

**RELATIONSHIP BETWEEN CUSTOMER RELATED FACTORS AND THE  
CHOICE OF ELECTRONIC BANKING IN KENYA. ACASE OF STANDARD  
CHARTERED BANK KERICHO BRANCH.**

**BY**

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**Research Project Submitted in Partial Fulfillment of the Requirement for the Award of  
a Master of Art Degree in Project Planning and Management of The**

**University of Nairobi.**

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**DECLARATION**

This research project is my original work and has not been submitted to any other University for any award.

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## **DEDICATION**

Firstly I dedicate this research project to the almighty God for giving me a perfect health throughout my entire study period. Secondly I dedicate it to my lovely wife Scolar Chepkoech Koskey and to my daughter Michelle Chemutai for their continued encouragement, support, constant inspiration (that made me work hard) prayer and general understanding during the period of my study. I also dedicate this research project to my mother for her continuous motherly guidance and unwavering prayers towards my success in this work.

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

**ATM**-Automated Teller Machine

**EFT**-Electronic Funds Transfer

**POS**-Point of Sale

**EDI**-Electronic Data Interchange

**PCB**-Personal Computer Banking

**SPNS**-Share Payment Network Systems.

**IT**-Information Technology.

**CBK**-Central Bank of Kenya

**IJRMBS**-International Journal for Research in Management and Business Services.

**M-Pesa**-Mobile money (**M**-mobile, **Pesa**-Kiswahili word for money)

**TAM**-Technology Acceptance Model

**TPB**-Theory of Planned Behaviour

**PU**-Perceived Usefulness

**PEoU**-Perceived ease of use.

**SPSS**-Statistical Package for Social Science.

**SN**-Subjective Norm

**ATT.**-Attitude

**TRA**-Theory of Reasoned Action

## **ABSTRACT.**

Electronic banking has been largely adopted by most banks over the world and many more banks are increasingly adopting the electronic banking platform. In Kenya most of the banking sector players have really invested in the infrastructural part to really develop and support the electronic banking platforms. These channels have been strongly supported by the Kenyan banks and the banks have constantly improved the simplification in their use. In spite of all this effort and attention by the banks directed towards the electronic banking platforms, the channels have not received a similar attention from the end users. This study was therefore carried out to establish the relationship between customer related factors and the choice of electronic banking in Kenya. The study was guided by the following objectives: To investigate the extent to which customer knowledge on the availability of the various types of electronic banking influences the choice of electronic banking in Kenya, to establish the extent to which customer demographic factors influence the choice of electronic banking in Kenya, to examine the extent to which customers' privacy and confidentiality influence the choice of electronic banking in Kenya. To determine the extent to which customers' type of settlement influence the choice of electronic banking. (Whether urban, or rural). Correlational research design was adopted because it facilitates comparison of the variables. A sample size of 316 customers who are the users of one of the electronic banking channels the, ATM, was selected from a target population of 1,797 customers using the Krejcie and Morgan formular. Data was collected by the use of questionnaires administered by telephone interviews to both men and women customers in the sample size from the information mined from the bank's ATM machine. Quantitative data was analysed using correlation statistics to study the relationships between variables and regression analysis. Qualitative data was analysed using descriptive statistics in the form of frequencies and percentage with the aid of SPSS (Statistical Package for Social Scientists) and with the aid of SPSS (Statistical Package for Social Scientists). Reliability of the instrument was catered for by carrying out pilot testing of the instruments on 1/10 of the sample size using half split technique where the total number of the sample was divided into halves and a single test administration was conducted in the groups and the results correlated out of which correlation coefficient was determined and used to test the reliability. The following conclusions were made; Customers knowledge on the existence of electronic banking influences the choice of electronic banking; Demographic factors of age, education level, level of income and occupation all have a relationship on the customers' choice of electronic banking; privacy and confidentiality is highly regarded by customers and this plays as significant role over the electronic banking a customer chooses finally the customers settlement type influences the customers' choice of electronic banking. Based on the findings the following recommendations were made; the bank should come up with electronic banking platforms specifically tailored to the needs of the older generation. Standard chartered to improve on customer education and awareness. The bank should at least consider putting in place other ATMs locations away from the town Centre so as to be of reach to those customers in rural areas. The bank should lower the salary level requisite for customers to obtain credit cards.

## CHAPTER ONE

### INTRODUCTION.

#### **1.1 Background of the Study.**

Electronic banking is the use of electronic and telecommunication networks to deliver a wide range of value added products and services to bank customers Steven,(2002). The use of information technology in banking operations is called electronic banking. Ovia, (2001) argue that Electronic banking is a product of e-commerce in the field of banking and financial services.

According to Mohammed et al, (2009),e-banking uses the Internet as the delivery channel to conduct banking activities, such as transferring funds, paying bills, viewing account balances, paying mortgages and purchasing financial instruments and certificates of deposits. He further noted that e-banking is also known as electronic funds transfer (EFT). It is basically the use of electronic methods or means to transfer money directly from one account to another, rather than carrying cash around or paying by cheque.

Rahimuddin & Bukhari, (2009) observed that with e-banking, people can withdraw money from Automatic Teller Machines (ATM) or pay accounts using a debit/credit card at any time of the day. Electronic delivery channels are collectively referred to as electronic banking. According to him, there are three main types of electronic banking, namely: automated teller machines, mobile banking, and online banking. Mobile and online banking offer security alerts so that clients know immediately what activity is occurring on their account. Alerts are sent directly to a client's cell phone or email address when credit or debit transactions are completed on the account. One can also receive daily alerts of the bank account balance.

Various authors and researchers have provided definitions of e-banking or Internet banking. Chalam and Rao (2007) give perhaps the most comprehensive definition. After referring to e-banking as the use of technology in daily banking transactions by customers to access services electronically through the phone, personal computer and Internet, they also went ahead and identified some of the major e-banking products as; Automatic Teller Machine (ATM),Electronic Funds Transfer (EFT),Personal Computer Banking (PCB),

Share Payment Network System (SPNS) , Point of Sale Terminal (POS),Electronic Data Interchange (EDI) and Structured Message Transfer System Using SWIFT, Corporate Banking Terminal, Telebanking. Consequently, according to Waite & Harrison, (2008),e-banking is adopted by a banking system for various reasons, which include increasing customer demands, the need to increase sales to existing customers, changes in the environment, and the need to achieve competitive advantage and increased efficiency.

Technology, in particular the Internet, has been a key driving force behind the changes in the banking industry. Electronic banking is the newest delivery channel in many developed countries and there is wide agreement that this will affect the banking market significantly Daniel(1999).De Kare-Silver (2001) in his research observed that the growth in electronic technology, especially the Internet, could lead to many of today's well-established banking institutions being replaced. This in my view points out to the fact that e-banking should be well anchored in every banking institution by ensuring that it squarely meets the customers' demands for them to remain a float in business. According to Salehi & Azary (2008) a strong banking industry is important in every country and can have a significant effect in terms of supporting economic development through efficient financial services.

In Pakistan, Shamim & Sardar (2010) carried out a research on electronic banking and e-readiness adoption by Commercial Banks in Pakistan .The researchers examined the existing status at the time concerning the electronic banking problems during implementation of electronic problems in Pakistan and causes that hindered that process. Using one of the banks in Pakistan to understand why and how the electronic banking could not be implemented successfully the data was collected via interviews, surveys and bank website. Both qualitative and quantitative research approach were used to investigate and have proper understanding of current e-banking issues.

