

Behavioural Orientation and Digital Credit Engagement: An Examination of Attitudes, Intentions, and Equitable Access in Nairobi City County

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Abstract

The purpose of this article is to examine the influence of behavioural factors, particularly attitudes toward digital credit, on users' engagement with digital credit and their experience of equitable access to it in Nairobi City County. Anchored in the Technology Acceptance Model, this research addresses a notable gap in digital finance scholarship by moving beyond adoption-focused indicators to assess whether a behavioural orientation contributes to equitable, sustainable, and fair access outcomes. Data from 415 respondents in Nairobi City County were collected through stratified sampling and analysed using covariance-based structural equation modelling. The study found that attitude toward digital credit significantly influences the decision to use digital credit services ($\beta = 0.497, p < .001$). However, a nuanced direct relationship was observed between attitude and equitable access outcomes, suggesting that behavioural engagement operates as both a direct determinant and an indirect pathway through borrowing decisions. The findings demonstrate that positive attitudes encourage participation in digital credit systems, yet adoption behaviour alone does not guarantee equitable outcomes. This research contributes to digital finance scholarship by extending the Technology Acceptance Model beyond adoption-focused applications and by distinguishing between behavioural engagement and access equity.

Key terms: Behavioural orientation, attitude toward technology, digital credit adoption, equitable access, Technology Acceptance Model.

INTRODUCTION

Access to credit has long been recognised as a fundamental mechanism in economic organisation, enabling households and enterprises to smooth consumption, manage uncertainty, and undertake productive investment (World Bank, 2021). Across classical and development economics, credit access is associated with improved capacity to respond to income shocks, exploit entrepreneurial opportunities, and enhance overall economic participation. However, users' behavioural engagement plays a critical role in shaping how individuals interact with digital credit products and experience equitable access.

The advent of digital technologies has transformed credit provision, giving rise to digital credit as short-term, unsecured loans accessed via mobile devices and supported by automated credit scoring systems that rely on alternative data such as mobile money transaction histories. In Kenya, mobile money has played a central role in expanding financial inclusion and enabling access to formal financial services (GSMA, 2022; Suri & Jack, 2016). This ecosystem has enabled rapid growth in digital lending products, which have become widely used across different socio-economic groups (Gwer et al., 2019; Demirgüç-Kunt et al., 2022).

Digital credit products such as M-Shwari, Fuliza, KCB M-Pesa, and other mobile-based lending platforms have become deeply embedded in everyday financial practices. Kenya's financial sector has experienced significant gains in financial inclusion, with mobile money serving as a key driver of access to financial services, particularly among previously unbanked populations (Jack & Suri, 2014). However, despite increased access, concerns remain regarding affordability, transparency, and responsible use of digital credit products (Gwer et al., 2019).

Behavioural factors, operationalised in this study as users' attitudes toward digital borrowing and willingness to rely on digital financial services, significantly influence engagement patterns. These attitudes determine whether digital credit is used for consumption smoothing, emergency expenditures, or income-generating activities. Evidence shows that while digital credit improves access, it may also contribute to financial stress and over-indebtedness

when borrowing decisions are influenced by behavioural biases and situational pressures (Kaffenberger et al., 2018). Equitable access to digital credit is therefore conceptualised as the extent to which users obtain and utilise credit under conditions that are fair, affordable, transparent, and sustainable, supporting beneficial rather than harmful financial outcomes (Demirgüç-Kunt et al., 2022).

Nairobi City County provides a critical empirical context for this study, given its position as Kenya's leading financial and technological hub and its high concentration of mobile money and digital credit users. Kenya's mobile money revolution, led by M-Pesa, has been widely documented as a global model of financial inclusion innovation (Jack & Suri, 2014; Suri & Jack, 2016). Nairobi concentrates fintech activity, financial services, and socio-economic diversity, making it a suitable setting for examining behavioural variation in digital credit use and its implications for equitable access outcomes. The coexistence of high financial inclusion and persistent inequality makes Nairobi particularly relevant for studying how behavioural and structural factors interact in shaping credit outcomes.

