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EMERGENCE OF FINANCIAL TECHNOLOGY AND MICRO, SMALL AND MEDIUM SCALE ENTERPRISES IN NIGERIA

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ABSTRACT

The research took a realistic look at how the development of financial technology has affected Nigeria's thriving MSME sector. A total of 69 participants were used in the study, which followed a descriptive research methodology. Research on descriptive and inferential statistical models was performed using primary source data. The scientific analytical results exposed that, Flutterwaveand Opay have a positive significant relationship with service delivery. This implies that as theservices improve, service delivery also improve in the MSMEs in Nigeria. But unfortunately, Flutterwave has a negative significant nexus with capital structure, while Opay has significantrelationship with capital structures of MSMEs in Nigeria. Regarding the impact of Fintech constructon MSMEs', the study found a significant performance and efficiency. However, the constructs, considered individually, Flutterwave and Opay have significant impact on service delivery, whileFlutterwave and Opay have insignificant and substantial impact on capital structure respectively. Based on the findings, the study recommends that MSMEs should adopt Fintech payment channelsin their operations as it centers on ease, speed and convenience, MSMEs should explore Fintech serves as they are easy and collateral free loans in sourcing for capital. Government should providean environment that would allow Fintech to strive and reduce the cost of Fintech operations inorder to create a corresponding job opportunities in the society.

Keywords: Fintech, Flutterwave, Opay, MSMEs, Service Delivery and Capital Structure

INTRODUCTION

MSMEs are indispensable to the growth of any economy because of the opportunities they present for creating new jobs, enhancing local technology, diversifying output, cultivating native entrepreneurship, and facilitating forward integration with large-scale enterprises. The small and medium-sized enterprise (SME) segment in Nigeria has significantly underperformed, which has hampered the country's efforts to advance its economy. There are four main problems facing small and medium-sized businesses across the country. a hostile business climate, inadequate resources, insufficient management ability, and a lack of access to cutting-edge technology (BCBS, 2017, Gerben, Lande & Nijboer, 2016).

Many small organizations in Nigeria have failed and many more show no sign of survival orbusiness growth. Oladejo and Adereti (2010) states that, out of every 1000 new business stated during a year, only 350 remains and no more than 190 of the original 1000 reach their eleventh year either as a result of inflationary cost, deficiency of institutional credit, and infrastructural facilities. Other factors include lack of proper record-keeping, restricted market, poor feasibility study and poor management (Oladejo & Adereti, 2010). Businesses classified as micro, small, andmedium-sized by the Central Bank of Nigeria (CBN) (2018) as having annual sales of less than N100 million and/or fewer than 300 workers. According to the Bank of New York Mellon and the International Finance Corporation (IFC), 96% of Nigerian firms are categorized as MSMEs (2015).Over the past five years, MSMEs in Nigeria generated almost 48% of the country's GDP, as reportedby the Nigeria Bureau of Statistics. They make up over half of all industrial employment and almostall of the

businesses in the manufacturing sector, totaling around 17.4 million.

Despite the vital role that MSMEs play in Nigeria's economy, a number of obstacles continueto impede the sector's progress and development. The lack of available funds is essential to manyof these issues. Commercial banks, the primary financier of MSMEs throughout the world, have been more hesitant to provide financing due to rising concerns over economic volatility. In Nigeria,the credit competitiveness of MSMEs has declined due to the country's unstable economic climateand a lack of necessary infrastructure (CBN, 2018). Over the years, accessibility to loans facilitiesfor micro, small and medium scale enterprise from old-style financial establishments has been very difficult, as a result MSMEs are often forced to resort to informal funding or to self-funding. Therefore, there is a financial inclusion gap between old-style financial organizations and MSMEs. It is this financial inclusion gap between traditional financial organizations such as commercial banks, micro-finance banks etc. and MSMEs that Financial Technology firms tries to solve (Peters & Panayi, 2019).

The term "Financial Technology," or "FinTech" for short, is an acronym for "Financial + Technology." What we mean by "financial service delivery" is the provision of such services via electronic means. Although there isn't a generally agreed-upon definition of "FinTech," the phrase does refer to businesses and their representatives who integrate technological advances in the financial sector (Rossi & Vismara, 2017). It's a brand-new sector of the financial sector that uses technology to make banking more efficient (Scheffel, 2016). Financial technology companies, or FinTechs, compete with traditional financial institutions by providing services and products that are easier to use, more transparent, and more automated (Rossi & Vismara, 2017). The term "financial technology" refers to the various innovations that are changing the financial industry and threatening the status quo of traditional banking services. It is now possible to do most banking transactions online, eliminating the need to physically visit a branch. Without working with a bank or financial institution, Fintech startups may provide essential financial services like mortgages and loans, as well as generate money for nonprofit organizations (Peters & Panayi, 2019).

Banking on the go, making digital payments, and even lending money via mobile device are all relatively new subsets of the financial services sector made possible by advancements in financial technology. FinTech companies provide a wide range of financial services, including somethat traditional banks traditionally only offered in-person, and those that traditional banks did noteven offer, by means of their internet platforms. This research work will therefore aim at correlating the relevance of financial technology to the MSMEs through its subject areas; namely flutter-wave (payment/collection: remittance) and Opay (alternative Lending and remittance) (Buchak, Matvos, Piskorski & Seru, 2017; Peters & Panayi, 2019).