To investigate in the real-time scenario they used case study of Muslim Commercial Bank Limited in Pakistan in order to understand “why” and “how” the electronic banking could not be implemented successfully. The study found out that in this country, people were still using the old manual system to do the banking transaction in spite of the fact that internet had been started. Popularity of cash system waiting in long queues for hours and lacking of proper computer education and trust among others were the major problems that were hurdles in electronic banking. On the other side there were a lot of reasons that the banks did not

concentrate on internet banking and cash flow was still popular in banks and internet banking was used by the banks for the limited services. The researchers Shamim &Sardar (2010) also found that banks were facing the problem of customer awareness regarding security and privacy of using Internet banking services as still customers were reluctant to use the online banking services so they preferred to go to banks and deposit the money by hand.

In Estonia, a research conducted Kerem, (2001) shows that there is a strong positive correlation between Internet usage and internet banking. This can be confirmed by the actual data from Estonia. In 2000 Internet usage increased from 21% to 31% while the internet banking customer base grew by nearly 100% during the same year. In South East Asia, Internet banking is also developing rapidly, especially in Thailand, Malaysia, Singapore, and the Philippines (Mia et al., 2007). Similar trends were also observed by Thulani et al. (2009) in Zimbabwe; Guangying (2009) in China.

In South Africa,Wu (2005) studied the factors that influence the adoption of internet banking by South Africans in the Ethekeweni metropolitan region. He conducted 400 interviews during the research whose findings were used to draw conclusion. In his research, the key findings revealed that demographic factors including age, income, education level and occupation have a relationship with the adoption of internet banking. Psychological factors including perceived relative advantage, perceived compatibility, perceived complexity, perceived risk, and perceived cost were found to influence the adoption of internet banking. Social influences including opinions of friends, parents and colleagues were not found to be significant factors to influence the adoption of internet banking in the South Africa context.

However, there are several major challenges and issues facing the growth of e-banking and e-business in general. One major obstacle is the security concern,(Feinman et al.,1999); Financial Service, (2001). Another challenge for e-business (including e-banking) is the quality of the delivered service - including delivery speed and delivery reliability (Furst et al.,2000). As an Internet- based technology, e-banking is new and quite unfamiliar to some people in developing countries, due to the “digital divide” and the different levels of Internet experience and environments. More precisely, acceptance of online banking is studied from the information systems perspective, by examining whether or not factors such as demographics, attitudes and perceptions of customers, as well as social factors, have an

influence on the adoption of new technologies such as Internet banking. Every bank tries to get as much share of the market as it can.

In today's competitive world, success of a bank lies in customer focus, segmentation, positioning and target marketing used in conjunction with information technology (IT). Because of technology such as the Internet, banks are facing competition on an international scale and cannot afford to ignore the demands of their clients. Customers now have enough options available to choose the type of service they want at the price they are prepared to pay. It is therefore important for banks to develop suitable internet Products which identify with their customers and meet their specific needs (Wang, 2002).

In Nigeria, the adoption of electronic banking (e-banking) has brought major challenges to the banking industry in terms of risk exposure. The volume of deposits has increased as well as the fraudulent practices experienced by Nigerian banks since its adoption in the economy. This is according to Abaenewe et al (2013) they further observed that electronic banking has greatly helped banks to reduce paper work, thus helping them to operate in more reduced paperless environment. It has also discouraged many illegal and illegitimate practices associated with money laundering. Siam (2006) a similar study discovered negative effect of electronic banking services using Jordanian banks in the short run. This he attributed to cost of investments by the banks to set up the technical and electronic infrastructure; train their employees to be skilled as well as (Chiemeke et al. 2006). A study conducted by Chiemeke et al. (2006) on adoption of e-banking in Nigeria, identified the major inhibiting factors to Internet banking adoption in Nigeria such as, insecurity, inadequate operational facilities including Telecommunications facilities and electricity supply, and made recommendations on how Nigeria banks can narrow the digital divide.

They further noted that Internet banking is being offered at the basic level of interactivity with most of the banks having mainly Information sites and providing little Internet transactional services.

In Tanzania, by Milanzi (2013) carried out a research to assess the factors that influence adoption of electronic banking in Tanzania using a case study of NMB customers in Morogoro Municipality. In his study, customers' age was found to have effect on customers' attitude towards e-banking adoption. During the study, 43% of respondents who perceived themselves as users of e-banking were teenagers, 30% were of the middle age, while 27% of old age considered themselves as e-banking users. Milanzi (2013) concluded that the result implied that older customers had a negative attitude towards technology innovation as a

whole and e-banking in particular as compared to younger adults who were more interested in using the new technology.

He further noted that the result however, only held to the age above 30 years. His research also showed that 50% of the respondents strongly agree that certain occupation had a tendency of adopting E-banking. 45% agree, none- was not sure, 2% disagree and 3% strongly disagree. Work status, he observed, has an effect on the type of activities undertaken online, in this study most of the respondents who identified themselves as e-banking users were teachers 41%, military officers 23%, bankers 22% students 9% and others 5%. The researcher also noted that findings indicated that employed people are the largest group of e-banking users and tend to have some of the highest levels of e-banking transactions especially government employees. Based on such findings, the researcher concluded that occupation has got an influence on tendency of adopting e-banking in Tanzania. According to Lee and Lee (2001), consumers with busy lifestyle would be very much likely to adopt e-banking since it is a necessity, accessible at anytime and anywhere, and is convenient for them.

In Kenya, according to report by CBK (2008), a survey indicated that there is a steady increase in the use of e-banking technologies such as automated teller machine (ATM), mobile and internet (online) banking, electronic funds transfer, direct bill payments and credit card. According to Munyoki and Nduta (2011), banks in Kenya have exponentially embraced the use of information and communication technology both in their service provision and as a strategy to ensure their survival.

They have invested huge amounts of money in implementing the self and virtual banking services with the objective of improving the quality of customer service. They further noted that some of the ICT based products and services made available in Kenya include the introduction of SMS banking, ATMs, Anywhere banking software's, Core banking solution, Electronic clearing systems and direct debit among others. In their research, Munyoki and Nduta (2011) reported that quality of the internet connection is seen to be an essential component of any internet-based application. Sathye (1999) used internet access as one of the factors affecting the adoption of Internet Banking. In the contrary, Kenya which has got high levels of internet access has got very low internet banking adoption and use this was according to the findings of the research that Munyoki and Nduta (2011) carried out.

The major indicator of e-banking is ATM banking this is according to the survey conducted by financial sector deepening Kenya in association with Central Bank of Kenya(2007).As per



the findings of this report, Kenya had a total number of 968 ATMs by the end of December 2007 which was an improvement of 31.3% from 2006's 737 ATMs. The report further puts across that a part from individual bank ATMs, Kenyan Banks who are members of two organizations, which provide e-banking outsourcing partnership, Pesapoint and Kenswitch, will have access to 272 ATMs. The report also found out that, Equity Bank had the largest no of ATMs at 232 as at December 2007 with Kenya commercial Bank and Barclays bank having 19.92% and 14.7% respectively of the total ATMS in Kenya

In Kenya research has indicated that ATM banking is one of the earliest and widely adopted retail-banking services this is according to (Nyangosi et al.2009).In spite of this fact however, their adoption and usage in Kenya has been surpassed by mobile banking (M-banking) as per the CBK (2008) report. The report puts it that currently; there are about 8 million users of M-banking services compared to 4 million people who hold accounts in conventional financial institutions in Kenya.

According to Mullenex (2014), Mobile banking in Kenya introduced by the name of M-pesa in 2007, by mobile network safaricom, has played a significant role in the rise of mobile payments within the country since then. Mullenex went on to note that the m-banking service has even been exported to other African countries and its success in Africa has been outstanding and that in less than 10 years the service became a reference of mobile payment over the continent,

with a market penetration rate above 30% in Kenya and millions of users in Tanzania. Mullenex (2014) observed that the service had been exported in South Africa, Egypt, Mozambique and even India, more or less successfully. Mullenex (2014), stated that the success of M-Pesa in Kenya is due to a combination of factors such as the low number of people using banking and financial services standing at 13% of the population in 2007, the higher usage of mobile communications at that time which he said stood at 25% in 2007, the geography of the country being very wide territory with populated areas very distant from one another, and a favorable and incentivizing regulatory framework.

