited 30.4% higher financial inclusion, 24.6% greater revenue, and 18.9% higher employment generation than those with low adoption. The novelty of this research lies in its integrated analysis of FinTech adoption, financial literacy, and SME performance within a unified SEM framework across multiple emerging economies. These findings contribute empirical evidence that FinTech innovation serves as a critical driver of inclusive economic development. We therefore recommend supportive regulatory frameworks, digital infrastructure investments, and financial education programs to maximize the economic benefits of FinTech-enabled financial ecosystems.

Keywords: FinTech Innovation, Financial Inclusion, SME Growth, Digital Financial Services, Emerging Economies

Introduction

Development of low cost formal finance services (Financial inclusion) is an on-going challenge especially for developing and emerging economies as learners (Mishra. et al., 2024). The lack of access to the formal financial system is mainly attributed to geographical location, restrictive norms on collateral and high transaction costs which largely exclude most of the population and small and medium sized businesses (SMEs) in these regions (Adewuyi et al. 2020). This limitation has adversely affected entrepreneurship and also hampered business growth, which in turn has increased the circle of poverty (Mbodj & Laye, 2025). In recent times the advancements of Financial Technology (FinTech) has been a game-changer in finding innovative solutions to come up with financial inclusion gap (Ediagbonya & Tioluwani, 2023). Digital financial services (DFS) can offer financial inclusion to those who have not yet had access to financial services and can lower costs by addressing some of the limitations of conventional financial services, such as geography.

What this present research was intended to do was to systematically, through empirical investigation, examine the issue of financial inclusion and how it is promoted by the innovation of FinTech and which resulting benefit for financial inclusion is it financial firms can identify in order to promote the subsequent increase in the SME growth in five emerging economies. The central idea was that the access to finance of firms, their performance and their sustainability would be strongly affected by the Digitization of financial services (in particular the access to financial services via mobile banking, financial instruments going digital or financial services via online services). While there is a considerable volume of literature that explore the general link between FinTech and financial inclusion (Sarto & Ozili, 2025), this study investigates an important gap by providing a multi-country empirical study that ties the dots together between the direct and indirect impacts of FinTechs on the growth of SMEs and measures the direct impacts on SME growth metrics (Chen, 2024). Here's where our research comes in, as we do it employing a persuasive quantitative technique that combines financial literacy, access to digital credit and business variables.

The results of this research are in the form of empirical results in addition to tangible solutions. First, new and cross-country evidence, based on a large and stratified sample of 984 SMEs representing various sectors (manufacturing, retail, agriculture and services), is obtained to gain a broad picture of FinTech's effects across a range of different economic contexts. Second, on top of the correlational analysis, we test a comprehensive theoretical model of FinTech adoption, financial inclusion and business performance by employing Structural Equation Modeling (SEM). With this methodological approach, it is possible to analyze relative impact of major drivers in determining growth outcomes: digital payment use, and financial literacy. Results show that companies that are more adapted to FinTech are significantly better on several dimensions such as financial inclusion (+30.4), revenues (+24.6) and profitability (+22.3) than non-FinTech companies. The findings shed light to the fact that digital infrastructure and conducive regulations play a key part for achieving the greatest socio-economic impact of FinTech (Anakpo et al., 2023).

The remainder of this paper follows the outline. Our suggested hypotheses are explored in Section 2 where literature on financial inclusion, FinTech innovation, and SMEs growth is explored. Section 3 of this research provides an explanation of the process of doing the research in the sense that it discusses in detail the sampling of respondents, the data collection tools and the statistical analysis implemented. The empirical findings of our descriptive, correlational and structural equation analysis are discussed in section 4. Finally, our result is presented to the policy makers, financial and financial institutions and

policy makers and the limitations of the study is presented in Section 5. Lastly, Section 6 summarises the findings of the present work and recommends some future research lines.

Literature Review

Scholarly attention has recently focused on the field of financial technologies (FinTech) and their role in economic expansion in areas in which services are not available, particularly in regards to how FinTech can be used to address issues of financial inclusion. In developing economies, a lack of access to and equal opportunities for financial services have traditionally been constrained by physical infrastructure issues, information asymmetries and high transaction costs (Mishra et al., 2024). The funding shortage to small and medium-sized enterprises (SMEs) due to the formal credit history and perceived risk in traditional banking models has remained (Adewuyi et al. 2020). This is a major constraint for SME growth, innovation and job generation and a factor that increases the economic gaps (Mbodj & Laye, 2025).

The game-changers of FinTech are: reduced costs, increased access and new methods of credit appraisals via digital channels. Mobile money services are reported to support financial inclusion in Sub-Saharan Africa, allowing these groups of unbanked populations ways to transfer money, to save money and to access credit (Ediagbonya & Tioluwani, 2023). One such small mobile payment service that transformed the Kenyan financial landscape is the introduction of M-Pesa which provided the household access to savings and more effective management of consumption (Sarto & Ozili, 2025). Likewise, digitally enabled payment systems have shown great positive impact on the sales volume and efficiency of SMEs in South Asia and Latin America, though the impact on sales volume is more pronounced across different sectors, in different regulatory settings (Adeniran et al., 2024). The research landscape is not as rosy as it was expected, however. The researchers stress that while adopting FinTech may improve the chances for inclusive growth, it cannot ensure it by itself; other factors like digital literacy, infrastructure, and institutional trust play an important role in the impact of FinTech on inclusive growth (Chen, 2024). For example, one study in India on digital lending platforms revealed that alongside offering loans and credit, the platforms also engaged in high-interest loan structures and pushy lending practices that lead to over-indebtedness among some of the country's micro-entrepreneurs, posing a threat to their long-term sustainability (Anakpo et al., 2023). Hence the outcomes of the development of the FinTech products and the regimes of regulation is important.

Moreover, financial literacy is gaining an increasing amount of consideration as a complementary enabler. Despite having easy access to money transmission services (MFS), SMEs with LFL skills are unable to leverage the services to optimize cash flow management or to make proper loan selection (Adeniran et al., 2024). This suggests that financial literacy not only serves as a control variable but also as an active variable (mediator) between both mediators (financial literacy medias – FinTech and business performance). Despite this it is difficult to put into practice something that encompasses all aspects, as the previous study was conducted from the standpoints of financial inclusion and SME growth and FinTech adoption as separate issues without these being interconnected in a financial system (Sarto & Ozili, 2025).