This article examines the influence of behavioural factors on users' engagement with digital credit and their experience of equitable access to digital credit in Nairobi City County. By focusing on individual-level behavioural dimensions, the study addresses a key aspect of how personal dispositions shape borrowing experiences within rapidly expanding digital financial markets.

LITERATURE REVIEW

Scholarly inquiry into digital credit has increasingly moved beyond questions of availability to examine how digital credit shapes borrower behaviour, financial decision-making, and socio-economic outcomes. The literature on digital credit spans multiple disciplinary traditions, including development finance, behavioural economics, information systems, and regulatory studies. This multidisciplinary orientation reflects the complex nature of digital lending ecosystems, which combine technological design, behavioural responses, institutional arrangements, and regulatory oversight.

Behavioural factors, such as individuals' attitudes toward digital credit and their perceptions of risk and convenience, influence borrowing decisions and patterns of use. Research grounded in technology adoption models examines how users' perceptions, attitudes, trust, and risk awareness shape engagement with digital lending platforms (Davis, 1989; Venkatesh & Davis, 2000). Empirical studies applying the Technology Acceptance Model indicate that perceived usefulness and perceived ease of use are strongly associated with adoption and continued use of digital financial services (Venkatesh et al., 2003). In financial technology contexts, these factors consistently predict adoption intention and sustained use of mobile-based financial services.

However, as digital credit markets matured and usage intensified, scholars increasingly recognised the limitations of adoption- and usage-focused conceptualisations. High uptake and frequent use of digital credit did not necessarily correspond to improved financial well-being, particularly where borrowing was driven by necessity, limited alternatives, or behavioural biases such as present bias and over-optimism (Morse, 2015; Lusardi et al., 2017). Evidence from mobile lending markets suggests that while digital credit improves liquidity access, it may also increase financial vulnerability when users rely on repeated borrowing for consumption smoothing.

Empirical research in Kenya provides particularly strong evidence of these dynamics. Studies of mobile money and digital credit systems show that access to digital financial services improves risk sharing and liquidity management, but also introduces new forms of indebtedness and financial stress depending on user behaviour and repayment capacity (Jack & Suri, 2014; Suri & Jack, 2016; Kaffenbergre et al., 2018). For example, Kaffenberger et al. (2018) demonstrate that while mobile money improves overall welfare outcomes, credit-linked digital financial products can have heterogeneous effects, benefiting some users while increasing financial strain for others.

Behavioural engagement with digital credit, reflected in users' attitudes toward digital borrowing and their willingness to rely on digital financial services as a financial coping strategy, therefore influences not only adoption but also borrowing intensity and repayment

behaviour. Studies in digital financial behaviour further show that trust, perceived risk, and financial literacy significantly shape how individuals interact with mobile financial platforms and credit products (Shaikh & Karjaluoto, 2015; Oliveira et al., 2016). These behavioural dimensions are especially important in contexts where borrowing decisions are made quickly and with limited financial advice.

In Nairobi City County, where digital credit has become deeply embedded in everyday financial practices for consumption smoothing, emergency expenditures, education-related costs, and working capital for micro-enterprises, behavioural factors play a particularly salient role. Kenya's mobile money system is globally recognised as a frontrunner in financial inclusion, with Nairobi serving as a central hub for fintech innovation and the growth of digital credit services (Suri & Jack, 2016; GSMA, 2022). Within this environment, borrowing behaviour is shaped by both economic necessity and behavioural orientation, influencing how credit is accessed and used across socio-economic groups.

Equitable access to digital credit is understood as the extent to which users can obtain and utilise digital credit under conditions that are fair, affordable, transparent, and sustainable, so that access supports beneficial, non-harmful financial outcomes over time (Demirgüç-Kunt et al., 2022). Despite expanded access, empirical evidence indicates persistent inequalities in outcomes, as digital credit users differ significantly in repayment capacity, financial literacy, and vulnerability to debt cycles.

The literature demonstrates that behavioural dimensions are important yet often examined in isolation from broader institutional or socio-economic contexts. This article, therefore, examines the influence of behavioural factors on users' engagement with digital credit and their experience of equitable access to it in Nairobi City County. By centring individual-level attitudes and dispositions toward digital borrowing, the analysis contributes to a more nuanced understanding of how behavioural orientation shapes borrowing experiences within rapidly expanding digital credit markets.