## **1.2 Statement of the Problem.**

Going by earlier research work done Munyoki and Nduta (2011), quality of the internet connection is seen to be an essential component of any internet-based application. Sathye (1999) also argued that internet access is one of the factors affecting the adoption of Internet Banking. Following these sentiments, Kenya which according to Munyoki and Nduta (2011) has got high levels of internet access and also high internet developed infrastructure has got very low internet banking adoption and use. Nyangosi et al. (2009) in their study noted that ATM banking is one of the earliest and widely adopted retail-banking services in Kenya but in spite of this, the report from the CBK (2008) has shown that its adoption and usage in Kenya has been surpassed by mobile banking (M-banking). Furthermore, mobile banking in Kenya has been dubbed a very successful electronic banking system having a high market penetration rate of 30% in the country (Mullenex2014).

Considering all this information and looking at how the Kenyan banks have aggressively provided the necessary infrastructure and enormous support in terms of the investments they direct towards the development of these platforms, for instance robust provision of ATM machines, development of sound internet services, rampant generation, promotion and sale of credit and debit cards etc., it would be just to envisage that the platforms would also receive relatively equal attention from the end users consumers, but clearly this has not been the case. Mobile banking seems to be well ahead of the other platforms in terms of its adoption and use and has seen a wide spread success compared to other existing electronic channels. This hints out that the customer choice of electronic banking may not only be influenced by infrastructural development nor even the sound existence of these channels but there seems to be other underlying factors that contribute to their choice by customers. Based on this statement, the researcher deemed it necessary for a research like this to be carried out to determine customer related factors that influence the choice of electronic banking by customers in Kenya.

## **1.3 Purpose of the Study.**

The purpose of the study was to establish the relationship between customer related factors and the choice of electronic banking in Kenya.

#### **1.4 Objectives of the study**

The study was guided by the following objectives:-

- i). To investigate the extent to which customer knowledge on the availability of the various types of electronic banking influences the choice of electronic banking in Kenya.
- ii). To establish the extent to which customer demographic factors influence the choice of electronic banking in Kenya.
- iii). To examine the extent to which customers' privacy and confidentiality influence the choice of electronic banking in Kenya.
- iv). To determine the extent to which customers' type of settlement influence the choice of electronic banking.

#### **1.5 Research questions**

The study was carried out with a quest to achieving the set objectives by seeking answers to the following questions;

- i). To what extend does customers' knowledge on the availability of the various types of electronic banking influence the choice of electronic banking in Kenya?
- ii). To what extend does the customers' demographic factors influence the choice of electronic banking in Kenya?
- iii). To what extend does customers' privacy and confidentiality influence the choice of electronic banking in Kenya?
- iv). To what extent does customers' type of settlement influence the choice of electronic banking?

#### **1.6 Hypotheses**

This study was guided by the following hypotheses:

- i). There is a relationship between customers' knowledge and the choice of electronic banking in Kenya.
- ii). There is a relationship between the customers' demographic factors and the choice of electronic banking.
- iii). There is a relationship between customers' privacy and confidentiality and the choice of electronic banking in Kenya.
- iv). There is a relationship between the customers' type of settlement and the choice of electronic banking in Kenya.

### **1.7 Significance of the Study.**

The findings of this study was envisaged that it would be found useful by the banking industry in Kenya in tailoring their electronic channels of banking to be in line with the customer preferences which will consequently make the banks sell their products easily. Primarily with the modern up rise in the technological advancement in the country and by and large the global sensitivity towards this phenomenon, it is apparent that most of the customers also tend to adopt the technological dynamics and this study will also inform the innovative ways of making the technological platform more user friendly. It was hoped that the results of this study would significantly contribute to the understanding of the customers' tastes and needs with regards to the type of electronic banking and facilitate the investment in an appropriate electronic channel by banks that can even help tap on the largely unbanked population, increasing their customer base.

Finally, the findings of this study was hoped it would be an impetus to the government to partner with the banking industry in developing reliable infrastructure in electronic banking that will also in part help the country into the mainstream economy especially in the ease of tax payment by the citizens and subsequent collection by the government.

### **1.8 Basic assumptions of the study**

The study was conducted on the assumption that all the banks in Kenya have got the use of electronic banking plat form as one of the channels through which they deliver their services to their clients. It was also assumed that the participants would give accurate and honest responses and lastly it was assumed that the sample size selected was adequate to depict a real scenario on the ground.

### **1.9 Limitation of the study.**

Even though the findings of these research was envisaged would reflect the true picture of the entire country with regard to the customer related factors influencing the choice of electronic banking, it was not possible to carry out data collection throughout the entire country as the scope was impractically too wide to cover during the research period.

The research project was also conducted within a limited budget which consequently limited the extent to which the project was carried out.

The study was also based on the responses of the participants some of which may not have been truly unbiased.

### **1.10 Delimitation of the study.**

The study was confined to ATM transacting customers of Standard chartered Bank Kericho branch within Kericho County in Ainamoi Sub County. During the data collection, the study was delimited to the use of questionnaires and that were administered to the persons who use the services of ATM machine located at the branch by telephone interviews. The study was also delimited to the customers who own current accounts and also have the ATM debit card .This was because in standard chartered bank, customers who have got current accounts are also provided with ATM cards unlike those customers who have got saving accounts.

### **1.11 Definition of Key terms.**

**Electronic**-carried out or accessed by means of a computer or other electronic device, especially over a network.

**Customer**-A party that receives or consumes products or services and has the ability to choose between different products and suppliers.

**Bank**-financial establishment that invests money deposited by customers, pays it out when required, makes loans at interest, and exchange currency.

**Banking**-business of accepting and safeguarding money owned by other individual and entities, lending it out in order to earn a profit.

**Electronic Banking**-the use of computers to carry out banking transaction such as withdrawals, transfers to other accounts and even depositing or even making payments at the points of sale.

**Debit card**-it is a plastic payment card that provides the card holder electronic access to their bank account(s) at a financial institution. Payment using a debit card is immediately transferred from the cardholder's designated bank account, instead of them paying the money back at a later date.

**Credit card**-credit facility that enables one to buy things immediately, up to a pre-arranged limit, and pay for them at a later date.

## **1.12 Organization of the study.**

This section simply outlines the outlays of the study from chapter one to the last chapter, five. Chapter one is a consideration of the introduction and background of the research study of the research proposal. This section deals with the brief various research work related to the study that have been done in the global perspective, regional and also locally. This section too, covers statement of the problem, purpose of the study, research objectives, research questions, significance of the study, basic assumptions, limitations of the study, delimitation of the study, definition of terms and finally the section also deals with definition of terms.

Chapter two covered literature review the section was subdivided into four sections which included; customers' knowledge and the choice of electronic banking, customers'' demographic characteristics (age, education, income and occupation) and the choice of electronic banking; customers' privacy and confidentiality and the choice of electronic banking and lastly customers 'settlement type and the choice of electronic banking. Chapter three described research methodology which included; research design, target population, sample size and sample selection, data collection methods, reliability and validity of research instruments, data collection procedures as well as data processing, analysis and presentation. Chapter four covered data presentation, data analysis, data interpretation and discussion. Lastly, chapter five contained summary of findings, conclusion and recommendations.

## CHAPTER TWO

### LITERATURE REVIEW

#### **2.1 Introduction.**

Chapter two covered literature review based on the following thematic areas, introduction, the extent to which customer knowledge on the availability of the various types of electronic banking influences the choice of electronic banking in Kenya, the extent to which customer demographic factors influence the choice of electronic banking in Kenya, the extent to which customers' privacy and confidentiality influence the choice of electronic banking in Kenya.

