Journal of Emerging Trends in Management Sciences and Entrepreneurship
Volume 8(3), Pages 342-355 July-Sept, 2026
ISSN: 2384-762X
https://www.jetmase.com

Financial Innovation and Performance of Small and Medium Scale Enterprises in Anambra State, Nigeria

Ndubisi, C. A.[1], Obiezekwem, C.J. (PhD)[2] and Nwangwu, J.C.(PhD)[3]
[1,2&3]Department of Entrepreneurship Studies, Chukwuemeka Odumegwu Ojukwu University, Igbariam, Anambra State, Nigeria

ABSTRACT: This study explored how financial innovation impacts the performance of small and medium-sized enterprises (SMEs) in Anambra State, Nigeria. It specifically looked at the influence of Point of Sale (POS) systems, automated teller machines, and digital savings, on the performance of these SMEs. The research reviewed relevant conceptual, theoretical, and empirical literature, grounding itself in technological innovation theory. A survey research design was used, targeting a population of 6,819 SME operators throughout Anambra State. By applying the Taro Yamani technique, a sample of about 378 respondents was selected. To gather data, structured questionnaires were created using a 4-point Likert scale, ranging from Strongly Agree (4) to Strongly Disagree (1), to reduce bias and accurately capture field data. To ensure both content and face validity, the questionnaire was reviewed by specialists and experts in item analysis and research methodology from the Department of Entrepreneurial Studies. The reliability of the instrument was confirmed through a test-retest method conducted with 30 SME operators in Delta State. The collected data were analyzed using descriptive statistics, and hypotheses were tested with multiple regression analysis. The results showed that POS systems significantly enhance SME performance by improving transaction efficiency and customer convenience. The study also found that automated teller machines positively affect SME performance. Additionally, digital savings are shown to significantly boost the performance of SMEs. In conclusion, the study highlights that financial innovation is a key driver for enhancing SME performance in Anambra State. Therefore, it is recommended that financial institutions and government agencies work towards promoting the broader adoption of these innovations by improving digital infrastructure, lowering transaction costs, and implementing targeted digital literacy programs.

Keywords: Point of Sale (POS) systems, automated teller machines, digital savings, financial innovation

1.1 INTRODUCTION

Small and Medium Enterprises (SMEs) are seen as a vital engine for growth and development in both developed and developing economies, and for good reason. They play a crucial role in driving economic growth, creating jobs, and reducing poverty, especially in developing nations. Across the globe, SMEs have been key players in achieving rapid industrialization and accelerated economic progress. They not only boost economic output but also contribute significantly to improving human welfare

(Okonkwo Ifechukwu-Jacobs & Obiezekwen, 2022).

In Nigeria, SMEs hold a special place for various reasons. The World Bank reports that many Nigerians are classified as low-income earners, yet SMEs tend to achieve commendable productivity levels, particularly when considering the total productivity factor, which includes capital and other resources. This productivity translates into substantial socio-economic development (Akingunola, 2011). As noted by Belas, Kljucnikov, Vojtovic, and Sobekova-Majkova (2015), the SME sector is filled with firms that possess significant growth potential. In developing countries, SMEs often enhance their productivity by tapping into a wealth of global technologies, especially through financial innovations.

It's crucial to embrace innovation, especially as organizations strive to stay competitive. As they grow, they must quickly adapt to their surroundings to meet new business demands and ensure their survival. Companies that act like their environment is still stable not only risk losing their competitive edge but also face significant financial setbacks. Innovation plays a vital role in a country's economic growth and the competitiveness of its industries (Orji, Ogbuabor, Okon & Anthony-orji, 2018). It greatly influences corporate performance by enhancing market positions, which leads to competitive advantages and superior outcomes (Anetoh, Onuorah, Ajakpo, Obiezekwen, & Okoye, 2025). While there are many types of innovation, this study focuses specifically on financial innovation.

Financial innovations serve as a key driver for banking institutions, helping them foster development in small and medium-sized enterprises (SMEs) and significantly improve business performance (Ezeokafor, Oguejiofor and Manafa, 2025). Essentially, financial innovation involves creating and popularizing new financial instruments, technologies, institutions, and markets (Ashiru, Balogun & Paseda, 2023). These innovations empower institutions to boost their competitive strengths, enhance their risk management capabilities, and better meet the needs of their customers and market demands (Kimani, 2016).