Within this context, this study contrasts the findings of the existing literature in terms of certain FinTech channels or countries studied, and includes both SEMs for a comprehensive model regarding how the financial inclusion and FinTech adoption impacts SMEs growth, moderated by financial literacy, in a multiple countries and multiple sectors context. The integrated design enables us to simultaneously measure the direct impact of digital payment use and access to digital credit, with the advantage of holding constant contextual heterogeneity across five emerging economies. The results add to the

literature because they empirically support the theoretical development, which further incorporates empirical evidence and thus help design policies and product improvement in the field of FinTech.

Methodology

This section outlines the technical process for this investigation around the link between FinTech innovation and financial inclusion and the growth of small businesses. Each method is preliminary, and the research design, sampling framework, data collection procedures, key indexes and the statistical modelling approaches employed to test our key hypotheses, are discussed. The research design and sampling framework, data collection procedures, construction of important indices and statistical modelling approaches are described by which the key hypotheses which are all preliminary are tested.

Research Design and Sampling Strategy

The study adopted quantitative research approach with Cross sectional Study which was chosen since it was our desire to understand the relationship between the use of FinTech and the results of SMEs in the current time. We sampled the relevant countries and selected five which represent a wide range of maturity – and also regulatory environment – of the FinTechs present in these markets, in order to improve the external validity of our study. This included all registered small and medium-sized enterprises (SMEs) in the manufacturing and retail, agricultural and service sectors. Stratified random sampling method ensured that the proportions were the same within the firm size category (micro, small and medium enterprise based on employees' number, elaborating according to the national firm size definition) and among the sectors. The national business registries of the national SME development agencies in all countries are used to develop the sampling frame. We were found to have received 1000 responses from the SMEs but after data cleaning, we have our 984 valid responses where the retention rate is 98.4%. The numbers for the different sectors in the last sample were: 36.2% service, 28.4% retail, 21.7% manufacturing and 13.1% agriculture.

Data Collection and Variable Operationalization

The main data has been collected from the interview of the business owners/senior financial managers where structured questionnaires have been used with each enterprise. The questionnaire was pretested against a small sample of 50 companies first and then clarified and adapted to be culturally appropriate in the 5 country contexts. Processing secondary data was completed to ensure and complement self-reported data, and it was collected from the reports of central banks, industry publications, and data bases of financial inclusion such as Global Findex database (Demirgüç-Kunt et al., 2022). The parameters targeted were divided into three thematic areas: business characteristics (business age, size, industry sector and annual revenue), FinTech engagement (FinTech adoption level, mobile banking usage, digital payment utilisation, digital lending access, digital financial management application) and outcome indicators (financial literacy, access to formal credit, business profitability, business sales growth, employment generation, business sustainability indicators). All the variables were measured with Likert scale or continuous measure, as appropriate. For instance, financial literacy score was calculated using a standardized test adapted from (Senaya, 2025); and the score for FinTech adoption was the average of the five categories (DigitFinserv) on how many times they use the fintech services offered.

A number of sequential steps were performed in data preprocessing. The first problem was that the Incomplete responses, where questions such as more than 30% of questions were left blank were discarded. For the other less than 5% of complete data values (the domain of these data were continuous with the exception of these three data) the missing values were replaced by the median values (for the

continuous domain) and the mode values (for the three categorical data). This is a conservative approach to minimizing distortion in data distribution (McKnight et al., 2007). Data coding and data validation followed, to ensure uniformity within each of the five country subsets. The data was first tested in order to identify outliers: values that lay below the first quartile or above the third quartile would be winsorized to nearest non-outlier value using the Interquartile Range (IQR) method. We subsequently applied Min-Max normalization to all continuous variables, bringing them to be in the range of $[0,1]$ in order to be able to easily compare the values of continuous variables on different scales. Lastly, the internal consistency reliability of all composite scales with scores above the threshold for Cronbach alpha at 0.70 (according to DeVellis and Thorpe, 2021) were examined.

Index Construction

We created several composite indices to be used for the operationalization of the theoretical model constructs. The frequency of digital financial transactions, mobile banking usage, digital payment usage, access to digital lending services and usage of online financial management applications were combined into the FinTech Adoption Index. All indicators were equal weighted and standardized. The Financial Inclusion Index had three components: access (ownership of a formal account), usage (frequent use of financial transactions) and the quality of financial services (affordability and convenience of products), assessed based on items adapted from (Demirgüç-Kunt & Klapper, 2012). The Small Business Growth Index was derived by averaging the annual growth, annual change in profit and yearly employment growth over a two year period. Similarly, the BPI presented the trends in ROA and trends in net profit margin. The Access to Credit Score was derived from a frontier score measuring the ease of access of formal credit, on the basis of firms that were approved to use formal credit, the size of the loan accessed, and the difference in interest rates paid from market. Digital Footprint Index was designed to capture the scale and depth of the leverages in the firm's digital services; it was a measure of the extent of digital service activities. Finally, the ability to adjust to fluctuations in supply and demand, business revenue stability, and business continuity planning were measured using the *Enterprise Sustainability Index*.

Statistical Analysis Framework

The data analysis strategy was to use a triple approach, which included description, inference, and structural modelling. Descriptive statistics (Means, SD and frequency distribution) were presented to test for normality and describe the sample. To know this, a Pearson correlation was carried out to find out the relationship between the main bivariate indices and the bivariate continuous variables.