#### **2.2 Customers' knowledge of the availability of electronic banking.**

One of the most important contributing factors for adoption or acceptance of any innovative financial service or product is the creation of awareness among consumers for the service or product this was according to (Suganthi, Balachandher, and Balachandran, 2000). In this context, Rogers and Shoemaker (1971) asserted that consumers go through a process of knowledge, conviction, decision, and confirmation before they are ready to adopt and use a product or service. Awareness of services and its benefits. The amount of information a customer has about electronic banking and its benefits may have a critical effect on its adoption and use. Howard and Moore (1982) and Guiltinand Donnelly (1983) emphasize the importance of awareness for the adoption of any new innovation.

In Saudi Arabia,(Al-Smadi,2012)posits that, Banks should increase customers' awareness or knowledge of the usefulness of using electronic banking services through advertising and long term customer services. Moreover, banks should emphasize the full functionality of their systems to response efficiently to the different banking needs of users. In addition, banks should improve help and facilities in their services to enable customers to accomplish their operations effectively. He furthermore noted that, customers' feedback about electronic services should be elicited and analysed. Jiang, Hsu, Klein, and Lin (2000) consider that the more experienced an Internet user is, the more likely they are to adopt new Internet technologies.

Hoppe, Newman, and Mugeru (2001) reached the same conclusion and find that users who are more experienced at using the Internet are more likely to adopt the technology than those consumers who have not had much exposure to the internet. In addition, a simple lack of

experience and knowledge can hold back adoption; firms and individuals with higher usage intensity of information technology may have a higher probability to adopt e-banking than less experienced firms (Speece, 2000). Karjuoto et al. (2002) concluded that prior computer experience, prior technology experience, and prior personal banking experience positively affect consumers' attitude and behavior towards e-banking.

According to Al-Ghamdi (2009), in United Kingdom, the experience of consumers may affect trust when they purchase products or services online. In this context, consumer may not rapidly adopt Internet banking due to a lack of understanding and knowledge about the Internet (Corritore, Kracher and Wiedenbeck, 2003). Gerrard, Cummingham, (2003) find that customers who have never purchased products over the Internet are more likely to continue to use traditional ways of sourcing their banking services. Igarria and Iivari (1995) indicate that Experience is strongly and significantly correlated with self-efficacy. Also the individuals' prior experiences and their past interaction with systems can form their self-efficacy and their confidence to use an advanced technology (Agarwal et al, 2000).

Research shows that an Internet banking experience includes online consumer behaviour and online service adoption factors. Internet banking experience is an important factor that affects consumers' intentions to use Internet banking, and consumers' attitudes towards using the e-banking system (Lichtenstein and Williamson, 2006).

In Malaysia, Suganthi, Balachandher, and Balachandran, (2000) research indicates that there should be increasing promotional efforts on the part of banks to create a greater awareness of internet banking technology and its benefit to the customer. In this context, consumers go through a process of knowledge, conviction, decision, and confirmation before they are ready to adopt and use a product or service Rogers and Shoemaker (1971) in Malaysia. Prasad and Arumbaka (2009) show that most customers in India do not know how to become an Internet banking user, how to use the technology, and hence feel insecure about Internet facility primarily, due to a lack of marketing effort on the part of banks. Sathye (1999) also studied the adoption of Internet banking in Australia, and finds that security concerns and a lack of awareness stand out as the main reasons for the failure to adopt Internet banking by sample respondents.

In the Middle East, a lack of awareness reduces the adoption rate of e-banking services. Generally then, creating greater awareness by showing customers the availability and



existence of the various forms of e-banking, the benefits of using new systems may encourage customers to adopt e-banking transactions (Al-Sukkar and Hasan, 2004). Any new technology is usually picked up by the early adopters who have Internet access and knowledge about the facilities such as those provided by a bank on the Internet (Prasad and Arumbaka, 2009). However, some consumers do not know how to become an Internet banking user, and some consumers do not have the required PC skills and facilities needed to do Internet banking (Prasad and Arumbaka, 2009). Kim, Widows, and Yilmazer (2005) note that some consumers have more ability to use banking technology and computer software for managing money than other consumers.

In Uganda, a study conducted by Namugerwa (2013) showed that customers knew about the availability of the electronic banking services. He further noted that findings revealed that respondents knew a few of the EBS's like ATMs, PC banking, Western Union however, while they were asked apart from knowing them, how often they used them, they were very clear that most of them used ATMs and the reason for not using others was that they did not own computers and internet is another problem.

In Kenya, research to study the effects of e-banking on growth of customer base in Kenyan Banks, in trying to establish whether customers were aware of the existence of electronic banking, the study found out that 50% of the respondents agreed that they were aware of the system (I Okibo and Wario, 2014).

### **2.3 Customers demographic factors and the choice of electronic banking.**

Demography is the study of human population statistics, including size, age, sex, race, location, occupation, income, education and other characteristic (Wu, 2009). Each of these characteristics influences the nature of consumer needs and wants; ability to buy products; the perceived importance of various attributes or choice criteria used to evaluate alternative brands; and attitudes towards and preference for different products (Loudon and DellaBitta, 1993).

Marketers often segment markets on the basis of demographic information because it is widely available and often relates to consumers buying and consuming behaviour. Only with

a clear understanding of major consumer characteristics can the implications of environmental and individual determinants of consumer behaviour begin to be appreciated (Du Plessis and Rousseau, 1999).

Age, education level and income and are the most influential demographic variables affecting Internet usage. Typical electronic banking users tend to be well educated, relatively young and are high income earners. It has been widely recognized that demographic factors have a great impact on consumer attitudes and behaviour towards internet banking (Karjaluoto,2002). The consumer demographic factors relevant to this study are therefore age, education level, and income level. These are discussed in the following sections.

### **Customers' age and the choice of electronic banking.**

Age is one the demographic factors that was studied in this research. Research conducted in Britain Pollit,( 2001) shows that 74% of 15 to 19 year olds have a cellular telephone compared with only 52% of adults. Pollit recommends that marketers take time to understand and communicate with youngsters aged between 1 and 20, as they spend more than six hundred billion dollars a year in the USA. According to Stoneman (2001), the greatest concentration of computer owners who have banked online in the USA are in the 18 to 34 year age group and represent 30% of the market. By way of contrast only 15% of the population in 55 to 64 year age group owns a computer and only 9% of this group banks online.

In South Africa, according to Kane (2002), about 10% of the population falls into the 15 to 19 age group; 16% falls into 20 to 34 age group; 13.7% falls into 40 to 50 age group and 9.8% falls into 50 to 69 group. Karjaluoto, (2002), concluded that there is a correlation between age and the use of internet and by extension the use of electronic banking. The results imply that the typical user is between 35 and 49.

In Tanzania, Milanzi,(2013) conducted a research to examine on which age group uses more e- banking customers' age was found to have effect on customers attitude towards e- banking adoption. Findings revealed that 43% who perceived themselves as users of e-banking were teenagers, 30% were of the middle age, while 27% of old age considered themselves as e-banking users. According to Milanzi(2013),this result implied that older customers have a negative attitude towards technology innovation as a whole and e-banking in particular as compared to younger adults who are more interested in using this new technology.

In Kenya according to Munyoki(2011),older customers tend to have negative attitude towards technology and innovations. On the other hand, younger adults are seen to be more interested in using new technologies, like the internet to conduct activities such as looking for new products and product information to compare and evaluate their Options. Furthermore people's taste in clothes, furniture and recreation are also age related (Kotler, 2000).This research is inadequate in the sense that it does not determine how age influence the choice of electronic banking rather it simply gives information and insight on the attitude of customers on the general electronic banking with age. There is therefore a need to conduct this study to determine whether age has an impact on customers' choice of electronic banking in Kenya.