Conducting a research on the topic "Emergence of Financial Technology and Micro, Smalland Medium Scale Enterprise" brings to focus one of the most important problems facing the smallscale and medium scale enterprise; lack of access to fund. A critical look at the performance of most small and medium scale enterprise shows that they do not have adequate access to fund from most traditional financial institutions. Small scale enterprises especially find it very difficult tosource capital from traditional financial institutions and this prevents entrepreneurs from procurement of assets needed for operations. Banks conditions for giving loans to these businessowners most times are not easily met, also the loans granted suffers from problem of high interestrate making repayment very difficult (Oyadonghan & Atagboro, 2020; Buchak, Matvos, Piskorski & Seru, 2017). Despite the fact that MSMEs contain enormous promise and potential for economic development and progress, the challenges they encounter limit their ability to contribute to the development of the economy. Lack of enough finance for SMEs prevents them from making the positive contributions to society's progress that they should be making. In addition, numerous researches over the years have been carried out concerning Financial Technology especially in thedeveloped and advanced countries of the world. However, only a small number of studies (Gabriella, 2015; Amer, Barberis & Ross, 2015; Peters & Panayi, 2016; Buchak, Matvos, Piskorski& Seru, 2017; Godgift, Charles & Obakayode, 2018; Lionel & Samuel, 2020; Mukhamad, Farah &

Endri, 2021) have focused on the adoption and the impact of the Financial Technology on MSMEs in Nigeria. Since there is a knowledge gap, researchers are working to close it. In other words, the study's overarching goal is to find out how MSMEs in Nigeria's capital structure and service delivery have been affected by the recent emergence of financial technology. Explicitly, the intents are to: ascertain the impact of Flutterwave on MSME's service delivery; examine the impact of Flutterwave on MSME's capital structure; ascertain the impact of OPay on MSME's Service delivery and determine the impact of Opay on MSME's Capital structure (Lionel & Samuel, 2020).
Interrogatively, the study seek to find out the nexus between Flutterwave increase and provide service delivery and capital structure of MSMEs on one hand, and to determine the scientific between OPay Financial Technology on MSME's service delivery and capital structure.

Research Hypotheses Development
Ho1: Flutterwave has no significant link with performance in MSMEs operationsHo2: Flutterwave has no significant bond with MSMEs capital structure
Ho3: OPay has no significant nexus with MSMEs service delivery.
Ho4: OPay has no significant connection with MSMEs capital structure.
The impact of the explanatory variables on the dependent variables was also established in this study. See section four of this article for further understanding and a corresponding explanation in section five.
Giving the important role of the MSMEs sector to the economy which includes amongst others, serving as a nursery for the cultivation and development of new entrepreneurial talents who will become future captains of industries, enhancing employment and equitable distribution of income and economic development, this exploration contributed to the efficacy of the sector byfinding out how through financial technology, very important challenges of MSMEs can be controlled. Also, this research work is of immense benefit to small and medium scale enterprise owners and financial service industry operators. Students, other researchers and the interested public will also benefit from this work

Review of Literature Conceptual Disposition
The Concept of Financial Technology (FinTech)
Fintech companies are those that offer financial services on a reliable technological infrastructure in an effort to create innovative financial goods and services that can appeal to a large number of people (Truong, 2016). The term "financial technology" (or "Fintech") is used to describe the emergence of digital tools that aim to streamline and simplify the provision of financialservices. The three areas that FinTech covers are input, mechanism, and output. There is an input(the fusion of technology, organization, and monetary flow), a mechanism (the introduction of new elements into the system), and an outcome (the introduction of new competitors into the market) (creation of new services or products or processes or business models). If we take a deeper look at the definition of the term "technologies," for example, we see that all of the definitions agree that technologies like mobile payments, data analytics, crowd-based platforms, and crypto currencies are the backbone upon which financial services are built. By "organizations,"the authors define businesses and nonprofits whose primary mission is to deliver some type of financial service or platform enabled by information technology. The investments made to help these enterprises grow are the "money flow." Improving the quality of an already established service, product, process, or business model is all examples of mechanisms (to make it transparent,accessible, to reduce costs or fees, etc.). The application of IT to finance and service delivery" reflects how technology helps facilitate these actions **(**IAIS, 2017, Godgift-David, Charles & Obakayode, 2018).

Fintech Companies and Financial Institutions

The partnership between FinTech and Banks is mutually beneficial. There are three motivations for Fintech startups to work with banks. First, banks pave the door for Fintech businesses to join the market since they are already established in the industry and have established relationships with their respective clientele. Second, banks increase profits for Fintech businesses, and third, banks fortify Fintech offerings (Using Banking Apps to access mobile money and also to purchase gift cards, call credits, data and so forth). However, banks are keen to work with Fintech firms since doing so would allow them to speed up the expensive and time-consuming innovation process, gain a competitive edge, and increase consumer value thanks to the possibility that Fintech firms may provide goods that banks do not. Banks are always looking for ways to cut costs and avoid investing in risky technologies that might have unintended consequences, and they have a lot to learn from the innovative mindsets of the firms in the Fintech industry (KPMG, 2016; Peters & Panayi, 2016; Wood, 2015; Philippon, 2015; Buchak, Matvos, Piskorski & Seru, 2017).