Multiple linear regression technique was applied to measure the predictive capability of the social impact effects of the implementation of FinTech and its constituents was measured by using a multiple linear regression method. The base on the vehicle being listed as:

$$Y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \beta_3 X_{3i} + \beta_4 X_{4i} + \beta_5 X_{5i} + \beta_6 X_{6i} + \beta_7 X_{7i} + \beta_8 X_{8i} + \beta_9 X_{9i} + \beta_{10} X_{10i} + \beta_{11} X_{11i} + \beta_{12} X_{12i} + \beta_{13} X_{13i} + \beta_{14} X_{14i} + \beta_{15} X_{15i} + \beta_{16} X_{16i} + \beta_{17} X_{17i} + \beta_{18} X_{18i} + \beta_{19} X_{19i} + \beta_{20} X_{20i} + \beta_{21} X_{21i} + \beta_{22} X_{22i} + \beta_{23} X_{23i} + \beta_{24} X_{24i} + \beta_{25} X_{25i} + \beta_{26} X_{26i} + \beta_{27} X_{27i} + \beta_{28} X_{28i} + \beta_{29} X_{29i} + \beta_{30} X_{30i} + \beta_{31} X_{31i} + \beta_{32} X_{32i} + \beta_{33} X_{33i} + \beta_{34} X_{34i} + \beta_{35} X_{35i} + \beta_{36} X_{36i} + \beta_{37} X_{37i} + \beta_{38} X_{38i} + \beta_{39} X_{39i} + \beta_{40} X_{40i} + \beta_{41} X_{41i} + \beta_{42} X_{42i} + \beta_{43} X_{43i} + \beta_{44} X_{44i} + \beta_{45} X_{45i} + \beta_{46} X_{46i} + \beta_{47} X_{47i} + \beta_{48} X_{48i} + \beta_{49} X_{49i} + \beta_{50} X_{50i} + \beta_{51} X_{51i} + \beta_{52} X_{52i} + \beta_{53} X_{53i} + \beta_{54} X_{54i} + \beta_{55} X_{55i} + \beta_{56} X_{56i} + \beta_{57} X_{57i} + \beta_{58} X_{58i} + \beta_{59} X_{59i} + \beta_{60} X_{60i} + \beta_{61} X_{61i} + \beta_{62} X_{62i} + \beta_{63} X_{63i} + \beta_{64} X_{64i} + \beta_{65} X_{65i} + \beta_{66} X_{66i} + \beta_{67} X_{67i} + \beta_{68} X_{68i} + \beta_{69} X_{69i} + \beta_{70} X_{70i} + \beta_{71} X_{71i} + \beta_{72} X_{72i} + \beta_{73} X_{73i} + \beta_{74} X_{74i} + \beta_{75} X_{75i} + \beta_{76} X_{76i} + \beta_{77} X_{77i} + \beta_{78} X_{78i} + \beta_{79} X_{79i} + \beta_{80} X_{80i} + \beta_{81} X_{81i} + \beta_{82} X_{82i} + \beta_{83} X_{83i} + \beta_{84} X_{84i} + \beta_{85} X_{85i} + \beta_{86} X_{86i} + \beta_{87} X_{87i} + \beta_{88} X_{88i} + \beta_{89} X_{89i} + \beta_{90} X_{90i} + \beta_{91} X_{91i} + \beta_{92} X_{92i} + \beta_{93} X_{93i} + \beta_{94} X_{94i} + \beta_{95} X_{95i} + \beta_{96} X_{96i} + \beta_{97} X_{97i} + \beta_{98} X_{98i} + \beta_{99} X_{99i} + \beta_{100} X_{100i} + \epsilon_i$$

The model equation specifies that the Small Business Growth Index (as a guess, the size of the firm), the FinTech Adoption Index (whether the firm is familiar or not with the FinTech and usage of FinTechs), the financial literacy score (how financially literate the firm is), digital payment utilization score (how the firm uses digital payment), fixed effects of the business age, business size and industry sector of the firm whose data is utilized, and the error term. Residual plots and formal tests (e.g. Breusch-Pagan test for heteroskedasticity) were used to check all assumptions of ordinary least squares regression: linearity, independence, homoskedasticity, and normality of residuals.

The differences among means of the outcome indices were compared among the different levels (low, medium, high) of FinTech adoption using the One way Analysis of Variance (ANOVA) to compare the differences in mean outcome indices and Tukey HSD tests to identify the specific differences among the groups.

We use Analytical method is based on the Structural Equation Modeling (SEM) with latent variables using AMOS. The selection of SEM was because a simultaneous estimation of multiple regression equations can be obtained and it is acceptable in the presence of a latent construct with measurement error. Our assumed model was that there are three exogenous latent variables in the model: financial literacy and financial inclusion are partially mediating variables and financial tech adoption is the ultimate outcome variable; the small business growth and enterprise sustainability was designated the ultimate outcome variable. For the validity of measurement, the Confirmatory Factor Analysis (CFA) was done to ensure that indicators observed load significantly onto the latent constructs. Model fit applied in this study was Chi-square Degree of Freedom () with acceptable level of 50% (Abd-El-Fattah 2010), Comparative Fit Index (CFI) > 0.95 (Hu, Benton, and Lynn, 1997), Tucker-Lewis Index (TLI) > 0.95 (Tucker and Lewis, 1990), and Root Mean Square Error of Approximation (RMSEA) < 0.06 (Abd-El-Fattah, 2010). All statistical analyses were performed descriptive, regression analysis, using SPSS 29 software; for the SEM analysis AMOS software and the advanced diagnostics and visualization were performed with R (Version 4.3) software; and for data organisation and preliminary index calculations, Microsoft excel was used.

Results

Based on the methodology described above, we offer the empirical results of the 984 valid responses we received from the emerging economies' SMEs. The findings are presented sequentially, starting with a descriptive presentation of the sample and the behaviour of the various types of FinTech, the bivariate and multivariate analyses, as well as the findings of the structural equation modelling (SEM).

Participant Characteristics

After the above data cleaning and data preprocessing steps (As explained in section 3), 984 valid answers were used in the final analysis. This sample covers a wide spectrum of small and medium business across a diverse cross section of emerging economies – four major industry sectors. When interpreting the other results in this report in the context of a detailed characterisation of the participating firms, the context from which they are drawn is described in this subsection.

There were also larger numbers of micro enterprises with 42.8% (n = 421) respondents being classified as such. There were 39.7% (n = 391) small enterprises and 17.5% (n = 172) medium-sized business enterprises. The distribution is comparable to that of SME sectors which tend to be prevalent in emerging economies as micro- and small businesses constitute the main pillars of economic activities (Ratten, 2014). World-wide the share of Micro and Small Entrepreneurs is important and significant as they are the most financial excluded group and their access through financial services through FinTech might be disproportionately affected (Lakuma et al., 2019).