### **Customers' level of education and the choice of electronic banking.**

Education level is defined as a means by which access to a particular occupation is granted (Kolter and Amstrong, 2000). There is a strong relationship between income and education level. More educated consumers have more money available to spend, due to better education, and this affects their life-styles. According to Wilkie(1990),as people attain higher education, it affects which type of products they buy, what kind of stores to buy them in, and what prices they are willing to pay. Higher educated customers such as university graduates are more comfortable in using technology, like the internet or internet banking. According to Burke, (2002), education is often positively correlated with an individual's level of Internet literacy. This is because higher educated customers such as university graduates are more comfortable in using Technology, like the internet or internet banking Schiffman and Kanuk, (2000) noted that a person's level of education can impact strongly on their ability to generate income and their consumer spending potential. In short, better educated consumers tend to have better paying occupations than those who are not well educated.

Many studies found that the level of education has a very significant impact on the adoption of Internet banking - as the educational level increases, the likelihood of adopting online services also increases Laforet & Li,(2005); (Yuan et al., 2010). Low levels of education and literacy are viewed as a significant barrier to the diffusion of Internet banking services Aslam et al.(2011). According to Polatoglu and Ekin (2001), affluent and highly educated groups generally accept changes more readily, making them the most likely group of consumers to adopt e-banking. This conclusion was based on sample information gleaned from their survey of Internet banking customers, which revealed that 82% of those interviewed were university graduates, and 73% reported being in the medium or high-income group.

In South Africa, A research carried out showed that education levels have improved greatly. In 2001, 23% of the South African population had matric education, compared to 14% in 1994. In rural areas, 13% had completed a matric education (compared to 5% in 1994), and in urban areas this figure was 29% (compared to 20% in 1994). Basic literacy (the ability to read and understand) is also up from 87% to 92% (www.safrika.info.com).

In Tanzania Milanzi(2013) carried out a research in which he concluded that the main educational qualifications of the non-Internet banking users are people below diploma level while most of the respondents who were found to embrace electronic banking were those with bachelors Diploma standing at 29% respondents those with degree were 40% and 31% are with masters and above. Basing on this findings, Milanzi (2013) noted that it implied that education level influence the inclination towards electronic banking.

In Kenya, Mulama (2012)The educational levels between users' and non-users show that 83% of internet banking users have university education while only 35% of non-users have a university education. This finding shows that educational level has a major influence on the adoption of internet banking. Users of internet banking have much higher education levels than non-users. This research was conducted on the platform of one type of electronic medium, the internet. No information was given on whether a similar scenario would be exhibited by customers on the many other kinds of electronic banking such as the mobile banking, ATM, credit cards etc. and the information obtained in the earlier research may not be sufficient to be used for generalization. It is imperative hence to carry out this study of determine whether age does have an influence on the choice of electronic banking by customers in Kenya.

### **Customers' income level and the choice of electronic banking.**

The amount of money consumers spend on goods depends on their income. Income as it affects spending is measured in three ways: Kane (2002)i.e. personal income, disposable income, and discretionary income McCarthy and Perreault,(1993).This phenomenon has been found to be another significant demographic determinant of the adoption of Internet banking Aslam et al., (2011). According to Laforet & Li, (2005); Yuan et al.(2010) it was observed that the adoption of Internet banking is high among middle and upper income groups, as opposed to low income groups Similarly, the use of Internet banking is also found mainly among customers with larger deposits in their accounts (Yuan et al., 2010). Income is a

popular demographic variable for segmenting markets because income levels influence consumer wants and determine their buying power Lambet al.(2000).Income is a popular demographic variable for segmenting markets because income levels influence consumer wants and determines their buying power Lamb, et al., (2000).This income though, is only meaningful in relation to the amount of goods and services it can buy (its purchasing power). Inflation, recession, the international value of currency, and productivity all affect purchasing power. In Finland Karjaluoto (2002), a survey conducted showed that income has a major effect in the adoption of electronic banking.

South Africa, Households earning a monthly income from R2500 to R5999 are up from 16% to 20%, in 1994 and in 2001 respectively and households that now have a monthly income of over R 6000 are up from 10% to 18% in the same periods. Clearly these findings indicate the emergence of higher income earners who are likely to require access to the Internet ([wwwsafrica.info.com](http://wwwsafrica.info.com)).

In Ethiopia, Wu (2010) in his study on e-banking acceptance found that the cost of Internet access relative to per capita income is a critical factor. Compared to developed countries, he also found out that there are higher costs of entry into the e-commerce market in Ethiopia. These included high start-up investment costs, high costs of computers and telecommunications, and high costs for licensing requirements.

In Tanzania, research that was conducted by Milanzi (2013), found out that an increase in income by 1shs was associated with a decrease in adoption by 52% and vice versa. He also pointed out that this trend was only for the entrepreneurs and self-employed people. Milanzi (2013), observed that most of the business men who generate large profits were reluctant to adopting the e-banking and according to his research this was contrary to the people with high income associated with employment status.

In Kenya according to Mulama (2012), 34%of the internet users earned between kes70, 001 to kes105,000 brackets,38% were in the income bracket of kes35,001 to 70,000 while those earning Ksh. 10,000 to Ksh. 35,000 stood at 16%. The study further revealed that customer trust, customer awareness, consumer attitude and perceived risk effects hindered the adoption of electronic banking by customers to a great extent. Karungu (2014), in her research, to determine the factors hindering consumer adoption of internet banking in commercial banks in Kenya, she concluded that educational levels of the consumer influence customer decision adoption on e-banking. The earlier researches do not also bring out how the choice of an

electronic banking is influenced by education. This makes this kind of research necessary to be carried out to give out more insight on how the factor influences the choice of electronic banking by customers.

## **2.4 Privacy and confidentiality of the customers and the choice of electronic banking.**

Privacy is a legal concept and is the right to be let alone Warren, et al (1890). Privacy can also mean “the claim of individuals, groups, or institutions to determine for themselves when, how, and to what extent information about them is communicated to others”(Westin, 1967). There are four basic categories of privacy: information privacy, bodily privacy, communications privacy, and territorial privacy (Davies, 1996). Internet privacy is mostly information privacy. Information privacy means the ability of the individual to control information about one’s self.

Invasions of privacy occur when individuals cannot maintain a substantial degree of control over their personal information and its use.

Customers usually perceive risks in conducting online transactions, particularly if the transactions involve financial aspects. Many studies concluded that customers are afraid of security issues Howcroft et al., (2002); Sathye, (1999); (Hamlet&Strube, 2000). According to Agharwal (2009), it is generally considered that the risk perception could be higher for electronic banking services. According to Cockburn & Wilson, (1996); Pavlou, (2001), in the e-Banking context, the security issue is crucial once it involves directly the user’s activities. Cockburn & Wilson, 1996; Pavlou, (2001). Korgaonkar and Wolin (1999) consider that customer-perceived insecurity in online transactions has become one of the most important obstacles in development of electronic services.

According to Hoyer and MacInnis, (2000), Perceived risk increases a consumer’s motivation to process information they further observed that it reflects the extent to which consumers are uncertain about the consequences of buying, using or disposing of an offering and that it is important to recognize that risk is subjective. In this, they pointed out that, the risk that a customer perceives in making a purchase decision may not really exist. According to Loudon and Bitta (1993) there are several situations that influence the consumer’s perception of uncertainty or consequences and, thus, the perception of risk. These are: uncertainty

regarding buying goals; uncertainty regarding which alternatives (such as product, brand, or model) will best match or satisfy the purchase goals; perceived possible undesirable consequences if the purchase is made (or not made) and the result fails to satisfy buying goals. If the consumer senses any of these situations, then he or she is said to perceive risk in the situation.