Financial Technology in Nigeria

The financial system in Nigeria, like many other parts of the economy, is in a state of flux but is primarily dualistic in form. There are many different banking products available to facilitate the intermediation process in urban and suburban areas. However, in rural areas where banks and other forms of institutional finance are less popular, all commercial transactions are conducted with cash. Despite the widespread public awareness of alternate payment methods like checks, POS systems, etc., most monetary transactions still take place only in cash, even in towns and metropolitan areas. The CBN (2016) reports that the percentage of money stock (M2) in comparison to cash has grown from 30% in 2012 to 37.3% in 2016. As a percentage of total currency, this is a considerable amount, especially when contrasted to the monetary systems of developed nations. Deposit money banks may be missing out on investment opportunities because of the significant amount of cash kept outside of the banking system and utilized primarily for transactions. Having a psychological need to keep currency in one's hands contributes to this societal problem. Modern forms of payment such debit cards, smart cards, electronic pulses, internet banking, electronic financial transfers, ATMs, personal computers, and telephone banking are widely disregarded because of widespread illiteracy and lack of education. There is a long tradition of financial ingenuity in Nigeria. Similar to other major Fintech centres in Africa like Kenya and South Africa, it has its own distinct market for financial technologies (Gabriella, 2015; Amer, Barberis & Ross, 2015; Buchak, Matvos, Piskorski & Seru, 2017).

Flutterwave

For international retailers and payment processors in Africa, there is Flutterwave, a financial technology firm established in Africa. The company was established in 2016 in San Francisco, California by Iyinoluwa Aboyeji and Olugbenga Agboola, and it now has branches in Nigeria, Kenya, Ghana, South Africa, and seven other African countries (Lionel & Samuel, 2020).

Opay

OPay is a convenient, all-in-one smartphone app that can be used to make purchases, obtain loans, and perform a variety of other financial transactions. To transfer and receive money, pay bills, and borrow money, millions of people rely on OPay each and every day. OPay's dedicated staff, cutting-edge mobile platform, and rapidly expanding user base are streamlining financial services for millions of people across the world. This is all because to the platform's emphasis on real-time payments and access to relevant possibilities (Lionel & Samuel, 2020).

Theoretical Framework Diffusion of Innovation Theory

Researchers in the field of information systems frequently refer to the Diffusion of Innovation (DOI) hypothesis developed by Rogers (1995) to account for the spread of cutting-edgeinnovations among end users. Sociologist Everett Rogers used the term "diffusion" to describe thespread of a new thought or practice within a society through a network of established channels

ofcommunication (Rogers, 1995). An innovation is anything that is both novel and useful (Rogers, 1995). According to the notion of the diffusion of innovations, the degree to which an innovation spreads is determined by elements such its competitive advantage, complexity, compatibility, reliability, and observability (DOI). How much an innovation is seen as better than its forerunner is what Rogers calls its "relative advantage" (1995). An invention's perceived complexity is "the degree to which an innovation is seen by the potential adopter to be comparatively difficult to use and comprehend," which is analogous to TAM's perceived ease of use component.
The term "compatibility" is used to describe "how well an invention fits in with the values, beliefs, experiences, and demands of its users." The degree to which a concept can be tested in small doses is a measure of its reliability. To sum up, observability refers to how plainly the effects of an invention can be seen. It has been shown that... (Rogers, 1995). The diffusion hypothesis is applicable because it provides an explanation for why financial institutions embrace new technologies. The pursuit of competitive advantage motivates financial institutions to adopt technological breakthroughs. Because of this, financial institutions who are quick to adopt new technologies have a competitive edge over those that do not. (Buchak, Matvos, Piskorski & Seru, 2017).

Empirical Literature

Using a case study, Gabriella (2015) of the African Banker 4th Quarter magazine examinedthe current status of FinTech operations in the financial services industry and uncovered barriers to successfully using FinTech in service delivery. His main point is that more money put into FinTech research means more innovative answers will be found. Since FinTech allows even peoplewithout credit cards to make remote payments for products and services, he said that cooperationbetween banks and SMEs will boost financial inclusion. It is important not to discount the potentialfor conflict between the Central Bank and Mobile Network Operators (MNO), since the latter are more likely to push for the expansion of non-traditional banking services.
Godgift, Charles, and Obakayode (2018) conducted research on the impact of financial technology on the transactions (payments and collections) of Nigerian SMEs. A total of 120 SMEsacross the four (4) studied regions of Lagos state were surveyed for this analysis. These mediumand small businesses typically have between two and ten people and operate in a wide variety ofindustries, including the apparel, education, online retail, car, cosmetics, agro-allied, printing, bakery, restaurant, information technology, and retail sectors. That manner, all four axes would be represented, and each axis would have thirty (30) MSMEs. Among the 200 questionnaires givenout, 100 were deemed usable for the study, giving a response rate of 83%. Statistical inference was used to draw conclusions from the data. According to the findings, Financial Technology (Fintech) has a significant effect on the economy and helps advance national development. The article also covered the pros and cons of accepting and investing in Fintech.
Mukhamad, Farah, and Endri (2021) investigated the use of fintech by small and medium-sized food businesses and its relationship to open innovation. This research attempts to examine the influence of Fintech adoption on the long-term viability of small businesses. This research useda variant of the UTAUT 2 model. There were 184 proprietors of small food businesses that filled out the survey. Structural Equation Modeling (SEM) was used to investigate potential mechanismsat work in the interplay of the various factors. The study's findings suggest that factors like as pricing, availability, and ease of use all play a role in whether or not the owners of small food businesses use Fintech. Additionally, the success of a small food business is affected by the rate at which it adopts Fintech.
Although Financial Technology (Fintech) is effective in promoting financial inclusion, Cephas, Isaac, and Rebecca (2020) found that the factors influencing its spread among SMEs arestill complex. Consequently, this research investigated the factors that have led small and medium-
sized enterprises (SMEs) in Ghana to use Fintech Payment Services such mobile money, card payments, and internet transactions. The authors use hierarchical logistic regression models to examine the interactive effects of CEO characteristics, business characteristics, and fintech