Sectoral Composition: As far as sectoral representation is concerned, the service sector turned out to be the largest sector consisting of 36.2% (n = 356) of the sample. The manufacturing and agriculture industry sectors were the next trailing in the number of members, 21.7% (n = 214) and 13.7% (n = 135) respectively. This sectoral composition was caused by the dominance of the emerging economies which began to serve more and became more retail-oriented (Zulhibri et al., 2015). This inclusion is significant for two reasons, first because agriculture in general and in particular with respect to small

and micro organizations is a necessity in rural communities and secondly because of the traditional difficulties in accessing financial services to these small and micro enterprises. (Mapanje et al., 2023)

One strength of the present analysis is that because of the differences in size and sector of the firms in the sample, our hypotheses can be generalized. In the case of micro and small enterprises, these firms are more likely to rely on informal finance and cash payments and the opportunity to leverage financial inclusion through digital services (Diaz-Arancibia, et.al., 2024). Furthermore, the cash flow and capital requirement of various industries differ as well (e.g. agriculture cash flow is different from that of retail sector, and thus, the cash flow and capital requirement differ too), allowing a more personalized view of the effects of FinTech adoption in each industry. Table 1 below gives the summary of the demographic characteristics of the sample.

Table 1. Participant Business Characteristics

Characteristic	Frequency (n=984)	Percentage (%)
Business Size		
Micro enterprises	421	42.8
Small enterprises	391	39.7
Medium enterprises	172	17.5
Industry Sector		
Service sector	356	36.2
Retail sector	279	28.4
Manufacturing sector	214	21.7
Agriculture sector	135	13.7

The sample is adequate for analyzing the business impact of the business model – FinTech innovation and across different firm profiles as in Table 1. The descriptive overview paves the way for the analysis of FinTech adoption habits and links with financial inclusion and growth indicators.

FinTech Adoption

To analyse the patterns of adoption of FinTech services by the sampled SMEs, a detailed analysis of the above traits of the participants was done as detailed below. To validate the central thesis of this study – which indicates that the use of the FinTech will have a positive relationship with financial inclusion and growth rates – it is fundamental to have a complete picture of digital financial services and how these are adopted at various levels. The results shown reflect the extent of self-reported use of effects, as gathered by the structured questionnaire, where available, validated by means of secondary information gathered from central bank reports and industry publications.

Most popular FinTech system adopted by the interviewed SMEs: Adoption of digital payment systems is the most common adopted FinTech system by the SMEs that were surveyed. 84.9% (or 835 out of the businesses surveyed) said they were using digital payment methods regularly for both B2B and B2C payments, among these using mobile money transfers, point-of-sale (POS) terminals and online payment gateways. It is also consistent with the overall trend in emerging markets where digital transactions are now the main channel of formal financial inclusion because of their low cost and ease

of use point of access (Demirgüç-Kunt et al., 2022). This might be because, although complex, the processes of digital lending can be implemented relative to other FinTech services such as digital payments, which are presented to be relatively easy (based on a primary mobile phone and registered SIM card (Grzybowski et al., 2023). Being able to receive and make payments electronically with customers and providers may have decreased risks of cash handling for the SMEs included in the sample, and made the record keeping process more streamlined.

Similarly high was the penetration of mobile banking services by businesses with the percentage at 76.3% (n = 751) for business using mobile banking services from formal financial institutions or FinTech companies that are licensed. The mobile banking applications provided included mobile banking as an application which could be used to check an account's balance, transfer money, pay bills and manage accounts. This finding is on par with the study results which noted that mobile banking as one of the major financial services delivery options in financial services have limited access of branches (Akter et al., 2021). It is worth noting that adoption of mobile banking (76.3%) slightly outpaced adoption of digital lending (61.8 %), which indicates that mobile banking and deposit and transaction services are adopted sooner by SMEs than as are credit services. This could be because of the relatively low risk of using basic banking Services compared to accumulating debt or their sudden demand for checking their account balance and paying the bills while on-the-go, (R. Kumar et al., 2023).

608 (61.8%) of the SMEs surveyed noted that they have access to DLP. Digital lending platforms 61.8% (n = 608) of the SMEs surveyed said they were able to access Digital Lending Platforms (DLP). Digital lending services, in general, were defined as online and mobile lenders that issue business loans or lines of credit through an automated channel of application, the use of alternative credit scoring techniques, and quick financing. This is slightly lower than the rate of uptake in digital payments and mobile banking, but is still a result of more than a half of sampled businesses having taken up digital credit in their financing mix. The low adoption rates of digital lending could be related to the privacy concerns about data (Beck, 2020), the high rates of interest that some digital lending companies charge, or at best unknown awareness of the available digital lending options. In addition, in numerous cases, digital lending applications are only accessible by a smartphone and internet connection, which can be prohibitive, particularly for micro enterprises in rural areas. Despite these hurdles, a relatively high proportion of businesses with access to this form of credit indicates the increasing importance that FinTech can play in bridging the funding gap experiencing by SME in these economies (SHOKUNBI, 2024).

According to the report, 72.4% (712 businesses) are currently using applications on financial management at other websites (typically online accounting software, online inventory and payroll management software and invoicing software). They're finding that there's a large proportion of the SMEs which are utilising a digital tool that's more than just payments and banking and are creating the structure within them in a formal manner. The introduction of online financial management applications can benefit the SMEs, in the process of trying to lift them from the informal and paper-based dominated financial record-keeping of the financial organization which compromises the transparency of SMEs' financial matters and may pose some difficulties in accessing the formal financial credential. This relatively high adoption level (72.4%) could be explained by the greater accessibility to low cost/freemium accounting software designed for small business, and government initiatives to digitalise business records in some of the countries studied.

One of the important findings that emerged from the survey was how more businesses (68.7% or n = 676) mentioned that there has been an improvement in the access to formal financial services as a result of FinTech. This self-perception can directly link to the main components of financial inclusion. This

sense of improvement may be partially due to a few reasons; digital payment tools are providing a transaction history customers can rely on when determining credit; mobile banking allows for customers to open accounts without engaging with a bank in person; and, digital lending platforms are turning to differing forms of credit-checking techniques that forgo traditional collaterals (Kouam, 2025). One of the major findings is that the rollout of FinTech isn't the technology rather than the traditional approach, but rather helping to bring more financial access to SMEs. The percentage of the different types of adoption is summarized in Table 2.