In Turkey, a research conducted states that risk includes financial, physical, or social risks associated with trying an innovation. It is known that security risks are one of the major barriers to the adoption of electronic banking. With the introduction of internet banking services by a few large, well-known, and trusted banks in Turkey, customers perceive the security risk to have decreased considerably (Polatoglu and Ekin,2001).

One of the major influencing factors around the use of internet banking is that of security. According to Liu and Arnett (1999) the need for secure transactions is critical to the success of not only electronic banking but that of any e-commerce related to website. Consequently the lower the perception of risk in using internet banking the more likely an individual would be prepared to use it. Another survey conducted by Cranor and Laurie (1999) found that 81% of Internet users are concerned about threats to their privacy while online. Hartman, et al. (2000) point out that security is a major concern wherever online transactions take place.

In South African,Lain(2000)in his research noted that South Africans were just as concerned about security as US consumers were a year previously. He noted that security is a major concern for South Africans when conducting online transactions, where people were nervous about releasing credit card and other banking details to companies on the web. According to Martins, et al.,(2001), a survey in South Africa showed that 66.3% of the respondents were not willing to give their credit card information in a secure transaction on the Internet while purchasing products or services. Even if the bank guarantees the safety of the transaction 57.8% of the respondents were still not prepared to give their credit card information over the Internet. Generally based on the earlier research work, security has been widely recognized as one of the main obstacles to the adoption of internet banking. Many studies suggest that banks must first convince their customers that internet banking and transactions are secure before customers will show a willingness to use internet banking. Consequently the adoption of internet banking is likely to increase when the risk of using internet banking is low.

In Uganda, a study carried out by revealed that Consumer attitudes are negatively correlated to the level of perceived risk that is the consumer's perception of the uncertainty and

potential adverse consequences of buying the internet banking service .The results further showed that the Components of Consumer Attitudes i.e. Complexity, Value towards Banking needs, Compatibility and Trial ability were all negatively related to perceived risk. These according to Mwesigwa (2010), implied that if the consumers have positive attitudes towards internet banking, they are bound to trust the internet banking transactions when the perceived risk is low. Polatoğlu and Ekin, (2001) also noted that security risk is the main obstacle in using internet banking.

In Kenya study conducted by Karungu (2014), to determine the factors hindering consumer adoption of internet banking in commercial banks in Kenya, the study revealed that heightened risk perceptions of customers affect the level of internet banking adoption. More experienced online customers have more information about online banking, and therefore they perceive the risk to be less and thus have more trust in online transactions, perceived risk can also cause customers to reject new technology-based service delivery, perceived risk is related to reliability and system failure. According to him, majority of the respondents agreed that Perceived risk adoption arises because economic transactions involve risk. Karungu (2014) went on to note that perceived risk is related to reliability and system failure. Generally literature reveals that the earlier researches done have mostly bordered on perceived risk to the use of internet. Not much information has been given on customers' privacy confidentiality influence on the choice of a given a choice of a particular electronic banking. It is necessary to carry out this research to explore how this factor influences the choice of electronic banking in Kenya.

### **Customer's type of settlement and the choice of electronic banking.**

In India, a study conducted on empirical rural customers satisfaction on E-banking, 60% of surveyed population comprises of non-graduates and approximately 72% feel uncomfortable in transacting with e-banking because of language problem. The study also found that some of the villages of study do not have adequate facility for e-banking (like availability of ATM, smooth networking and electricity supply for internet banking) concrete steps should be taken to overcome these problems and that these rural people do not use this platform journal of Internet Banking and Commerce, (2012).



In Tanzania, Urban and rural households are defined according to their residence in urban or rural enumeration areas as prescribed by the National Bureau of Statistics in Tanzania. Based on the rate of access to mobile communication services among Tanzanian households, Tanzania appears to have the potential to expand its m-money market. 63% of households own or have access to a mobile phone and 56% of households have at least one active SIM card. Even among underprivileged households—rural, unbanked and poor (living on less than \$2 a day) around one-half have access to a mobile phone and own a SIM card (Mirzoyants. A 2013). In a research conducted, among respondents who use m-money less frequently than when they first signed up for the services, the majority belongs to urban and banked households and households living on more than \$2 a day. It is possible that these households have access to financial service alternatives and do not depend on m-money as much as the members of rural, unbanked and poor households do. Vodacom M-Pesa and Airtel Money registered users stored money mainly to save for a specific future purchase; Tigo Pesa registered users were setting money aside mostly for emergencies. This may reflect the demographics of each provider's customer base: many of the Airtel Money and Vodacom M-Pesa registered users come from poor rural households and have to save to be able to afford a number of commodities (Mirzoyants. A 2013)

In Kenya, Branchless banking, the use of alternative delivery channels such as mobile phone banking and agent banking, is becoming increasingly popular among commercial banks in Kenya and in other developing countries. It is believed to reach the low-income and rural individuals as well as making these individuals better off (Consultative Group to Assist the Poor, 2009). According to Wambari A.P(2009), a study on mobile banking in Kenya revealed that all the urban based businesses generally have access to and employ both traditional banking, methods of using ATMs and banking through the banking hall, and m-banking. On the other hand, only 45% of the rural businesses have access to traditional banking services. All of the rural businesses have access to and mainly make use of m-banking mainly through Safaricom M-Pesa services.

While users are employing the mobile banking systems to make payments for things such as airtime and pre-paid electricity, and many are using them for sending remittances back to friends and relatives in their rural villages, there is little evidence to date of an increase in the number of users registering for more formal banking services via mobile phone, such as savings and credit services (Ivatury, Pickens 2006; Morawczynski 2008).

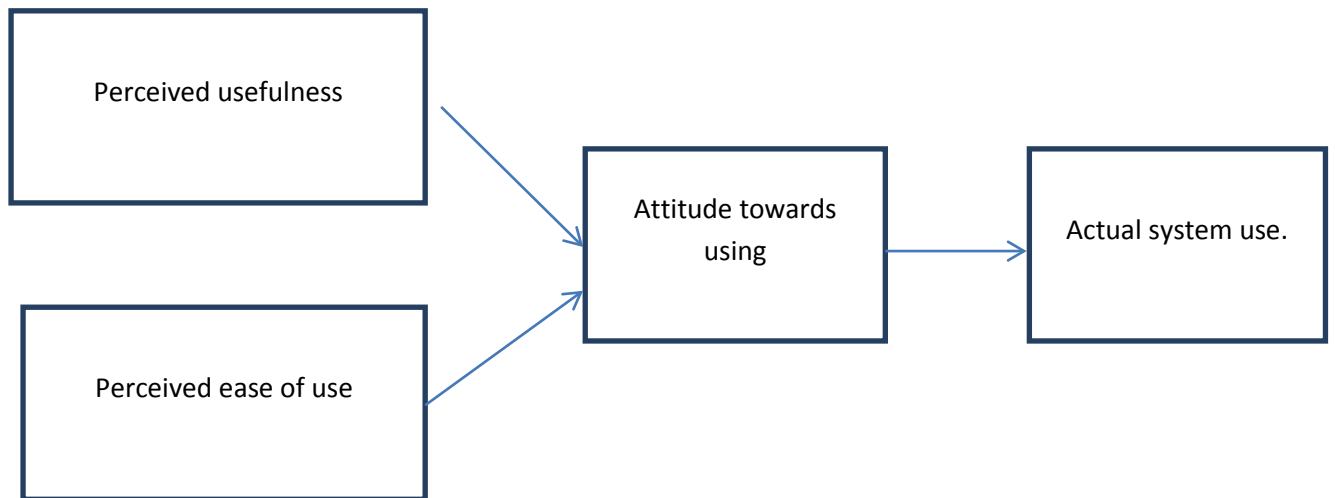
## **2.5 The theoretical Framework.**

Theoretical framework is a reasoned set of propositions which are derived from and supported by data or evidence and it accounts for phenomena this is according to According to (Kombo&Kisilu2006). In his view, Trochin (2006) noted that a theoretical framework guides researcher, determining what variables to measure and what statistical relationships to look for. In the perspective of this, the study will be based on Technology acceptance model (TAM) and theory of planned behavior (TPB) to provide theoretical foundation for the study.