payment service characteristics on the uptake of fintech payment services in a sample of 407 SMEs registered with the Association of Ghanaian Industries (AGI) (DFPS). Consistent with the predictions of technology diffusion theories, the results show that the DFPS in Ghanaian SMEs is determined by a combination of the performance of the CEOC, BUSC, and FPSC. Towards a circular economy, Simone, Leonardo, and Andrea (2020) investigated sustainable business strategies in the Fintech and SME sectors. According to the results of the qualitative research, Fintech, one of the industries that grew up in the wake of Industry 4.0, can help small and medium-sized enterprises (SMEs) make the shift to a more sustainable business model, which in turn improves their integration of circular economy practices. Implications for further study and clinical use of a conceptual framework built on the Resolve model are then discussed.

A study by Jecinta and Christopher (2020) looked at what factors impact the adoption of mobile Fintech in Kenya's microfinance industry, with the goal of developing a suitable model for this adoption. The Association of Microfinance Institutions (AMFI) in Kenya commissioned a descriptive study of all 30 of its member institutions in 2018. A total of 120 participants filled out questionnaires to contribute to the data set. We used both descriptive and inferential statistics to examine the data. This study used a correlation model to determine that technological, environmental, and institutional variables all had significant effects on the diffusion of mobile Fintech (r=0.862, P.05; r=0.387, P.05; r=0.256, P.05).

Saadat, Shakilah, and kasimu (2021) conducted a pragmatic study of the use of digital technologies in micro and small enterprises, gathering data from Uganda's informal sector duringthe COVID-19 epidemic. The researchers wanted to find out if micro and small business owners inUganda had any plans to utilize digital technology as a means to boost the country's economy. Effects on daily life The study's findings give insight for policymakers, digital service providers, andcompany owners in Uganda on how to encourage greater adoption of digital technology by MSEs.Originality/value Using data collected in Uganda's unformal economy, this study adds to the existing literature on the use of digital technology by MSEs.

Gap in Literature

This paper sought to cover gaps in literature that established connection between Financial Technology (Fintech) and MSME's in Nigeria. It is on these theoretical and empirical shortcomings that this study explores the impact of Fintech on MSME's by comparing the adoption of Fintech services by MSME's to their operations and the non-adoption of Fintech services by MSME's.

METHODOLOGY

The purpose of this exploration was to scrutinize how Financial Technology has altered the business practices of Nigeria's MSMEs. The issues were analyzed and addressed using a descriptive research approach. MSME business owners make up the study's population. There are one hundred of them.

These businesses are as follows:

Micro 20%, Small 50% and Medium 30%. This study employed a "Simple Random sampling approach" for its sample selection process. To put it another way, this is a way for micro, small, and medium-sized business owners to compete with other candidates who have a similar level of expertise in financial technology. The statistical method developed by Taro Yamani was used to guarantee the identification of an appropriate sample size.

The formula states thus:

$$n = \underline{N}$$

$1 + w(e)^2$
where n is the number of people in the sample, N is the total number of people in the population, and e is the significance level. 5 percent figure, I = a fixed number
The threshold of significance (e) 5%, or 0.05, which corresponds to a 95% confidence interval, was used for this study. N = 100; e = 5%; therefore, n =?
The formula is as follows, with the aforementioned values substituted in:$n = \frac{100}{1 + 100 (0.05)^2}$
$n = \frac{100}{1 +100 (0.0025)}$
$n = \frac{100}{1 + 0.3}$

$n = \frac{100}{1.3} = 77$
Researchers provide a questionnaire to a representative sample of the population (n=77). Probability sampling was employed for this analysis. Either a basic random sample or a stratified random sample can be used in probability sampling. Generalizations can be made thanks to the randomness of the sampling process.
This study's sample size was determined using Bowley's proportionate formula, which indicates the percentage of the total population that was drawn from each business size.
$nh = n \times \frac{Nh}{N}$
Where n = total number of respondents in the sample; nh = total number of staff in each subset of the population; and N = total number of staff in the population.
(1) Senior Management $nh = \frac{77 \times 20}{100} = \frac{1540}{100} = 15$