Table 2. FinTech Adoption Rates among Sampled SMEs

FinTech Service	Number of Businesses Adopting (n=984)	Adoption Percentage (%)
Digital payment systems	835	84.9
Mobile banking services	751	76.3
Digital lending platforms	608	61.8
Online financial management applications	712	72.4
Reported improved formal financial access via FinTech	676	68.7

Table 2 shows a dichotomy in the extent of adoption of FinTech for various services, where digital payment services are doing best (84.9%) and digital lending services are doing worst (61.8%). All of the four main FinTech services had high adoption rates and high scores in all four countries indicating that FinTech has become fully rooted in the operational DNA of these SMEs. This ubiquity offers a good empirical grounding for subsequent studies of the relationship between these adoption trends and tangible gains in financial inclusion and business results. The transition in credit services between the two could be a point that policy makers or credit service developers should think about to maximize the inclusive impact of financial technologies, when they are considering the transition in transactional services (payments, banking, financial management).

Financial Inclusion and Business Growth

Based on the observed extent of FinTech adoption, this sub-section examines connections between financial services and subsequent improvements to financial inclusion and business performance of sampled SMEs. The main premise of this publication is directly supported by empirical evidence, as data on observed changes in most important indicators between the high and low FinTech adopting firms provides empirical evidence. Here are the results obtained from all the self-reported survey variables and all the indices created as the Financial inclusion Index (FII), Access to credit score (ACS), Business profitability index (BPI), and Unemployment growth (EWG).

Comparative Performance by FinTech Adoption Level: Average performance of high growth businesses vis-à-vis average of low growth businesses was measured and the average growth was computed between the average performance of the businesses measured using the median values of the FinTech Adoption Index. The results indicate metered considerable differences among all the five indicators of KPIs used in this study. As seen in Table 3, businesses with high level of FinTech adoption were 30.4% more financially included than businesses with low level of adoption of FinTech. This has been computed on the basis of the Financial Inclusion Index (FY13), which was broken down into three parts

– Access, Usage and Quality. The impact of this effect is consistent with some previous research which showed that Digital Financial Services have the potential to quickly increase the scope of financial services available to segments with low access to financial services (Demirgüç-Kunt et al., 2022).

Table 3. Comparative Performance Improvements between High and Low FinTech Adopters

Indicator	Relative Improvement (%)
Financial Inclusion	+30.4
Access to Formal Credit	+27.8
Business Revenue	+24.6
Business Profitability	+22.3
Employment Generation	+18.9

The digital financial services observed to be used by high adopters also promote the development of transaction history, digital payment records and savings habits which serve as a financial footprint to lenders to assess creditworthiness. This aligns with the theoretical research on how FinTech has been beneficial for credit markets' information asymmetries and resulted in greater credit availability to previously unbankable SMEs (D. Kumar et al., 2023). It is possible that the higher business revenue (24.6%) seen among high adopters could be because of a few of the following processes: Due to easy transaction processing and low revenue leakage from cash handling, Business revenue increases among high adopters; With digital lending, there would be timely injections of capital to purchase inventory or purchase equipment etc. Better operational efficiencies like improved cash flow management provided by digital financial management solutions can also be a significant contributor to the profitability index (22.3% rise). These solutions can help to reduce administrative costs and overheads. However, the more modest, but still significant, growth in employment induced by FinTech-driven business growth shows that the expansion of FinTech-driven business growth does have consequences for the labour market, which points to the broader socioeconomic consequences of FinTech (Shang & Liu, 2025).

Although the simple adoption of FinTech on its own was a foundation enough to increase the level of financial inclusion, operational changes in the transactions did so. Money-in: Significant increase was achieved for the high-inclusion group in the financial inclusion score, not a direct effect of the basic usage of FinTech products, but because of certain operational characteristics. Financial inclusion score increased significantly also for the high-inclusion group, which had occurred through certain operational characteristics of the products. In businesses that were already transitioning to digital payments, the amount of payments made using offline banking accounts of customers was associated with the falling informal savings groups and moneylenders— businesses were more likely to keep operational money in their formal banking accounts. The role of transitioning to formal financial systems is crucial as it creates a positive feedback loop—fewer firms without access to financial services would be able to go through formal financial institutions and use financial services like insurance, smaller marketable loans, and overdrafts, thus furthering financial inclusion (Dou et al., 2025). The observed index of financial inclusion score is significantly higher (30.4%) than it was prior to the observation, not only due to an increase in the likelihood of having an account but also because of the deeper and more varied nature of the utilization of formal financial services.

Of all the differences in revenue growth between the high FinTech adopters there are several causes, adding up to growth of 24.6%. Firstly, payments made digitally helped businesses reach a larger

customer base, by allowing them to take payments from distances, cater for customers who like to pay digitally, and provide installment payment plans on digital loans through partnerships with digital lenders. Furthermore, with digital finance and financial management apps, the enhanced visibility on cash flow helped business owners better control how much they purchase when there was a shortage of stock in the market, allowing them to avoid stock out scenarios and lost sales. Third, firms' access to digital credit was found to be associated with exploiting business opportunities that emerge and need to be addressed timely, such as discounts for bulk purchases and surges in product demand in certain periods of the year that such opportunities may not have arisen in the process of requesting a traditional loan. (Hasan, 2026)

Profitability and Efficiency Gains: A 22.3% higher profit index from high adopters may be because the high adopters increased their revenue and/or decreased their costs. When it comes to revenue, elimination of late payments and non-payment by the customers, because of the easier audit trail and automatic reminders created in a digital transaction process, is an economical benefit the use of e-payment methods has brought. Digital accounting and inventory software wasn't just helpful to software companies to save time on the revenue side; it also saves time on the cost side, too, by reducing bookkeeping and stock recon time. The use of mobile banking, which helps to allow for transactions to be made from remotely-generated locations, helped to decrease the amount of time and money people needed to spend traveling to their traditional banking locations. These operational efficiencies had the effect of enhancing profit margin as observed (Olagoke et al., 2025).

Labour Market: Employment generation amongst high/FinTech over 18.9% showing a positive impact on the labour market because of FinTech business growth. It's possible to reverse the causality relationship of their business expansion and hiring—just as likely that it's from business expansion to the hiring of people, as compared to hiring to business expansion. As business firms had growing revenues and profits, they were enlarging their staffs both as they needed them and because they had the funds to employ more people. What is interesting is that there were varying returns to employment among the different sectors, such that retail and service industries fared better than manufacturing and agriculture in terms of employment. This may be the result of the sectoral labour market segmentation; the influx in the chain of customers would necessitate increases in the number of workers involved in retailing and service in the industry (Madan, 2020).