METHODOLOGY

The study followed a positivist philosophy and employed a deductive quantitative method. A cross-sectional survey design was used, and data were gathered through a structured Google Forms questionnaire. All variables were measured using a 7-point Likert scale with mandatory responses.

A total of 622 questionnaires were received. An eligibility screening item was embedded at the beginning of the questionnaire to determine whether respondents had used digital credit within the preceding twelve months. Based on this criterion, 472 respondents confirmed recent digital credit usage and were retained for analysis. Because the questionnaire used mandatory responses, item-level missing data were eliminated by design. During confirmatory factor analysis and structural modelling in AMOS, 57 observations were removed due to multivariate outliers, yielding a final analytical sample of 415 cases. The sample size exceeded the minimum threshold established using Cochran's formula and satisfied requirements for structural equation modelling involving multiple constructs within the structural model.

Preliminary data screening was conducted in SPSS, including normality assessment through skewness and kurtosis statistics and multicollinearity checks. The measurement model was assessed using confirmatory factor analysis (CFA). Covariance-based structural equation modelling (CB-SEM) with maximum likelihood estimation was performed in AMOS. Ethical considerations included obtaining electronic informed consent, ensuring anonymity and confidentiality, and voluntary participation. No personally identifiable information was collected.

FINDINGS AND DISCUSSION

This study examined the influence of behavioural factors on users' engagement with digital credit and their experience of equitable access to digital credit in Nairobi City County. Drawing on survey data from 415 digital credit users and employing covariance-based structural equation modelling (CB-SEM), several key findings emerged.

Model Fit Assessment

Model fit was evaluated using multiple complementary fit indices. The measurement model achieved acceptable fit, with a normed chi-square (CMIN/DF) of 2.890, a Comparative Fit Index (CFI) of .941, a Tucker-Lewis Index (TLI) of .933, and a Root Mean Square Error of Approximation (RMSEA) of .068. These indices indicate that the measurement model provides an acceptable representation of the observed covariance structure and meets recommended thresholds for covariance-based structural equation modelling.

The structural model also demonstrated acceptable fit to the data (CMIN/DF = 2.642, CFI = .941, TLI = .932, RMSEA = .063), supporting the examination of behavioural factors.

Behavioural Factors and Decision to Use Digital Credit

The structural model demonstrated that Attitude positively and significantly affects the Decision to Use Digital Credit ($\beta = 0.497$, $p < .001$). This finding indicates that favourable behavioural perceptions toward digital credit services substantially increase the likelihood of adoption among users in Nairobi City County. The model explained 81.1 per cent of the variance in Decision to Use Digital Credit ($R^2 = .811$), indicating strong explanatory power of the combined behavioural and structural determinants.

Behavioural Factors and Equitable Access

Notably, when examining the direct relationship between Attitude and Equitable Access to Digital Credit, a statistically significant negative effect emerged ($\beta = -0.183$, $p = .003$), controlling for Decision to Use Digital Credit and other determinants. This unexpected result indicates that the relationship between behavioural disposition and equitable access outcomes becomes inverse when both behavioural engagement and structural conditions are jointly considered.

Mediation Through Usage Decision

The Decision to Use Digital Credit demonstrated a positive and statistically significant effect on Equitable Access to Digital Credit ($\beta = 0.499$, $p < .001$). This finding confirms that behavioural engagement serves as a critical mechanism through which attitudinal factors translate into equitable access outcomes. The

model explained 94.2 per cent of the variance in Equitable Access to Digital Credit ($R^2 = .942$), indicating that behavioural factors, in conjunction with structural determinants, account for a substantial proportion of variation in equitable access experiences.

Summary

The findings support the conclusion that behavioural factors, particularly attitude, significantly influence both the decision to use digital credit and, through that decision, equitable access outcomes. However, the negative direct effect of attitude on equitable access, even after controlling for usage, suggests a complex relationship that requires nuanced interpretation.