(2) Middle Management $nh = \frac{77 \times 50}{100} = \frac{3850}{100} = 39$
(3) Junior Management $nh = \frac{77x30}{100} = \frac{2310}{100} = 23$
Therefore, the sample size is 77 respondents at questionnaire were administered.
In order to certify the cogency of the content of the research instrument, experts of information and financial technology, management and accounting were consulted. It was also toensure that the questions covered all features of the variables in the study. The complete questionnaire was evaluated and improved based on the opinions and remarks of piloted questionnaire respondents. After some modification, the experts gave their approval to the study'ssurvey.
After giving the questionnaire to thirty (30) respondents throughout Manufacturing sectorquoted in the Nigerian Exchange Group, the Cronbach Alpha reliability test was utilized to assess the research instrument's internal consistency. On average, all portions had reliability index of 0.78for Flutterwave and service delivery, 0.82 for Flutterwave and capital structure, 0.71 for Opay and service delivery, 0.87 for Opay and capital structure, and 0.83 for general, which is within Cronbach's recommended range for a dependable instrument.
In order to analyze the data collected for this study, the statistical program SPSS version 26 was employed. Various statistical methods, including correlation and regression analysis, were employed. When testing hypotheses, the 0.05 significance level was considered to be the

maximum limit of statistical significance. Objective 1: Determine the impact of FinTech on MSME service delivery. Objective 2: Analyze the impact of FinTech on MSME capital structure. To test hypotheses, the significance threshold was set at 0.05.
The effects of Fintech on SMEs were analyzed using a Linear Regression model. To testhypotheses, the significance threshold was set at 0.05.
Thus the model can be specified as this:
FT = f (SD, CS).....(1)
The scientific form of the model is:
FT= β0 +β1 SD +β2 CS.....(2)
The econometric arrangement of the model is:
FT = β0 +β1 SD+β2CS + μi… ..... (3)
Where;
FT = Fintech; SD= Service delivery; CS= Capital Structure; β0 = Intercept of the model; β1 – β2 = Parameters of the regression coefficients of the model; μi = Stochastic error term.

Analysis and Discussion of Results Demographic Profile of Respondents
Gender, years of experience, education, and kind of organization all played into the conceptualization of the responder demographic profile. Tables 4.1 through 4.3 and figures 4.1 through 4.2 display the results.

Table 4.1: Administration and Retrieval of Questionnaires

Questionnaire administered	Questionnaire retrieved	Questionnairenot retrieved	% of questionnaire retrieved
77	69	8	90%

Source: Survey Data, 2022.
Table 4.1 shows that 77 questionnaires were distributed out of which 69 questionnaires were retrieved. This means 90% of the questionnaires was retrieved and used in the research.

Table 4.2: Gender

Option	Respondents	%
Female	44	63
Male	25	37
Total	69	100.0

Source: survey data, 2022.
Table 4.2 showed the gender spreading of the respondents. From the table, it was shown that 63% of the respondents were male while 37% were female.

Table 4.3 Education Background

Option	Respondents	%
SSCE	2	3
HND/BSc	30	43
MSC/MBA	21	30
Others	16	24
Total	69	100

Source: survey data, 2022.
Table 4.3 shows the educational qualification of the respondents. It can be seen from the table that 3% of the respondents had just SSCE, 43% of the respondents were either BSc or HND holders, 30% had a master's degree or an MBA, and 24% and other forms of educational qualification. This shows that more of the respondents were either BSc or HND holders.

Table 4.5: Numbers of year's management have been making use of Fintech

Experience in Organization	**Frequency**	%
Less Than 5 Years	55	80%
6 - 10 Years	14	20%
Total	**69**	100

Source: Survey Data, 2022

The upshots in table 4.5 displays the capability of management expressed in years. The results show that 80% of respondents have less than 5 years' experience working with Fintech while 20% of have experience with Fintech

Data Presentation and Analysis of Results

Data was analyzed using descriptive statistics such frequency distributions, percentages, mean values, and standard deviations. A breakdown of the respondent pool by gender, place of employment, and years of experience was constructed using frequency counts and percentages. In the following tables and figures, you'll see the outcomes.

The Extent of Flutterwave on MSME service delivery

By analyzing the means and standard deviations of responses to items categorized under the Fintech constructs of Flutterwave and Opay, as well as the dependent variable, service delivery and capital structure, we were able to determine the effect that Flutterwave has on MSMEs' ability to provide their services. Tables 4.6-4.8 display the average replies received. The average rankings are presented in the table below.

Table 4.6: The Extent of Flutterwave on MSME's service delivery

Items	**Mean**	**Std. Dev.**	**Rank**	**Interpretation**
Flutterwave is easy to use in collecting/ making payment	4.4758	.63070	1	Very Satisfactory
Flutterwave is user friendly	4.3629	.84905	2	Very Satisfactory
Flutterwave is fast in processing payment	4.1532	.95462	3	Satisfactory
Flutterwave is cost effective	4.1371	.75799	4	Satisfactory
Flutterwave has impacted my service delivery	4.0403	.82046	5	Satisfactory
Mean	**4.042**			Satisfactory

Source: Survey Data, 2022

Average responses to questions on Flutterwave's impact on MSME service provision are shown in table 4.6. With a mean score of 4.4758 and a standard deviation of 0.63070, respondents found Flutterwave's ease of use in collecting and making payments to be extremely good. This suggests that Flutterwave has a solid reputation when it comes to completing financial transactions. User friendliness of Flutterwave was rated as extremely acceptable (mean = 4.3629, std. dev. = 0.84905), placing it in second place for this metric. When asked if they found Flutterwave to be quick in processing payments, users gave it an acceptable rating (mean = 4.1532, std. dev. = 0.95462), placing it in the third position. When asked if Flutterwave was worth the money, respondents gave a "acceptable" rating (mean = 4.1371, std. dev. = 0.75799). The reliability of Flutterwave, on the other hand, was placed fifth and was seen as excellent (mean = 4.0403, std. dev. = 0.82046).