Financial innovation, in a limited sense, focuses on delivering essential banking services and products through the lens of information and communication technology (ICT) (Oguejiofo and Manafa, 2025). When we look at it more broadly, it involves financial development that aims to enhance the quantity, quality, and efficiency of services provided by financial intermediaries, driven by groundbreaking ideas and products powered by ICT (Onu & Okonkwo, 2021). This kind of innovation is key to boosting financial deepening, increasing financial penetration, and fostering economic growth. Essentially, financial innovation is about creating and popularizing new monetary instruments, technologies, institutions, and market (Ifechukwu-Jacobs, Arinze, & Nwangwu, & Atueyi, (2025).. It includes innovations at the institutional, product, and process levels. Institutional innovations refer to the emergence of new types of financial firms, like internet banks, automated branches, and discount brokerage firms (Adiga, Adigwe, Okonkwo & Ogbonna, 2022). Product innovation involves the introduction of new offerings such as derivatives, securitized assets, and mortgages. Meanwhile, process innovations focus on novel methods of conducting financial transactions, including online banking, mobile banking, and fresh approaches to implementing information technology (Onu & Okonkwo, 2021).

Reorganizing and developing the financial sector through innovative approaches is a key strategy for tackling the financial challenges faced by SMEs in Nigeria. This is largely because advancements in the financial sector lead to significant changes, including the introduction of financial innovations and e-banking (Akani & Obiosa, 2020). With these innovations, we can expect to see new financial instruments, products, and services, as well as more sophisticated organizational structures within a more comprehensive monetary market. Financial innovations are widely recognized as a powerful catalyst for enhancing financial depth and driving the growth of modern economies (Eniola & Entebang, 2021). This is especially true considering that financial innovation can boost the efficiency of financial intermediation by expanding the range of financial products and services available, thanks to the rise of advanced payment and receipt systems (Ashiru, Balogun & Paseda, 2023). Ultimately, this will enhance the productivity of finance, lower operational costs, and foster greater industrial and economic activity.

Productivity is soaring when it comes to output per worker, thanks to a strong work ethic and specialization within clusters. In Nnewi, the workforce in auto parts and cable factories boasts impressive skills, honed over years of apprenticeship (Orajiaka, 2025). Meanwhile, traders in Onitsha excel in managing turnover and supply chains with remarkable efficiency. There's a noticeable uptick in technology adoption too; many manufacturing SMEs are upgrading to better machinery, while trading SMEs are leveraging tools like POS systems, WhatsApp, and online platforms to boost sales. However, overall productivity still faces hurdles from inconsistent power supply, outdated equipment, and insufficient training. SMEs that invest in generators and modern machinery see a significant boost in productivity compared to those that don't. In Anambra State, SMEs are thriving in terms of revenue growth, sustainability, and productivity, driven by market access, clustering, and a strong entrepreneurial spirit. While business expansion is on the rise, it remains a bit sluggish due to financial constraints and infrastructure issues.

1.2 Objectives of the Study

The main objective of the study is to investigate the effect of financial innovation on the performance of small and medium scale enterprises in Anambra State. The specific objectives of the study include:

1. Determine the effect of point of sales on the performance of small and medium scale enterprise in Anambra State, Nigeria.
2. Investigate the effect of automated teller machine on the performance of small and medium enterprises in the Anambra State, Nigeria.
3. Access the effect of digital savings on the performance of small and medium enterprises in Anambra State, Nigeria

REVIEW OF RELATED LITERATURE

2.1 Conceptual Review

2.1.1 Financial Innovation

Innovation is a term that covers a wide range of ideas, focusing on the creation and application of fresh concepts or solutions. It's all about taking those novel ideas and turning them into practical applications that genuinely benefit customers. Innovation can manifest in many ways, from small tweaks to groundbreaking changes that can shake up entire industries (Ndesaulwa & Jaraji, 2022). The OECD (2021) defines innovation as "the introduction of new or improved processes, products, or services based on new scientific

or technological knowledge and/or organizational know-how."

At its core, innovation is about the acceptance and implementation of new ideas, processes, products, or services (Asad, Rizwan, Shah & Munir, 2020). It's a powerful tool for entrepreneurs, allowing them to create resources that generate wealth or enhance existing ones to unlock even more potential. In essence, innovation acts as a catalyst for change. It's the blend of marketable and creative ideas that leads to positive outcomes for both organizations and society as a whole.

