A STUDY OF THE ADOPTION OF NEW MEDIA IN DELIVERY OF SERVICES IN BANKING SECTOR, KENYA: A CASE STUDY OF EQUITY BANKING SERVICES

BY

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ABSTRACT

The delivery of services using new media such as mobile and internet banking is part of these efforts. There is need for communication specialists to understand which factors affect the adoption and acceptance of new media such as mobile phones and internet to access banking services and which audience is likely to be more receptive and why. The objective of the study was to establish these factors that influence adoption, which mechanism are in place and establish what can be done to promote adoption of new media in delivery of banking services. The technology acceptance model (TAM) and other mass media theories such as the two step flow of communication were used to review existing literature on related studies. The technological perceptions and certain demographic variables were examined to assess impact on adoptive behavior.

Equity Bank Limited was chosen as a case study due to the large nurribers and wide branch network. The sample used had customers drawn from 16 branches within Nairobi and the outskirts of Nairobi due to the high number of customers. There were two questionnaires that were administered to both staff and customers. The data obtained is presented in tabular form, percentages and in descriptive statistics such as pie charts, and bar graphs.

From the study, Literacylevels were found to be a key factor in adoption of new media. The perceived security and safety of the mobile and internet platforms is also a factor. There is generally a lot that is needed to disseminate information on usage and access of this new media in delivery of services. Convenience provided by this media as perceived by the customer is also a factor that influences adoption. The systems also need to be improved so ensure system failure and downtimes do not happen.