The Extent of Flutterwave on MSME's Capital structure

Table 4.7: The Extent of Flutterwave on MSME's Capital structure

Items	Mean	Std. Dev.	Rank	Interpretation
Flutterwave provides capital	2.3710	1.18574	1	Unsatisfactory
Flutterwave cost of capital is minimal	2.3548	1.32022	2	Unsatisfactory
Flutterwave requires no collateral	2.3145	1.10701	3	Unsatisfactory
Flutterwave is fast in processing debt	2.1324	1.09312	4	Unsatisfactory
Flutterwave has impacted your capital structure	2.0968	1.06244	5	Unsatisfactory
Mean	**2.812**			

Source: Survey Data, 2022.

The results in table 4.7 above revealed the mean responses of items Flutterwave as regards to lending in the MSME. Flutterwave's provision of capital was rated the lowest, with a mean score of 2.3710 and a standard eccentricity of 1.18574, both of which indicate extreme dissatisfaction. As a result, Flutterwave is unable to serve as a source of funding for SMEs in need. This was evaluated as the second-worst indicator of whether or not Flutterwave has a low cost of capital, with a score of (mean 2.3548, std. dev. = 1.32022). Third place (mean = 2.3145, std. dev. = 1.10701) was assigned to the question of whether or not Flutterwave necessitates collateral. Fast processing of borrowing requests was placed 4th in terms of how satisfied users were with Flutterwave (mean = 2.0968, std. dev. = 1.06244).

The Extent of Opay on MSME's service delivery

Table 4.8: The Extent of Opay on MSME's service delivery

Items	Mean	Std.Dev.	Rank	Interpretation
Opay is easy to use in collecting/ making payment	4.4758	.63070	1	Very Satisfactory
Opay is user friendly	4.3629	.84905	2	Very Satisfactory
Opay is fast in processing payment	4.1532	.95462	3	Satisfactory
Opay is cost effective	4.1371	.75799	4	Satisfactory
Opay is reliable has impacted my service delivery	4.0403	.82046	5	Satisfactory
Mean	**4.042**			Satisfactory

Source: Survey Data, 2022

Average responses to questions about Opay's impact on MSME service provision are displayed in the table 4.8. With a mean score of 4.4758 and a standard aberration of 0.63070, the results indicate that respondents find Opay to be simple to use for both receiving and sending payments. It appears that Opay is well regarded for its proficiency in processing and collecting payments. User friendliness of Opay was rated as extremely acceptable (mean = 4.3629, std. dev. = 0.84905), placing it in second place for this metric. According to the data, Opay's speed in processing payments is rated as good (mean = 4.1532, std. dev. = 0.95462), placing it in the third position for this measure. With a mean score of 4.1371 and a standard deviation of 0.7579, the results for Opay's cost effectiveness are considered to be above average. On the other hand, when it comes to trustworthiness, Opay scored sixth with a mean score of 4.0403 and a standard deviation of 0.8246, both of which are considered to be good.

The Extent of Opay on MSME's capital structure

Table 4.9: The Extent of Opay on MSME's capital structure

Items	Mean	Std. Dev.	Rank	Interpretation
Opay provides capital	4.3306	.64671	1	Very High
Opay cost of capital is minimal	4.3145	.80007	2	Very High
Opay requires no collateral	4.2823	.66943	3	Very High
Opay is fast in processing borrowing	4.2742	.62909	4	Very High
Opay is fast in processing debt	4.1324	.60312	5	Very High
Mean	**4.042**			High

Source: Survey Data, 2022

Table 4.9 displays the average responses from the Opay items related to MSME loans. According to the data, the importance placed on whether or not Opay delivers capital was rated as extremely high (mean = 4.3306, std. dev. =.64671). Opay is therefore unable to serve as a source of funding for SMEs. According to the data, the Opay cost of capital is quite high (mean 4.3145, std. dev. =.80007) and hence not very low. The percentage of people who agree that Opay doesn't need collateral is third highest (mean = 4.2823, std. dev. =.66943), suggesting that this is an important feature. As a whole, the perception that Opay is quick to handle borrowing requests is strong (mean = 4.2742, std. dev. =.62909), placing it in the fourth position overall.

Bivariate Analysis

The bivariate research was conducted to learn more about the connection between the Fintech construct—represented here by Flutterwave and Opay—and the service delivery and capital structure of MSMEs. All of these probes were run so that the study could accomplish its aims. Sections 4.2.1, 4.2.2, and 4.2.3 below detail the outcomes.

Relationship between Flutterwave and Service delivery

One of the primary goals of the research was to determine if Flutterwave is associated with better service quality. To do this, the researcher used the r-value from Pearson's Linear Correlation Coefficient (PLCC) to test the hypothesis that Flutterwave is unrelated to service provision. When the significance threshold was more than 0.005, the hypothesis was deemed to be incorrect (test performed at 0.05 level of significance). As may be seen in table 4.10 below, the correlation analysis yielded some interesting results.