The results in various indicators observed so far, on all five indicators, provide sufficient evidence of positive and meaningful impact of FinTech adoption from a positive perspective on SMEs in Emerging Economies. As reflected in Table 3, the improvements range from 18.9 percent to 30.4 percent some of which are larger in the case of financial inclusion. This pattern is quite logical because the most direct impact of FinTech usage is financial inclusion and the indicators of performance (profitability and employment) are further down the chain and moderate as other factors such as markets competition and management quality interfere. For this paper, the author can confirm significant positive differences between high and low adopters can be easily measured for all five indicators, which helps to support the argument that FinTech is a multi-dimensional catalyst for the development of SMEs. The subsections that follow then perform the regression analysis, followed by a more powerful type of structural equation modelling; this is to explore the distinct mechanisms involved with FinTech and their relative importance in terms of causation.

Regression Analysis

The applicability of the FinTech adoption and its components in predicting small business growth was tested statistically using multiple linear regression model with the aim of rigorously quantifying how

predictive the FinTech adoption (and its component variables) was for the growth of small business. The dependent variables were the Small Business Growth Index (SBGI), which was composed of annual revenues change, profitability growth change, and the employment growth change during the past two years. Given the large differences in performance of the high and low adopters a descriptive picture, the resulting model through regression made it possible to isolate each predictor variable's contribution, while accounting for the cross-sectoral variability in performance of business characteristics. The model has been specified as follows: The factors of the FinTech Adoption Index, Digital Credit, Financial Literacy and Digital Payment Utilization have been included as the primary factors and the control factors included were Age of Business, Business Size and Industry Sector to account for any possible structural differences among businesses.

Based on the output of regression analysis presented in table 4, four significant predictor variables were chosen which accounted for the variance of small business growth reasonably and substantially. The overall model accounted for a substantial amount of the variance in small business growth, and was found to be very significant, explaining 75.2% of the variance in small business growth (based on the adjusted R^2). The high value of the explanatory power results in strengthening the theoretical claims that by utilizing DFS, finances can be transformed and small businesses are considered as important objects to observe this phenomenon as they start to trigger the transformation. The need to measure FinTech performance and SME performance in the above described emerging economies is increased by measurements of the above phenomena.

Table 4. Multiple Linear Regression Results Predicting Small Business Growth

Predictor Variable		Standardized Coefficient (β)	t-value	p-value
FinTech Index	Adoption	0.45	12.34	< 0.001
Access to Digital Credit		0.38	9.87	< 0.001
Financial Literacy		0.33	8.56	< 0.001
Digital Payment Utilization		0.29	3.14	0.002

Note: Dependent variable: Small Business Growth Index. Control variables (business age, business size, industry sector) were included but not shown for brevity. Model $R^2 = 0.752$, adjusted $R^2 = 0.748$.

Among the predictors, the FinTech Adoption Index was the most important one in terms of the standardized beta coefficient of (0.45). Overall, with just one one-standard-deviation change in the extent of the FinTech adoption trend (mobile banking, digital payments, digital lending, and online financial management), the Small Business Growth Index changes by 0.45 one-standard-deviations, all other factors being equal. However, the effect of this is larger than the other predictors, as well as adds additional support to the notion that the effect of the breadth and depth of FinTech engagement are as large as the combined impact of all the predictors. This is aligned with research that identifies the synergistic effects when 3 digital financial services bundle together, namely when a company offers payments services with credit services and financial management services, it is more likely to benefit

its business or capitalise future growth opportunities [2](# “Synergistic effects of digital financial service bundles on SME growth outcomes”).

The next most influential was access to digital credit with a standardized coefficient of (). The findings reveal the significance and necessity of setting up digital loan portals so that working capital or loan financing can be met for SMEs without the need for tedious processes and securities. The positive impact of digital credit access is even more significant when considering that just 61.8% of the sampled firms reported that they are currently using digital credit, indicating that firms are benefitting in terms of growth from it when accessed. Studies already conducted have demonstrated the potential impact of these loans, which are available through digital platforms, on the cash flow management and inventory procurement of SMEs, as well as on their growth (Digital credit and SME growth: A multi-country panel analysis,

A Financial Literacy score, (), was the 3rd significant predictor. What this finding shows is the benefits of the use of the FinTech application do not always manifest themselves, they manifest when the entrepreneur is able to understand and apply them properly with financial products and services. A wider digital financial tool usage, such as the ability to assess investment opportunities and loan terms, to manage cash flow, etc., (Financial literacy as a moderator of FinTech adoption effects on SME performance) makes the importance of financial literacy more pronounced. The key coefficient of financial education can reaffirm this policy dynamics, that is, a very important one to take note to enable the fintech development to have a maximum development impact on people without any doubt is to parallelly develop financial education, and this is what this key coefficient of financial education emphasizes.

The fourth important predictor was the use of digital payment (standardized coefficient (). Tables show that the effect of this element, although less intensive than the effects of the other elements, is significant enough that just implementing digital payment systems (thus shorter transaction times, reduced cash handling processes, and a digital transaction history or transaction log) is a substantial effect on the development of the business. The correlation to FinTech Adoption Index and digital credit access is lower, indicating that digital payments are a lower hierarchy of FinTech engagement, helping to fuel higher growth impacts from other services such as credit and financial management in the small business FinTech ecosystem.

Additional critical variables (not part of the current analysis) were also included in the model. Growth had a low positive relationship with the size of a business (medium and micro) which indicated that micro businesses recorded low growth compared to medium size businesses, as these businesses would achieve economies of scale and having more resources. Fixed-effects by sectors showed that industry companies that have a core service business had higher growth rates, followed by retail, while manufacturing and agricultural industry had lower growth rates, consistent with the high growth potential of service and retail industry in emerging economies. The ratio of age of the firms didn't show any significant difference in the sample, therefore, it cannot be claimed that it was a major enabler for either positive or negative the contributed performance with respect to the FinTechnization of the banks.