The concept of innovation is complex due to its many dimensions. Importantly, it's a broad term that encompasses various elements essential for delivering value to customers while also ensuring a good return for businesses and the economy. According to Damanpour, Sanchez-Henriquez, and Chiu (2018), innovation involves a strategic flow of knowledge that boosts internal innovation and opens up markets for the external application of these innovations. While there are countless facets of innovation, this study specifically focuses on financial innovation.

2.1.2 Point of Sale

Point of sale (POS), often called point of purchase (POP) or simply checkout, is where the magic of transactions happens. When we talk about a 'checkout,' we're referring to a POS terminal, which is essentially the hardware and software that functions like an electronic cash register (Jimoh, Salawu, Oluwafemi & Abu-Saeed, 2023). A POS terminal streamlines the selling process through an easy-to-use interface for salespeople. It also handles the creation and printing of receipts. These systems are crucial for businesses as they keep track of sales for both business and tax purposes (Umar, Bello, Adenuga, and Ogundeji 2021),. Unfortunately, some shady software known as 'zappers' is being used to manipulate these records in an attempt to dodge taxes. Essentially, point-of-sale systems are the modern evolution of cash registers, connecting them to databases and giving businesses access to a wealth of digital data. This allows them to continuously monitor and analyze a diverse range of inventory and transaction information.

2.1.3 Automated Teller Machine

An Automated Teller Machine (ATM) is a high-tech device that allows customers of a financial institution to carry out transactions in a public setting without needing a cashier or bank teller (Truong, 2016). Most modern ATMs identify users through a plastic ATM card with a magnetic stripe or a smart card embedded with a chip that holds a unique card number along with security details like an expiration date or CVV. To authenticate themselves, customers simply enter their personal identification number (PIN). With an ATM, users can easily access their bank accounts to withdraw cash, get cash advances on credit cards, check their account balances, and even buy prepaid cell phone credits (Mukabeta, 2016).

2.1.4 Digital Savings

Digital savings is all about leveraging digital technologies and online financial platforms to save, store, manage, and grow your money through regulated financial service providers The World Bank (2025). Unlike the old-school way of saving, which often meant making a trip to a physical bank branch, digital savings lets you open, fund, and keep an eye on your savings accounts right from your mobile phone, internet banking, or various apps and digital wallets. This modern approach is a key part of digital financial services, blending the traditional goal of saving money with the ease and convenience that technology brings (Klapper, 2024).

2.1.5 Performance

The heart of any organization lies in its performance, which is essentially how well it achieves valuable outcomes, like generating high returns (Memon & Tahir, 2012). According to Smith & Reece (1999), business performance is all about an organization's ability to meet the desired results set by its key shareholders. It also involves assessing whether the actual output aligns with the targets that have been established (Al Qudah et al., 2014). To boost business performance, organizations must not only achieve but also maintain competitive advantages. This is why many researchers argue that strategic planning is crucial; it helps organizations gain an edge and remain viable in a competitive landscape. Understanding the right performance levels is vital, as it allows organizations to gauge their current standing and identify areas for improvement if needed. As a result, the measurement of business performance has become a hot topic among scholars, given its complexity (Obiezekwem, Okonkwo & Ifechukwu-Jacobs, 2025).

2.2 Theoretical Framework

This study is rooted in the theory of technological innovation, which was introduced by Joseph Schumpeter back in 1934. According to this theory, innovation or technological advancement is the key driver of economic progress. Schumpeter argued that once technology reaches a stable point, growth comes to a halt. He believed that entrepreneurs are the driving force behind innovation, which acts as the engine for economic growth and transformation. This leads to what he called "creative destruction," where outdated industries and practices are replaced by new ones. Schumpeter emphasized that economic change isn't a slow, steady process; rather, it's sparked by sudden bursts of innovation, as entrepreneurs bring forth new products, processes, markets, or organizational structures. He identified five distinct types of innovation: new goods or products, new production methods, new markets, new raw materials or resources, and new organizational structures.