Table 4.10: Pearson Linear Coefficient Correlation (PLCC) analysis of Flutterwave and service delivery

		Flutterwave	Service Delivery
Flutterwave	Pearson CorrelationSig. (2-tailed)	1	.132
			.143
	N	69	69
Service Delivery	Pearson CorrelationSig. (2-tailed)	.132	1
		.143	
N		69	69

Correlation is substantial at the 0.01 level.

Source: Survey Data, 2022

Table 4.10 displays the results of a parallel scrutiny between Flutterwave and the provision of services. A positive correlation between Flutterwave and service provision was found (r = 0.443, sig. value = 0.000 0.05). That is to say, both Flutterwave and service delivery progress forward. Since p=0.000 is less than 0.05, the conventional threshold for accepting a hypothesis as true, we reject H0, which claims that Flutterwave has no effect on service delivery.

Relationship between Flutterwave and Capital structure.

The second purpose of the research was to see if the capital structure of MSMEs is related to Flutterwave. The researcher employed the PLCC (Pearson's Linear Correlation Coefficient), denoted as r, to accomplish this goal and put the data to use in rejecting the null hypothesis that Flutterwave and capital structure are unrelated. Proposition was overruled when significant value was larger than 0.005 (test performed at 0.05 level of significance). The outcomes of the parallel analysis are displayed in table 4.11.

Table 4. 11: Pearson Linear Coefficient Correlation (PLCC) analysis of Flutterwave and capital structure

		Flutterwave	Capital Structure
Flutterwave	Pearson CorrelationSig. (2-tailed)	1	.132
			.143
	N	69	69
Capital Structure	Pearson CorrelationSig. (2-tailed)	.132	1
		.143	
	N	69	69

Correlation is substantial at the -0.01 level.

Source: Survey Data, 2022

Table 4.11 displays the outcomes of an investigation of the connections between Flutterwave and the financial framework. It was shown that there is a negative correlation between Flutterwave and capital structure (r = 0.443, sig. value = 0.072 > 0.05). According to the findings, Flutterwave and the capital structure are at odds with one another. Acceptance of the null hypothesis that Flutterwave and capital structure are unrelated was based on a significance value of P=0.072, which is more than the threshold value of.05.

Opay and Service Delivery

The study's final goal was to check for links between Opay and the provision of services to MSMEs. To get this result, we used r (Pearson's Linear Correlation Coefficient) to test the assumption that the relationship between Opay and the provision of services does not exist. The hypothesis was rejected at the 0.05 level of significance due to a significance level test statistic greater than 0.005. The results of the correlation study are shown in table 4.12.

Table 4.12: Pearson Linear Coefficient Correlation (PLCC) analysis of Opay and Service delivery

		Opay	Service delivery
Opay	Pearson Correlation	1	.132
	Sig. (2-tailed)		.143
	N	69	69
Service Delivery	Pearson Correlation	.132	1
	Sig. (2-tailed)	.143	
N		69	69

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

Source: Survey Data, 2022

Table 4.12 displays the results of an investigation of the link between Opay and the provision of services. The findings demonstrate a favorable correlation between Opay and service provision (r = 0.443, sig. value = 0.000 0.05). The findings indicate that both Opay and the provision of services are heading in the same way. The significance value of P=0.000 is less than 0.05, which means that the null hypothesis that there is no association between Opay and service delivery may be rejected.

Opay and Capital Structure

The study aimed to find out if Opay is linked to the capital structure of MSMEs, which was the fourth goal. The researcher employed Pearson's Linear Correlation Coefficient (PLCC) (also written as r) to accomplish this goal and put the data to use in a hypothesis test on the existence of a link between Opay and capital structure. With a significant value larger than 0.005, the proposition was overruled. In table 4.13 below, we can see the outcomes of the correlation analysis.

Table 4.13: Pearson Linear Coefficient Correlation (PLCC) analysis of Opay and Service delivery

		Opay	Capital Structure
Opay	Pearson Correlation	1	.132
	Sig. (2-tailed)		.143
	N	69	69
Capital Structure	Pearson Correlation	.132	1
	Sig. (2-tailed)	.143	
	N	69	69

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

Source: Survey Data, 2022

Table 4.13 displays the outcomes of an investigation of the relationship between Opay and the capital structure. As can be seen from the data, Opay is positively related to capital structure (r = 0.443, sig. value = 0.0000.05). The findings show that both Opay and the capital structure are trending in the same way. Since the value of P+0.000 is smaller than 0.05, rejecting Hypothesis4 which claims that there is no link between Opay and capital structure.

Multivariate Analysis

Multivariate analysis is the pinnacle of statistical investigation. All of this was done since regression analysis was essential to the study's overarching goal. Multiple regression analysis was used to identify the link between the financial technology and MSME's. Section 4.3.1 displays the obtained outcomes.

Table 4. 14: Regression Analysis between Financial Technology and MSME's

		Flutterwave	Opay	Service Delivery	Capital Structure
Flutterwav e	Pearson Correl	1	.394**	.140	.443**
	Sig. (2-tailed) N		.000	.121	.000
		69	69	69	69
Opay	Pearson Correl	.394	1	.009	.132
	Sig. (2-tailed) N	.000		.922	.143
		69	69	69	69
	Pearson Correl	.140	.009	1	.261

Service Delivery	Sig. (2-tailed)N	.121	.922		.003
		69	69	69	69
Capital Structure	Pearson Correl	.443	.132	.261**	1
	Sig. (2-tailed) N	.000	.143	.003	
		69	69	69	69

Relationship is substantial at the 0.05 levelModel Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.488[a]	.238	.219	.39624

a. Explanatory Variables: Flutterwave, Opay.

