

Final Project 1

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Project Template

Faculty of Management
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The Role of Digital Payment Solutions in Enhancing Financial Inclusion in Saudi Arabia

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٢٠٢٥- الفصل الدراسي الثالث

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١. الفصل الأول: الإطار العام للدراسة

The financial sector in Saudi Arabia is undergoing rapid digital transformation in alignment with Vision 2030. Among the key drivers of this change is the widespread adoption of digital payment solutions such as mobile wallets, point-of-sale terminals, and e-commerce platforms. These innovations not only provide convenience but also serve as tools for achieving greater financial inclusion, particularly for underserved communities. This research aims to explore how digital payment tools contribute to financial accessibility and inclusion across the Kingdom.

١,٢ . مشكلة الدراسة

Despite the growing availability of digital payment systems, a segment of the population remains financially excluded. The key problem addressed in this research is:
"What are the barriers and enablers of financial inclusion through digital payment solutions in Saudi Arabia?"

- Lack of localized frameworks to evaluate the role of digital payments in inclusion.
- Limited studies on how current solutions are actually impacting SME and low-income adoption.

١,٢,١ . فجوات على المستوى النظري

- Adds to the limited body of literature on digital payments in emerging markets.

١,٢,٢ . فجوات على المستوى التطبيقي

- Helps policy makers, banks, and fintech firms design inclusive financial services tailored to local needs.

١,٣. أهمية الدراسة

١,٣,١. على المستوى النظري:

- This study contributes to understanding the impact of financial technology on inclusion in developing and transitioning economies.

١,٣,٢. على المستوى التطبيقي:

- Provides data and insights to Saudi banks, fintech companies, and policymakers for more inclusive digital strategies.

١,٤. أسئلة الدراسة

- How do digital payment solutions affect access to financial services among underserved populations in Saudi Arabia?
- What are the main obstacles preventing widespread adoption of digital financial tools?
- What role do government policies and regulations play in supporting inclusion via fintech?

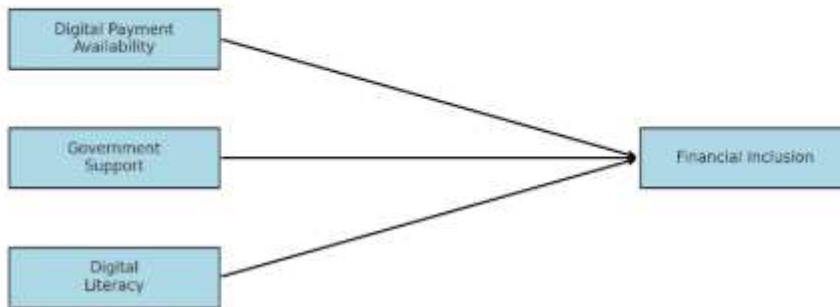
١,٥. أهداف الدراسة

- To assess the current level of financial inclusion enabled by digital payment solutions.
- To identify factors that encourage or hinder the adoption of digital payment systems.
- To provide policy recommendations for improving digital financial inclusion.

١,٦. فرضيات الدراسة

- H1: Digital payment solutions significantly enhance financial inclusion in Saudi Arabia.
- H2: Lack of digital literacy negatively impacts the adoption of digital payments among low-income groups.
- H3: Government support and infrastructure positively correlate with increased financial inclusion.

١,٧. نموذج الدراسة



- **Inputs (Independent Variables):**

- Digital Payment Availability
- Government Support
- Digital Literacy

All contribute to:

- **Output (Dependent Variable):**

- Financial Inclusion

١,٨ . منهجية الدراسة

- Approach: Quantitative
- Tools: Surveys distributed to a sample of users and non-users of digital payments
- Analysis: Descriptive statistics, correlation analysis

١,٩ . الدراسة الميدانية

Young adults (18–35), SMEs, and unbanked populations in urban and semi-urban areas of Saudi Arabia.

١,١٠ . مخطط المشروع المقترح

Week	Task
Week 1	Choose topic and draft introduction
Week 2	Develop problem statement and objectives
Week 3	Design methodology and research model
Week 4	Submit first draft with references

٢. الفصل الثاني: الدراسات السابقة

٢,١ . المقدمة:

The literature review provides an overview of the theoretical and empirical studies relevant to digital payment solutions and financial inclusion. It highlights how prior research has defined financial inclusion, examined the role of fintech, and explored adoption factors in both developed and emerging markets. The review also identifies gaps that this study seeks to address within the Saudi Arabian context.

٢,٢ . المتغير المستقل

Digital Payment Availability

Digital payments have become a critical enabler of financial inclusion worldwide. According to the World Bank (2022), mobile money and digital wallets significantly reduce transaction costs, allowing underserved communities to access basic financial services. In emerging economies, digital payment infrastructure facilitates economic participation, especially in areas with limited access to traditional banking (Demirguc-Kunt et al., 2022).

Government Support

Government policies play a pivotal role in fostering an enabling ecosystem. Regulatory frameworks, subsidies for fintech innovation, and central bank initiatives have been shown to accelerate digital adoption (Ozili, 2018). In Saudi Arabia, the Saudi Central Bank (SAMA) and Vision 2030 reforms have prioritized financial inclusion, aiming to raise the proportion of adults with bank accounts to 80% by 2030 (SAMA, 2024).

Digital Literacy

Digital literacy is frequently cited as both an enabler and a barrier to adoption. Studies show that individuals with limited technical skills may be excluded even when infrastructure is available (Grohmann et al., 2018). In the Gulf context, generational differences in digital literacy significantly affect adoption levels (Almazrouei, 2023).

٢,٣. المتغير التابع

Financial inclusion refers to the accessibility and usage of affordable financial products and services, particularly for low-income households and SMEs. Literature distinguishes between access (having an account or payment tool) and usage (actively conducting transactions) (Sarma & Pais, 2011). Digital payments enhance both dimensions by lowering barriers of distance, cost, and time.

٢,٤. العلاقة بين المتغير المستقل والمتغير التابع

Several studies have explored the relationship between digital payments and inclusion. For example:

Beck et al. (2018) argue that digital technologies reduce information asymmetry, making financial institutions more willing to serve unbanked clients.

Evans (2020) found that mobile payment systems significantly increased financial participation in East Africa, with parallels applicable to Middle Eastern economies.

In Saudi Arabia, Al Rajhi Capital (2023) reported that digital banking channels are now the preferred mode of transaction for more than 70% of customers, suggesting a strong correlation between availability and inclusion.

Digital literacy and government support function as moderating factors—while infrastructure enables access, successful adoption depends on user capability and policy backing.

٢,٥. الخاتمة

The reviewed literature highlights the crucial role of digital payment solutions as a catalyst for advancing financial inclusion. Nevertheless, challenges such as limited digital literacy, regulatory constraints, and unequal access to technology continue to hinder widespread adoption. While global studies provide strong evidence of the transformative power of fintech, there remains a shortage of localized research that specifically addresses the Saudi Arabian context. This gap underscores the necessity of this study to explore how digital payment solutions can effectively drive financial inclusion in the Kingdom.

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