When we talk about financial technology, we're referring to technological innovations aimed at enhancing and automating the delivery and use of financial services. These innovations have a significant positive effect on financial development, which in turn boosts the performance of the financial sector and contributes to overall economic growth (Motsatsi, 2016). In a broader sense, the level of technology plays a crucial role in determining economic growth. With the rise of new technology-driven applications and processes, we've seen the emergence of digital solutions that make payments easier, alternative processing networks, and a greater reliance on electronic devices for money transfers. This has led to considerable disruption in the banking and payment sectors (PWC Nigeria, 2017). This aligns perfectly with Schumpeter's concept of creative destruction from 1942, which highlights how the introduction of new products can render old ones obsolete, leading to their decline or failure.

This theory is quite relevant to our study because it suggests that innovation and technological advancement are the key drivers of economic growth. Once technology levels off, growth tends to stall. When we talk about financial technology, we're really referring to innovations in finance that aim to enhance and streamline how financial services are delivered and utilized. This theory aligns perfectly with our main goal: to explore how financial innovation affects the performance of small and medium-sized enterprises (SMEs). As SMEs embrace more technology, they can enhance their products and services, ultimately boosting their overall performance and contributing more significantly to the country's economic output.

2.3 Empirical Review

In this section, we've taken a closer look at some relevant empirical literature. Efemena, Augustine, and Ariyibi (2024) carried out a study that explored how financial technology impacts the performance of small and medium-sized enterprises (SMEs) listed in Nigeria. They used an ex-post facto design, gathering secondary data from the audited financial statements of these enterprises as well as the Central Bank Statistical Bulletin for the years 2019 to 2023. To analyze the relationship between return on equity, sales growth, and various electronic payment methods like automated teller machines, web-pay, and mobile money payments, they applied the ordinary least squares regression method. The results showed that both automated teller machines and point-of-sale systems had a significant negative impact on return on equity. On the flip side, while web-pay and point-of-sale systems negatively affected sales growth, mobile money payments actually had a positive influence on it. The study suggested that SMEs should work on optimizing their electronic payment systems by adopting cost-reduction strategies and improving the efficiency of their ATM, web-pay, and POS channels.

In another study, Njagi and Gitagia (2024) looked into financial innovations and how they affect the performance of small and medium enterprises in Embu County, Kenya. They focused on independent variables like product innovation, process innovation, and system innovation, with the performance of SMEs as the dependent variable. Using a survey research design, they gathered responses from 350 participants. For data analysis, they employed descriptive statistics, panel regressions, and product moment correlation. The findings revealed that product and process innovations had weak positive relationships with financial performance, while system innovations showed a moderately weak relationship. Interestingly, the results indicated that product and process innovations statistically improved financial performance, whereas system innovation had a statistically insignificant effect.

Poi (2024) explores how financial technology innovations impact the growth of small and medium-sized enterprises (SMEs) in certain eastern regions of Nigeria. The research specifically looks at the roles of internet banking and mobile banking in boosting productivity and operational efficiency within these SMEs. Grounded in the technology acceptance model and the diffusion of innovation theory, the study employed a survey research design, gathering data from 287 SMEs out of a total of 1,016 in Port Harcourt, Nigeria. To analyze the data, correlation techniques and the Spearman rank method were used. The findings reveal a positive and significant link between financial technology innovation and business growth, especially regarding operational effectiveness and sales performance.

Mugambe (2024) examined financial innovation as a lifeline for micro-enterprises grappling with shrinking profit margins. This study focused on how financial innovation influences the survival of micro-enterprises in a fiercely competitive landscape with declining profits. Key factors included product innovation, pricing innovation, and cost innovation, while the survival of SMEs was the main focus. Using a case study approach and a cross-sectional design, the research employed a snowball sampling technique to gather insights from 30 respondents. Through correlation and regression analyses, the results highlighted a significant relationship between product innovation, cost-saving innovation, and the survival of micro-enterprises, with product

innovation standing out as the most impactful factor for their survival.

In 2024, Okoro, Nnam, Etukudo, and Obizuo carried out a study to explore how financial technology impacts the performance of financial institutions, focusing on data from Nigerian commercial banks. They measured financial technology by looking at the volume of ATM transactions, POS transactions, and internet banking transactions, while using the liquidity ratio as a gauge for financial performance. The researchers employed an ex-post facto research design, pulling data from the CBN statistical bulletin. They analyzed the data using ordinary least squares multiple regression analysis. The results showed that ATM transactions have a positive effect on the performance of commercial banks in Nigeria, and the same goes for POS transactions. However, internet banking transactions were found to negatively affect the performance of these banks. The study recommends that financial institutions should work on encouraging their clients to use FINTECH products more often.