Technology acceptance model (TAM) was advanced by (Davies in 1986).The model is originally designed to predict user's acceptance of Information Technology and usage in an organizational context. According to Davis (1989), TAM model which deals with perceptions as opposed to real usage, suggests that when users are presented with a new technology, two important factors influence their decision about how and when they will use it. In addition, this model helps researchers and practitioners to identify why a particular system is unacceptable (Davis, 1989). These key factors are: Perceived usefulness (PU) which as defined by Davis is (1989), the degree to which a person believes that using a particular system would enhance his or her job performance. The other is Perceived ease-of-use (PEoU) and he defined it as the degree to which a person believes that using a particular system would be free from effort.

TAM established external variables as key factors in studying technology adoption as is shown in fig.2.1below.

## User Motivation



**Figure 2.1: Technology Acceptance Model (Davis, 1989).Source: International Journal of Computing and ICT Research, Vol. 6, Issue 1, June 2012.**

The Theory of planned behavior (TPB) will also be used to guide this study. This theory was advanced by Ajzen (1985) and Mathieson, (1991) this is an extension of the theory of reasoned action (TRA) developed by (Ajzen and Fishbein1980).The theory of planned behaviour (TPB) suggested that human behaviour is determined by intention to perform the behaviour, which is affected jointly by attitude toward behaviour, subjective norm and perceived behavioural control (Ajzen, 1991, 2002). According to this theory, Attitude (ATT) is the general feeling of people about the desirability or undesirability of a specific behaviour. Subjective norm (SN) expresses the perceived organizational or social pressure of a person who intends to perform a particular behaviour. Perceived behavioural control (PBC) reflects a person's perception of the ease or difficulty of implementing a particular behaviour. According to Ajzen (2002), the ability of TPB in providing a useful theoretical framework for understanding and predicting the acceptance of new information systems is demonstrated. ). According to the theories the most important determinant of human behaviour is behavioural intention. The individual's intention to perform certain behaviour is a combination of the person's attitude towards performing that behaviour and the subjective norm.

The extension included in TPB adds perceived behavioural control to the predictors of intention. This is because it is recognized that not all behaviours are in the volitional control of the individual.

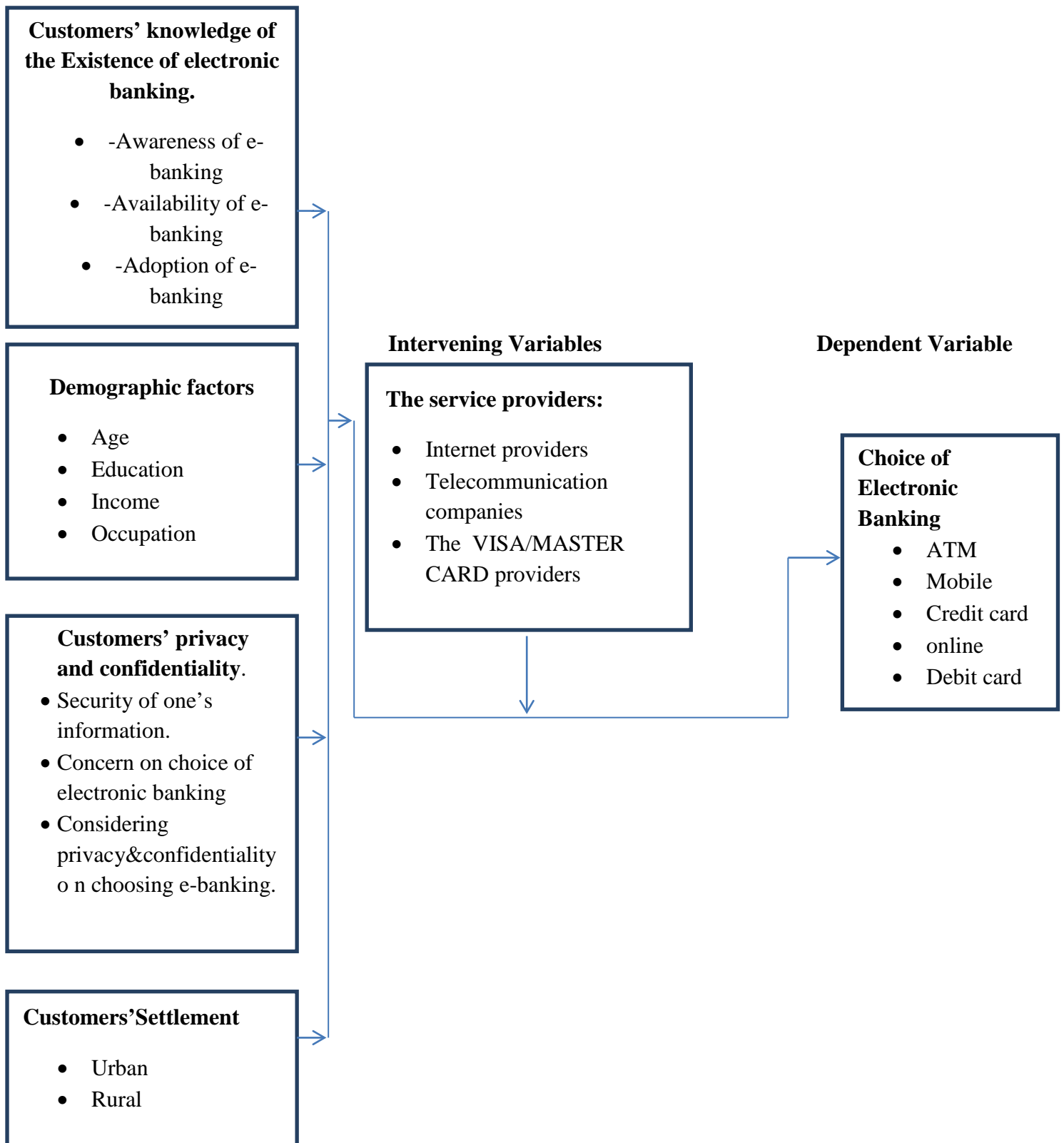
This theory, used in this study, supports the idea that the choice of electronic banking by customers is determined or is driven by the customers' intention to perform the behaviour which in this case is of choosing a type of electronic banking. According to this theory, how a person performs a certain behaviour is guided by subjective norms and that in this study the researcher feels that there is more to the customers subjective intentions and norms that dictates how this human person is going to behave towards the electronic banking choice in spite of the external factors such as the infrastructure development.

In adopting this theory, the researcher was however, alive to the fact that the theory also has got some shortcomings. Adoption of this theory does not bring out in the actual sense the customer behaviour in an environment treated with other factors such as education or even the element of cost.

## **2.6 Conceptual framework**

Mugenda and Mugenda (2003) puts it that conceptual frame work is an hypothesized model identifying the concepts under study and their relationship. It presents in diagrammatic form the way the researcher has conceptualized the relationship between the independent and dependent variables. This part of the research section was aimed at bringing out the research variables derived from literature to assess whether there were any significant relationships between the independent variables and the dependent variable. The part focused on the influencing variables identified in the study, which would be associated with the choice of electronic banking by customers in Kenya. In the study, the independent variables were; Customer knowledge of the existence of electronic banking, customers' demographic factors and customers 'privacy and confidentiality. Below is the perceived conceptual frame work that will guide the study.