Discussion

The empirical findings indicate that attitudes toward digital credit positively and significantly influence the decision to use it, confirming that behavioural orientation plays a statistically significant role in shaping engagement with digital lending platforms.

This outcome is in line with the Technology Acceptance Model, which posits that when users hold positive evaluations of a technological system, they are more likely to adopt it behaviourally. Within the present study, respondents who perceived digital credit positively were more inclined to engage with such services, suggesting that perceptions of usefulness, convenience, and immediacy remain influential drivers of borrowing decisions. The result reinforces the argument that behavioural disposition toward digital financial technologies continues to shape adoption decisions even in environments characterised by financial risk and uncertainty.

In the Nairobi City County context, the behavioural effect appears closely linked to the perception of digital credit as a rapid and accessible response to short-term liquidity constraints. The significance of attitude suggests that borrowers prioritise immediacy and perceived utility at the point of decision-making. This observation aligns with behavioural finance perspectives, which argue that individuals under financial pressure may rely on heuristics, such as speed and convenience, rather than engage in extended cost-benefit analysis when making borrowing decisions.

An important nuance emerging from the structural model is that, while attitude significantly influences the decision to use digital credit, financial literacy does not demonstrate a statistically significant direct effect on the decision construct. These findings challenge the assumption that financial knowledge automatically translates into behavioural restraint or a reduced borrowing propensity. Rather, it suggests that awareness of loan terms or cost structures may not substantially alter immediate borrowing decisions within contexts characterised by income volatility and urgent financial needs. Prior studies have also observed similar patterns distinguishing financial capability from constrained behavioural decision-making.

The divergence between attitude and financial literacy contributes to refining the application of the Technology Acceptance Model within digital credit environments. Whereas TAM traditionally emphasises cognitive evaluations such as perceived usefulness and ease of use, the present findings indicate that affective and behavioural orientation exerts a stronger influence on borrowing decisions than cognitive capability factors. Financial literacy, in this context, appears to function more as a structural capability influencing access outcomes rather than as a primary driver of initial engagement.

Overall, these findings extend existing adoption theory by demonstrating that in digital credit markets, behavioural orientation represents a stronger determinant of engagement than formal financial knowledge. The findings underscore the need to differentiate between behavioural readiness and financial capability when examining technology-enabled credit systems, especially in urban digital financial environments marked by strong demand for short-term liquidity.

CONCLUSION AND RECOMMENDATIONS

Conclusion: The study concludes that behavioural orientation, particularly attitude toward digital credit, plays a significant role in shaping users' decisions to engage with digital lending platforms. Consistent with the Technology Acceptance Model, favourable perceptions of digital credit services positively influence borrowing behaviour, confirming that

behavioural readiness remains a key driver of engagement within digital financial environments.

However, the findings also demonstrate that behavioural engagement alone does not guarantee equitable access outcomes. While positive attitudes encourage participation, equity in access depends on additional structural and socio-economic conditions. This distinction between adoption and equitable outcomes represents an important refinement of existing digital finance literature, which has often interpreted high usage rates as evidence of successful financial inclusion without adequately considering the quality or fairness of access experiences.

The results, therefore, suggest that behavioural determinants primarily influence the decision to use digital credit rather than the equity of outcomes. In this regard, the study extends behavioural adoption theory by showing that participation in digital credit systems represents only one stage within a broader process through which equitable access is realised.

Overall, the conclusion is that behavioural orientation is essential for initiating engagement with digital credit platforms, but it must operate alongside structural and socio-economic factors to produce equitable access outcomes. This finding reinforces the need to distinguish between adoption behaviour and inclusion quality when evaluating digital financial systems.

Recommendations: Future research should adopt longitudinal designs to examine how behavioural orientation, particularly attitude toward digital credit, influences engagement and equitable access outcomes over time. The cross-sectional nature of the study limits the ability to observe behavioural adaptation and changes in the attitude–equitable access relationship across repeated borrowing cycles. Longitudinal panel studies would allow stronger causal inference and test whether the role of behavioural factors remains stable or evolves as familiarity with digital credit platforms increases.

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