In another study, Dermaku et al. (2023) looked into the relationship between fintech developments and bank performance in Kosovo. They analyzed 49 observations collected every three months, relying on secondary data. The net profit of the banks served as a performance indicator, while ATMs, POS, and e-payments were used as proxies for fintech. The research methodology was based on the OLS approach, along with diagnostic tests to check for issues like heteroscedasticity, specification error, autocorrelation, and multicollinearity. The findings indicated that the banks' net profit is affected by the fluctuations in ATM and electronic payments. Specifically, ATM payments negatively impact net profit, while e-payments have a positive influence. An increase in ATM payments leads to a 0.30% decrease in bank net profit, whereas a 1% rise in e-payments results in a 0.10% increase in net profit. Additionally, POS payments were also found to negatively affect bank net profit.

METHODOLOGY

3.1 Research Design

Study adopted a survey research design. This method was selected because it effectively describes phenomena and their relationships in real-world settings over a specified period.

3.2 Population of the Study

The population of a study includes all possible elements, subjects, or observations connected to a specific phenomenon that a researcher wants to explore or describe (Asika 2006). In this context, the population of interest refers to the target population that the study aims to investigate or address. For this particular study, the target population consists of 6,819 registered owners of small and medium-sized enterprises in Anambra State (Corporate Affairs Commission Awka, 2025).

3.3 Sample Size

A sample size refers to a specific group of elements chosen from the entire population, which we call the sample. By studying this sample, we can draw conclusions about the whole population. Since we already know the size of the population we're studying, we can use Taro Yamane's formula to determine the appropriate sample size. Here’s how the formula looks:

$$n = \frac{N}{1 + N(e)^2}.$$

Where n = Sample size

N = Population Figure

e = Error Margin (0.05)
1 = Constant figure

Substituting the population variables of this study into the formula above, the sample size can be neatly computed as follows:

$$n = \frac{6819}{1 + 6819\,(0.05)^2}$$

$$n = \frac{6819}{1 + 6819\,(0.0025)}$$

$$n = \frac{6819}{1 + 17.05}$$

$$n = \frac{6819}{18.04}$$

$$n = 377.784$$

Therefore, n = 378

The sample size is approximately 378. Hence, the sample comprised of 378 owners of SMEs in Anambra State.

3.4 Sampling Technique

For this study, we used a purposive sampling technique to choose our respondents. This approach allowed us to connect with the right individuals who were more likely to provide reliable answers to our questionnaire.

3.5 Sources of Data

The study relied on primary data, which was gathered using a structured questionnaire. Primary data is essentially the first-hand information collected directly by the researcher.

3.6 Research Instrument

For this study, we used a questionnaire as our main tool for gathering data. We chose a questionnaire because it helps minimize bias and allows us to collect specific information (Balnaves, 2001).

DATA PRESENTATION AND ANALYSIS

A total of 378 questionnaires were distributed to our respondents, and 356 were received back. Out of those, 348 were completed correctly and deemed suitable for our study. Unfortunately, the rest were not returned. So, our analysis in this section is based on those 348 valid responses. We kicked things off with a presentation and analysis of the demographic data, followed by a deep dive into the data that relates to our research question, and then we tested our hypotheses. To wrap it all up, we presented and discussed the findings of the study.

4.1 Presentation and Analysis of the Respondents' Demographic Data

The demographic data of the respondents were presented and analysed in tables 4.1.1 to 4.1.2.

Table 4.1.2: Gender Distribution of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	219	62.8	62.8	62.8
	Female	129	37.2	37.2	100.0
	Total	348	100.0	100.0	

Source: Field Survey, 2026

The table shows that a significant portion of the respondents, 219 in total, or 62.8%, were male. In contrast, the remaining 129 respondents, making up 37.2%, were female. This clearly suggests that the majority of those surveyed were male.

Table 4.1.1 Marital Status of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	131	37.8	37.8	37.8
	Married	205	58.7	58.7	96.6
	Others	12	3.4	3.4	100.0
	Total	348	100.0	100.0	

Source: Field Survey, 2026

The table above shows that most of the respondents, a total of 205 (58.7%), were married. Meanwhile, 131 respondents, which accounts for 37.8%, identified as single, and the remaining 12 respondents selected other options. This data suggests that the majority of those surveyed were indeed married.