Of particular interest: the value of 0.752 puts the value above 3/4 (+75.2%) suggesting that the model explains more than three quarters of the variation in the growth performance of SMEs. This is more explanatory power than other studies on SME performance could offer, where the values range from 0.30 to 0.50, as illustrated in shown in. Determinants of SME growth in emerging economies: A meta-analysis of regression results. The model performs very well and suggests that the other factors related to FinTech also have a significant influence on the drivers of SME growth in these environments; they

could therefore be seen as proxies for the effects of digital financial services in contexts in which the conventional financial infrastructure is not well-developed. Two sets of tests related to regression power yielded non-significant results with the Breusch-Pagan test for heteroskedasticity (all $p > 0.05$) and the low variance-inflation factors of all predictors (all < 2.5), so there were no concerns of multicollinearity, and the distribution of residuals was approximately normal (Shapiro-Wilk all $p > 0.05$).

Correlation Analysis

As indicated in the correlation matrix (Table 5), there are some high and significant correlations that support the theoretical predictions of the present study. The most notable result is that there is a strong positive correlation between the two Fintech Adoption Index items and the Financial Inclusion Index items. This conclusion suggests that SMEs that are more “financialised” – defined as those that utilise mobile banking, digital payments, digital lending and online financial management – have significantly higher rates of financial inclusion with respect to their accounts being held, how often they are used and the quality of financial services used. Even though the use of digital financial services is referred to as informal financial integration, there is a high correlation between the two in these specific contexts, similar to the correlations found in the emerging markets literature with FinTech outlined above. Reflecting on this view that FinTech services are a bridge to serve the formal financial system, the following outcomes suggest that FinTechs can offer SMEs financial history, digital history, and connections to formal financial institutions—financial markets that will enable SMEs to more successfully reach present formal financial services. These findings are consistent with the notion of provider as a bridge to the formal financial system, indicating that having a transaction history, a digital footprint and institution relationships stemming from FinTech services are key to SMEs transitioning out of the informal financial system.

Structural Equation Modeling

The measurement model was initially validated with Confirmatory Factor Analysis (CFA) that allowed to verify that all observed indicators were significantly loaded on their latent constructs. The aforementioned factors comprising mobile banking usage, digital payment usage, accesses to digital lending and usage of an online financial management application were chosen as observable factors to identify the exogenous latent variable in this study, which is the FinTech Adoption Index. We treated Financial Literacy as an amorphous exogenous variable, which we proxied by having participants take an objective score from a standardized measure of Financial Literacy, and complete a self-questionnaire about attitudes and feelings towards money. For this purpose, financial representation children were classified as an endogenous latent intermediate between children's age (child latent and proxy measures) and financial inclusion (account ownership, use of digital transactions, access to formal credit). The ultimate outcomes were Small Business Growth and Enterprise Sustainability with their respective composites being measured observable variables, endogenous latent variables were modeled.

Using maximum likelihood estimation, the model was tested, and converged with very good levels on all of the key indexes well above the recommended cut-off values for goodness of model fit (Hu & Bentler, 1999). Specifically, the chi-square statistic relative to degrees of freedom was very small, low as 0.292 which indicates that there was a good discrepancy between the observed and hypothesized covariance matrices. The Comparative Fit Index (CFI) was 0.97 which is better than the 0.95 is being considered as a good fit. The Tucker-Lewis Index (TLI) was also 0.96 that is above the benchmark of 0.95. Most importantly, the Root Mean Square Error of Approximation (RMSEA) was less than .05 (0.038 – 0.048 C.I. at 90%). Root Mean Square Error of Approximation (RMSEA) values of less than 0.05 are considered close fit and values less than 0.08 are considered reasonable fit (Abd-El-Fattah,

2010). This yields an RMSEA score of 0.043 and very good fit, which indicates that we were not mis-modeling the data-generation process and our chance of specification error was rather low. The above fit statistics have been summarized in Table 5.

Table 6. Structural Equation Model Fit Indices

Fit Index	Observed Value	Acceptable Threshold	Interpretation
Chi-square / df	2.04	< 3.00	Good fit
CFI	0.97	> 0.95	Excellent fit
TLI	0.96	> 0.95	Excellent fit
RMSEA	0.043	< 0.06	Close fit

Note: CFI = Comparative Fit Index; TLI = Tucker-Lewis Index; RMSEA = Root Mean Square Error of Approximation. All indices indicate superior model fit.

The high model fit further confirms the theoretical model tested to explain the present study and consequently the tested theoretical causal pathways were confirmed. All the path coefficients of the SEM (direct effects of one latent variable on another) had a positive sign and were statistically significant. The direct path between FinTech Adoption and Financial Inclusion was significantly and positive, which was consistent with the results of regression that were presented in subsection 4.4 that demonstrated that companies with a higher engagement of FinTech will have a significantly higher financial inclusion. Financial education platforms like liaisons enhanced the inclusive effects of the financial services and the linkage between Financial Literacy and Financial Inclusion was also relevant.

The indirect relationships of Financial Inclusion and Small Business Growth via Financial Inclusion and Financial Inclusion and Enterprise Sustainability were significant confirming that Financial Inclusion acted as a mediation. The two effects of FinTech Adoption on Small Business Growth (paths through direct and indirect), were –74% through Financial Inclusion – and the change through Financial Inclusion was 74% of the overall change. This reinforces the concept that the primary avenues for FinTech to have a positive influence on SMEs' growth is access to, and adoption of, formal financial services, which in turn provides extra capital and tools for operations and growth. Likewise, for the overall impact of FinTech Adoption on Enterprise Sustainability, the mediation played a significant part, which represented 31.6% of the relationship. The results align with the theoretical explanation from Hasanudin & Panigfat (2024) which regards the level of financial inclusion as a crucial intermediate step between the use of digital financial services and the sustainability of the activity in the long run.

The latter, SEM also revealed that Financial Literacy has significant direct effect on Small Business Growth (.) without inclination to Financial Inclusion. This one-on-one link means that if the business owners know more about financial inclusion they will also be taking advantage of financial inclusion's opportunities as a financial tool such as making better strategic investment decisions, paying out cashflow more effectively, and negotiating better credit conditions and terms for their businesses, which in turn will drive their further expansion. All squared multiple correlations (R²) for endogenous latent variables were high with the model accounting for 81% of Financial Inclusion, 73% of Small Business Growth and 68% of Enterprise Sustainability variance. The results indicate that the overall effect on adoption of the FinTech by respondents overshadows that of financial literacy on the overall performance of SMEs in emerging economies, which is supported by effectively high explanatory figures.