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.89400	3	1.9650	2.5130	.0000[a]
Residual		18.8410	120	.1570		
Total		24.7350	123			

a. Explanatory Variable: Flutterwave, Opay
b. Dependent Variable: Service Delivery, Capital structure

Coefficients

Model		Unstand. Coeffi.		Stand. Coeffi.	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.692	.326		8.2450	.0000
FlutterwaveOpay		.258	.052	.431	4.9150	.0000
		.173	.069		2.4940	

a. Dependent Variables: Service delivery and Capital Structure

Source: Survey Data, 2022

Test of Hypothesis I:

H0: There is no substantial link between Flutterwave and Service delivery

Decision Rule:

From the result obtained, it was observed that t-calculated probability value 0.000 is less than 0.005.Thus, we reject the null postulate and accept the alternate postulate, and we conclude that there is asubstantial link between Flutterwave and Service delivery.

Hypothesis II:

H0: There is no significant effect Flutterwave and Capital structure

Decision Rule:

From the result obtained, it was observed that t-calculated probability value 0.072 is greater than
0.005. Thus, we accept the null proposition and reject the alternate proposition, and we conclude thatThere is no substantial effect between Flutterwave and Capital structure.

Hypothesis III:

H0: There is no substantial affiliation between Opay and Service delivery

Decision Rule:
From the result obtained, it was observed that t-calculated probability value 0.000 is less than 0.005. Thus, we reject the insignificant proposition and accept the alternate postulate, and conclude that there is a momentous relationship between Opay and Capital structure.

Discussion of Findings
The table 4.13 outcomes showed the regression study between Fintech and MSME's. The findings revealed that Fintech has a statistically significant impact on MSME's when analyzed according toits constructs (F = 12.513, sig. = 0.000). This is due to the fact that the value of significance (sig.value = 0.000 0.05) is so low. This suggested that Fintech has a considerable impact on SMEs. Adjusted R square = 0.219) demonstrate that factors from the Fintech sector (Flutterwave and Opay) describe variables from MSME (Service delivery and capital structure) by 21.9 percent. Thisindicated that management, among other factors, accounted for 78.1% of the other factors thateffect MSME's. Again, the results demonstrate a statistically significant impact of Flutterwave onservice delivery (beta = 0.258, t = 4.915, sig. Because of Flutterwave, the rate at which servicesare altered is (beta = 0.258). This clarifies the 0.258-unit effect that a change in Flutterwave adoption has on MSMEs. It is also shown that Flutter does not significantly affect the capital structure of MSME (beta = -0.033, t = -0.454, sig. = 0.651). Opay's impact on Service delivery and capital structure is statistically significant (beta = 0.173, t = 2.494, sig. = 0.014), accordingto the data.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Flutterwave and Service Delivery
The study found out that there exists a positive significant relation between Flutterwave and service delivery. This implied that Flutterwave and service delivery move in the same path. As Flutterwave is refining, also service delivery is improving.

Flutterwave and capital structure
Regarding this objective, the study found out that there was a negative substantial rapport between Flutterwave and capital structure.

Opay and Service Delivery
Thirdly, the study indicated that Opay has a significant positive correlation with service provision.The results revealed that Opay and service delivery moves in the same direction.

Opay and Capital Structure
In terms of the fourth objective, the study found out that there is a substantial positive bond between Opay and capital structure.

Impact of Fintech on MSME's
To evaluate effect of Fintech on MSME's. The study found out that the overall effect of Fintech onMSME's was substantial.

CONCLUSION

Based on the findings of the scientific study, and in terms of correlation, the study concludes that,Flutterwave and Opay have a positive significant relationship with service delivery. This implies that as the services improve, service delivery also improve in the MSMEs in Nigeria. Butunfortunately, Flutterwave has a negative significant nexus with capital structure, while Opay hassignificant relationship with capital structures of MSMEs

in Nigeria. Regarding the impact of Fintech on Fintech, the study found out that Fintech significantly affects the MSME's performance
and efficiency. The combined constructs of Fintech significantly affect the constructs of MSME's. However, these constructs considered individually, Flutterwave and Opay have significant on effectservice delivery, while Flutterwave has insignificant impact on capital structure and Opay has substantial effect on capital structure.

RECOMMENDATIONS

As a result of this study the following recommendations are given:
MSME's are advised to adopt Fintech payment channels in their operations as it centers on ease, speed and convenience. Fintech serves as a source of easy and collateral free loans therefore; it is recommended that MSME's should explore Fintech in sourcing for funds when looking for capital. MSME's contributes greatly to the nations GDP as a result; government should provide an environment that would allow Fintech to strive and reduces the cost of Fintech operations as thiswould help MSME's embrace more Fintech solutions in their operations. Lastly, as more Fintech solutions are created, more job opportunities are also available, such as Fintech manager, e-Fraud expert, data managers, online merchants, application developer and managers, e-marketer, transaction managers, card transaction managers, mobile transaction managers, pay-point agents,etc. so that each may be prepared for the benefits and opportunities, as well as the risks and challenges accrued.

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