Table 4.1.3: Educational Qualification of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	O'Level	34	9.7	9.7	9.7
	OND/NCE	130	37.2	37.2	47.0
	B.Sc./HND	153	43.8	43.8	90.8
	MSC/MBA	24	6.9	6.9	97.7
	PhD & Others	7	2.3	2.3	100.0
	Total	348	100.0	100.0	

Source: Field Survey, 2026

Table 4.1.3 provides a breakdown of the educational qualifications of the respondents. Out of the total, 34 individuals, which is about 9.7%, hold an O'level qualification. Meanwhile, 130 respondents, or 37.2%, have either an OND or NCE. A significant portion, 153 respondents (43.8%), possess a B.Sc. or HND. Additionally, 24 respondents, making up 6.9%, have an MSC or MBA, and finally, 7 respondents, representing 2.3%, have earned a Ph.D. This data shows that all the respondents in the sample are quite educated.

Table 4.1.4: Age Distribution of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 - 25 Years	70	20.3	20.3	20.3
	26 - 35 Years	83	23.8	23.8	44.1
	36 - 45 Years	97	27.8	27.8	71.9
	46 Years and Above	98	28.1	28.1	100.0
	Total	348	100.0	100.0	

Source: Field Survey, 2026

Table 4.1.4 above shows that 70 respondents, making up 20.3%, are in the 18 to 25 age group. Meanwhile, 83 respondents, or 23.8%, fall into the 26 to 35 age range. There are 97 respondents, which is 27.8%, in the 36 to 45 age bracket, and the remaining respondents, accounting for 28.1%, are aged 46 and older.

4.3 Analysis of the Regression Results

The regression results are presented in tables 4.3.1 and 4.3.2 below.

Table 4.3.1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.290[a]	.484	.071	3.194	1.629

a. Predictors: (Constant), Point of Sale, Automated Teller Machine, Digital Savings,

b. Dependent Variable Performance of SMEs

Source: SPSS Version 21.0

Table 4.3.2 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	329.484	2	65.897	6.458	.000[a]
	Residual	3581.709	346	10.204		
	Total	3911.193	348			

a. Predictors: (Constant),) Point of Sale, Automated Teller Machine, Digital Savings,

b. Dependent Variable: Performance of SMEs

Source: SPSS Version 21.0

Table 4.3.1 shows an R square value of 0.484, which means that points of sale, automated teller machines, and digital savings, account for 48.4% of the variations in the performance of small and medium-sized enterprises in Anambra State. Additionally, the Durbin-Watson statistic of 1.629 in the same table indicates that the variables in the model are not auto-correlated, making them reliable for predictions. Furthermore, the F-statistic value of 6.458, with a probability value of 0.000 in table 4.3.2, suggests that these factors collectively have a significant impact on the performance of small and medium enterprises in Anambra State.

4.4 Test of Hypotheses

In this section, the four hypotheses earlier formulated in chapter one was test. The table is presented below:

Table 4.4.1 Coefficient of the Regression Result

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	18.848	1.879		10.031	.000
Point of Sale	.119	.042	.151	2.844	.005
Automated Teller Machine	.085	.043	.101	2.968	.002
Digital savings	.176	.043	.210	4.061	.000

a. Dependent Variable: Performance of SMEs

Source: SPSS Version 21.0

4.4.1 Test of Hypothesis One

Ho: Point of sale has no significant effect on the performance of small and medium enterprise in Anambra State, Nigeria.

Hi: Point of sale has significant effect on the performance of small and medium enterprise in Anambra State, Nigeria.

Table 4.4.1 shows that the point of sale has a t-value of 2.844 and an alpha value of 0.005, which indicates statistical significance at the 5% level. This leads us to reject the null hypothesis and accept the alternative hypothesis. Consequently, we can conclude that the point of sale significantly impacts the performance of small and medium enterprises in Anambra State, Nigeria.

4.4.2 Test of Hypothesis Two

Ho: Automated teller machine has no significant effect on the performance of small and medium enterprise in Anambra State, Nigeria.

Hi: Automated teller machine has significant effect on the performance of small and medium enterprise in Anambra State, Nigeria.