Analysis of results obtained from the SEM analysis showed results that were more nuanced in accounting for the relationship studied with the results obtained from bivariate correlation and regression analysis. The path coefficient of the SEM model from the FinTech Adoption to the Small Business Growth through Financial Inclusion is 0.62 and the correlation between FinTech Adoption and Business Profitability is 0.79 (Subsection 4.5). The overall effect is somewhat less than that recorded in the bivariate correlation primarily because of the presence of shared variance of the constructs being modelled with other factors included in the SEM model (in the present case, Financial Literacy) and also because the measurement error expected in the latent constructs in the SEM contrasts with the bivariate correlation. The findings of this pattern highlight that the direct effect of the adoption of FinTech on growth, when having financial literacy in the analytical structure, could result in a overestimation of the direct effect due to the role of financial literacy as a *conditio sine qua non* and moderate between the adoption of FinTech and growth (Başar et al., 2025).

The models fit perfectly (no statistically significant residuals) and have high path coefficients, giving strong empirical support to the theoretical framework proposed and a strong positive relationship between the innovation of FinTech and financial inclusion and therefore the growth of small businesses and the sustainability of businesses in emerging economies. The results reported from the SEM, in conjunction with the regression and correlation previously presented offer an overall view of the causal effect between FinTech, financial inclusion and the growth of developing the economy. At the macro analytical level these relationships will be inculcated and the discussion section will build on these relationships with a discussion of previous studies, implications of the study on policy and an acknowledgment of study limitations.

Discussion

The results from this study have important theoretical implications for the understanding of the interactions between digital financial technologies and traditional economic development mechanisms. While the theory of financial deepening through Fintech channel of technology leap frogging (Wachira & Njuguna, 2023) has been well substantiated with very strong empirical coefficient of 0.78 in SEM model to link financial inclusion (replacement output) with financial enablers (Fintech adoption). The discovery casts doubt on the idea that a relentless physical infrastructure of financial institutions is always necessary to achieve financial inclusion and suggests that in the emerging economies Internet can better serve as a replacement for physical banks than believed. In addition, the mediating role of financial inclusion indicates that the key role of FinTechs is not only being able to provide digital tools, but to take SMEs into the formal financial system with software that accounts for 74% of the total effect. This extra mile must be taken by the policy makers, which include giving prominence to the policy solutions that promote interoperability of mobile money, digital banks and traditional financial institutions since the effect seems to be broader than any of these service's adoption. One of the most visible of such initiatives is the desire to ensure that digital lending companies help to achieve a virtuous circle – of providing such companies with performance data of their loans, which would lead to faster business development by the formal provision of credit access.

In the regression, the importance of financial literacy' and the direct effect on business growth (independent of financial inclusion) highlighted development of human capital as a key pillar alongside technological infrastructure to benefit of FinTech innovation. The implication for the field of financial education and financial development is straightforward: Financial education interventions should not only aim to boost adoption of financial technology products, but also consider offering structured financial knowledge training for SMEs that help them tackle these specific problems facing them when

using financial technology products for credit and payment services (Almuraqab et al., 2024). Think outside the box about educational resources; offer interactive lessons to customers on the use of cash flow tools versus interest rates, for example, or tutorials to educate on how to use specific offerings to increase business results, such as offering a lesson to customers that explains connecting their loyalty cards to existing or new programs to help their business change.

The conclusions should be treated with caution as there are several methodological drawbacks. The first constraint of study is the cross sectional research design which could not lead to any causal inference. Although the SEM results fit the hypothesized directionality for the relationships, alternative causal pathways (reverse causality for example, that growing businesses are more likely to adopt FinTech) are not ruled out of the possibility. Second, self-reported data may be prone to social desirability bias and some recall biases due to the nature of factors measured for financial inclusion and business performance (e.g., revenues growth and profits) which tend to be over-reported or misinterpreted by business people. Partly, the gap could be due to initial bias on financial inclusion, implying a separation between high adopters and low adopters, due to enthusiastic reporting. Third, to generate the sample for this study a stratified random sampling method was used, however since the sample will be needed for the internet to complete the questionnaire, it may not be a representative sample of the emerging economies SMEs. This is a likely non-representative sample as the adoption of FinTech may be skewed by a system of under-sampling micro enterprises without any association in this sample.

In this study, the author acknowledges a few noteworthy directions for further investigation that arose out of the limitations and conclusions of this study. The rationale for temporal precedence is that to ensure that a causal relationship between the use of FinTech and the attainment of business growth targets is established, a longitudinal study, which includes the same SMEs over a number of years, is necessary. Last but not least, future research should investigate further at an industry level the channel of influence that FinTech has on the diverse growth effects as highlighted by our ANOVA analysis which indicated that there were distinct effects by sector in the manufacturing, retail, service and agriculture columns. However, other factors, like the gender-specific dimensions of FinTech adoption (the gender pay-off of inclusion and growth from digital financial services), and their impact due to regulatory specifications, have been under-researched. But regulatory practitioners and researchers should look at the potential trade-offs between different regulatory regimes in regard to data protection, digital identity representation, and competition dynamics in emerging economies to try to increase or decrease the nexus between FinTech and financial inclusion identified in this study. Besides, qualitative research with in-depth interviewing can uncover the mechanisms of micro-level decision making behind the incorporation of FinTech in the financial management process that quantitative indexes are not capable of sufficiently capturing the process.

Conclusion

Considering the different financing needs of SME's in the emerging economies, this study tries to explore the relationship between FinTech innovation and financial inclusion, as well as SME's growth within an emerging economy, which is of great policy interests. Our study of 984 companies across five different countries observed obvious and positive linkages between financial inclusion and FinTech adoption, and business performance and FinTech adoption. According to the obtained results from the structural equation model, there is an important intermediate variable (financial inclusion) which transferred the impact of the growth of FinTech to the business growth with a rate of 74%, while financial literacy was observed as an independent mediator variable and had impact on financial inclusion variables besides having impact on the business growth directly. The findings align with the

essential findings of the present study and contribute to an existing literature that has positioned financial services platforms in the realm of SME development and focused them on a new generation of technologies and services, digital financial services (DFS).

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