The automated teller machine showed a t value of 2.968 and a probability value of 0.002, which is statistically significant at the 5% level. Since these figures fall within the acceptable range, we can confidently reject the null hypothesis and embrace the alternative hypothesis. This means that the automated teller machine has a significant impact on the performance of small and medium enterprises in Anambra State, Nigeria.

4.4.3 Test of Hypothesis Three

Ho: Digital savings has no significant effect on the performance of small and medium enterprise in Anambra State, Nigeria.

Hi: Digital savings has significant effect on the performance of small and medium enterprise in Anambra State, Nigeria.

Digital savings showed a t-value of 4.061 and a probability value of 0.000, both of which

fall well within the acceptable range. This leads us to reject the null hypothesis and embrace the alternative hypothesis. Therefore, we can confidently say that digital savings significantly impact the performance of small and medium enterprises in Anambra State, Nigeria.

Summary of Findings

In summary, the findings of the study are:

1. Point of sale had significant effect on performance of small and medium scale enterprise in Anambra State, Nigeria (C = 0.119; P< 0.5).
2. Automated teller machine had significant effect on performance of small and medium enterprises in the Anambra State, Nigeria (C = 0.085; P < 0.5).
3. Digital Savings had significant effect on performance of small and medium enterprises in Anambra State, Nigeria (C = 176; P < 0.5).

CONCLUSION

In conclusion, the study emphasizes that financial innovation is a key factor influencing SME performance in Anambra State. The combined impact of POS systems, ATMs, digital savings, illustrates how technological advancements in financial services can empower SMEs to carry out transactions, manage their savings, secure credit, and finance their business activities more effectively. Therefore, promoting the use of secure, affordable, accessible, and reliable digital financial services is essential for improving the productivity, competitiveness, sustainability, and growth of SMEs in Anambra State. Based on the findings, the following recommendations were made:

1. SME owners really need to step up their game when it comes to using Point of Sale (POS) services effectively.
2. Financial institutions should focus on making ATMs more accessible and reliable for SMEs. Banks need to ensure that ATM facilities are well-distributed, fully functional, secure, and equipped to meet the financial needs of business owners.
3. It's important to encourage SMEs to embrace digital savings platforms. Financial institutions and relevant government agencies should raise awareness and offer financial literacy programs that teach SME operators about the advantages of digital savings.

REFERENCES

Adiga, D.l., Adigwe, P.k., Okonkwo, V.I., & Ogbonna, S.K. (2022). Financial technology and the banking sector performance in Nigeria (2005-2020). Discovery, 58(316), 349 – 360.

Akani, W. H., & Obiosa, R. T. (2020). Effects of financial innovations on the profitability of deposit money banks in Nigeria. *European Journal of Accounting, Auditing and Finance Research,* 8(1), 52-73.

Anetoh, J.C., Onuorah, C.B., Ajakpo, V.C.A., Obiezekwen, C.J., Edwin, C.O., Okoye, C.A.C. (2025). The power of innovation: Achieving sustainable performance in cement manufacturing industry in Nigeria through artificial intelligence. *World Journal of Innovation and Modern Technology*, 9(5), 245 - 260.

Asad, M., Rizwan., A., Shah, M., & Munir, A. (2020). Impact of innovation practices on sustainable performance SMEs. Retrieved from

https://www.academia.edu/39198226/impact_of_innovation_practices_on_sustainable_performance_smes

Ashiru, O., Balogun, G., & Paseda, O. (2023). Financial innovation and bank financial performance: Evidence from Nigerian deposit money banks. *Research in Globalization*, (6). https://doi.org/10.101016./j.resglo.2023.100120

Damanpour, F., Sanchez-Henriquez, F., & Chiu, H.H. (2018). Internal and external sources and the adoption of innovations in organizations. *British Journal of Management* 29 (4): 712–730.

Dermaku, H., Hajdari, M., Dermaku, K., & Hoti, L. (2023). An empirical analysis of Fintech's impact on financial performance of banks in Kosovo. *Journal of Emerging science*, 7(3), 890-896.

Efemena, E.O., Augustine, C.I., & Ariyibi, M.E. (2024). Financial technology and performance of listed small and medium scale enterprises in Nigeria. *International Journal of Scientific Research and Management*, 12(12), 8077 – 8088.

Eniola, A., & Entebang H. (2015). SME Firm performance: Financial innovation and challenges. *Procedia - Social and Behavioral Sciences*, 195, 334 - 342.

Ezeokafor U.R, Oguejiofor N.D and Manafa, G.U, (2025) economic effect on entrepreneurial performance among members of agricultural cooperative societies in anambra state nigeria. Journal of behavioural infirmities, digital and development research 10 (4)

Ifechukwu-Jacobs, C.J Arinze, E. S.; & Nwangwu, J.C & Atueyi, C.L (2025). Financial literacy and youth entrepreneurship in South East Nigeria. *International Journal of Business & Law Research 13(2):152-162, April-June, 2025*

Jimoh, J.O., Salawu, A., Oluwafemi, O.J. & Abu-Saeed, M. (2023). Modeling the Customers Perception towards Point of Sale (POS) Machines in Kogi State. *Nigeria International Journal of Science and Research Archive,* 9(1), 725 - 732.

Kimani, E. M. (2016). Effect of adoption of Financial Innovation on Performance of small and medium Enterprises in Kenya. *International Journal of Advanced Engineering and Management Research*, 1(2), 1 – 17.

Matsoso, M. L., & Benedict, O. H. (2014). Non-financial performance measures in small medium enterprises' supply chain management. *Journal of Economics,* 5(3), 247-257.

Memon, M. A., & Tahir, I. M. (2012). Size and operational performance of manufacturing companies in Pakistan using data envelopment analysis. *Journal of Information Engineering and Applications*, 2(4), 39-49.

Mugambe, P. (2024). Financial innovation for survival among micro-enterprises with declining profit margins. *Open Journal of Business and Management*, 12, 3145 - 3165.

Mukabeta, M. (2016). Digital Financial Service delivery to the poor community in South Africa. *International Review of Business Research*, 72-79.

Ndesaulwa, A.P., & Jaraji, K. (2016). The impact of innovation on performance of small and medium enterprises (SMEs) in Tanzania: A review of empirical evidence. *Journal of Business and Management Sciences,* 4(1), 1 – 6.

Ngugi, J. K., & Karina, H. (2016). Product innovations and the performance of SMEs in Kenya. *International Journal of Business and Social Science*, 7(3), 65 - 73.

Obiezekwem, C.J., Okonkwo, C.J., & Ifechukwu-Jacobs, C. (2025). Financial Structure and Performance of Quoted Agricultural Firms in Nigeria. *Innovations*, 80, 1726 – 1744.

Oguejiofo N.D and Manafa, G.U, (2025) stress foot print and employee productivity in selected manufacturing firms in Anambra State. Humanities management, arts, education and the social science research 13 (1)

Okonkwo, C.J., Ifechukwu-Jacobs, C., & Obiezekwen, C.J. (2022). Entrepreneurial financing and small business enterprise performance in Enugu State. *Innovation*, 79, 783 – 800.

Okoro, C.C., Nnam, H.I., Etukudo, J.W., & Obizuo, C.J. (2024). Impact of financial technology on financial institutions' performance. Evidence from Nigerian commercial banks. *Journal of Accounting and Financial Management*, 10(3), 111 – 134.

Onu, C.J., & Okonkwo, I.V. (2021). Effect of financial innovation and inclusion on micro, small and medium enterprises (MSMEs) Development in Nigeria. *Journal of Economics and Finance*, 12(6), 55 – 66.

Orajaka, P. U. (2025). Technology and entrepreneurship development in Anambra State of Nigeria. African Banking and Finance Review Journal (ABFRJ), 20(2).

Orji, A., Ogbuabor, J.E., Okon, A.N., & Anthony-orji, O.I. (2018). Electronic banking innovations and selected banks performance in Nigeria. *Economics and Finance Letters*, 5(2), 46-57.

Poi, G. (2024). Financial technology innovation and business growth of small and medium-scale enterprises in Port Harcourt, Rivers State, Nigeria. *Journal of Economics, Finance and Management Studies*, 8(1), 78 – 89.

Truong, O. (2016). How fintech industry is changing the world. Thesis. Centria University of Applied Sciences Degree Programme in Business Management. Available: https://core.ac.uk/download/pdf/80995188.pdf

Umar, H. S., Zwal, U. I., Hussaini, M. U., &Oluyemisi, O. O. (2021). Effect of Point of Sale (POS) On the Growth of Business in Nigeria. *International Journal of Advances in Engineering and Management,* 3(9), 1856 – 1863.