## Independent Variables



**Figure 2.2: Perceived conceptual framework showing relationships between the variables in the study. (Researcher 2015)**

## **CHAPTER THREE.**

### **RESEARCH METHODOLOGY.**

#### **3.1 Introduction**

This chapter represents Research methodology. The methodology includes Research Design; Study Area; Sample and Sample Size; Sampling Procedures; Data Collection Methods; Validity and Reliability; and Data Analysis techniques.

#### **3.2 Research Design.**

Kamuzora et al (2008), defined research design as a detailed blue print to guide a research study towards its objectives. It is a detailed plan of work to be done to achieve the research objectives. Kombo and Tromp (2003) define research design as an arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance research purpose.

Kothari (2004) explained that, research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure; it constitutes a blue print for the collection, measurement and analysis of data. The research adopted correlational study design study the relationship between customer related factors and the choice of electronic banking in Kenya. A correlational research design is useful to researchers who are interested in determining to what degree two variables are related, however, correlational research “does not “prove” a relationship; rather, it indicates an association between two or more variables” (Creswell, 2008).

#### **3.3 Target population.**

According to Kothira (2004) target population is the total of items about which information is desired. Kombo and Tromp, (2003) observed that a population is a group of individuals, objects or items from which samples are taken for measurement. It refers to an entire group of persons or elements that have at least one aspect in common (Kombo and Tromp, 2003).

In this research, the researcher used a finite number of customers of standard chartered bank Kericho who are ATM users. In 2014, standard chartered bank kericho branch had 1,797 customers who are using ATM services researcher (2015).This was the researcher’s target

population. The population was composed of men and women who have got bank accounts and at least use the ATM machine as an electronic channel while transacting in their accounts.

### 3.4 Sample selection and sample size.

Sampling involves technique used in selecting items for sample (Kothari, 2004). According to Kothira (2004) sampling frame consists of a list of items from which the sample is to be drawn. This section presented the method used to determine the study size from which data was collected. Sampling frame consisted of 1797 customers ‘of standard chartered bank Kericho all of whom use one of the electronic devices, the ATM.

### 3.5 Sample size.

Sample size is a subset of the total population that is used to give the general views of the target population, Kothira (2004). The sample size for this study was determine using the Krejcie & Morgan (1970) formula as shown below.

$$S = \frac{X^2 NP(1-P)}{d^2(N-1) + X^2 P(1-P)}$$

S=required sample size.

X<sup>2</sup>=the table value of chi-square for 1 degree of freedom at the confidence level (3.841)

N=the population size

P=the population proportion (assumed to be 0.50 since this would provide the maximum sample size).

d=the degree of accuracy expressed as a proportion (0.05)

N=1797

p=.50

d=.05

X<sup>2</sup>=3.841

$$S = \frac{3.841(1797 \times 0.50)(1-0.50)}{0.05^2(1797-1) + 3.841 \times 0.50(1-0.50)}$$

$$= \frac{1725.63}{5.453} = 316 \text{ customers.}$$

In this study hence, a total of 316 customers were sampled.

### 3.6 Sampling procedure.

Kothira (2004) defined sampling procedure to be the technique to be used in selecting the items for the sample. In this study purposive sampling technique was used to select the sample. Purposive sampling is a type of non-probability sampling, which is characterized by the use of judgment and a deliberate effort to obtain representative samples by including typical areas or groups in the sample(Kerlinger1986).The researcher purposely used the individual customers of standard chartered bank Kericho branch and specifically those who used the ATM service to do their banking transactions such as withdrawing cash, depositing cash, checking their balances, viewing their statements etc. This was done by monitoring the customers, data which was sourced from the daily customer ATM transactions with the branch's ATM machine. Each respondent was given equal chances of being selected in the sample.

### 3.6 Table of sample size selection.

Branch selected	Target population	The sample size
Standard chartered bank Kericho branch	1797	316
<b>Total</b>	<b>1797</b>	<b>316</b>

Source: Researcher (2015)

### 3.7 Data collection instruments.

Data was collected by the use of questionnaires through telephone interviews during the study. For ease of analysis, semi structured questionnaires were used to collect data relating to the customer's knowledge of the existence of the electronic banking. Structured questionnaires used to collect data on the demographic factors of the customers sampled. Semi structured questions were also used to collect data on customers' privacy and confidentiality and on customers' settlement as well. All the 316 participants were provided with the opportunity to participate by the use of printed questionnaires administered by telephone interview.



According to Adam and Kamuzora (2007), questionnaire is a series of questions, each one providing a number of alternative answers from which respondents can choose. Kothari,(1990) observed that advantages of questionnaires is that they are not expensive, they are free from bias of the interviewer, respondents have adequate time to give well thought answers and large samples can be used and thus results can be made high dependable and reliable.

The questionnaire consisted of two parts. The first part was made up of questions which sought to obtain the participant's demographic information such as age, education level of the respondent's occupation and also income levels of the respondents.

The second part of the questionnaire consisted of structured and semi structured questions that sought to answer the objective questions set in the study. For close-ended questions or the structured questionnaires, respondents were offered a set of answers and asked to pick one that closely represented their views by ticking within the box provided against the answer they choose. Interviews in this study were used to collect data that may not have been easily possible to capture through the structured questionnaires and this was also used to supplement the questionnaires to improve on the reliability of the research. The questionnaires were self-administered by the use of telephone interviews owing to the difficulty of getting the customers physically in some cases.

### **3.8 Pilot testing the research instruments**

Pilot test is critical in helping to refine questionnaires so that the respondents will have no problems in answering the questions and in recording data,(Saunders et al2009).

Piloting was conducted by carrying out prior interviews to selected customers in the target population. The survey was administered in the same way and under similar conditions as was done for the actual data collection and that the start and end time was recorded so that it was possible to tell how long it took to complete each survey. According to Mugenda and Mugenda (2003), a pre-test sample of a 1/10th of the total sample with homogenous characteristics is appropriate for the pilot study. In this study, Pilot testing was conducted on 32 bank customers' who are ATM users and this represented 1/10of the sample size. During the survey, attention was paid to instances when respondents hesitated to answer or ask for clarification, as this might have been an indication that questions or answers were too vague,

difficult to understand or had more than one meaning. On such cases, a note was taken on and correction were made and final questionnaire explicit the final questionnaire.

### **3.9 Validity of instruments.**

According to Mugenda (1998), validity is the degree to which results obtained from analysis from the data actually represent the phenomenon under study. It deals with how accurately the instrument represents the variable of the study. In this study, this was done by trying out the questionnaires and interview questions in a small sample of the target sample to check on whether the questions measured what the researcher intended to measure, the appropriateness and correctness of the wording used, as well as, an assessment of any negative biasness that could have been material in the outcome and also finding out if there was any ambiguity in the question that would have compromised the respondents understanding as desired by the researcher. This validity of content was determined by consulting the University's research supervisor for review and their appropriate recommendation.

### **3.10 Reliability of the instrument**

According to Kothira (2004), a measuring instrument is reliable if it provides consistent results. That means if the same or different researcher repeats the study it should produce more or less the same results. In order to reduce bias and in a view of reliability, the researcher will use multiple methods in this study namely interviews, questionnaires, observation and documentary review. To achieve reliability in this study, a split –halve method test will be used where the total number of the sample will be divided into halves and a single test administration will be conducted in the groups and the results correlated out of which correlation coefficient was determined using Statistical Package for Social Sciences (SPSS) and the researcher obtained a correlation coefficient of 0.8. This was an assurance enough that the instrument was reliable. According to Kothira (2003) a correlation reliability of above 0.75 is considered reliable and this was the guiding principal.

### **3.11 Data Collection Procedures.**

The data collection by the researcher was made possible after coming up with complete project proposal thorough the guidance of the University's supervisor and subsequent successful defence of the proposal before the University's examination panel. The researcher thorough the guidance of the University supervisor obtained a research permit from the National Science and Technology to conduct the research in Standard Chartered Bank, Kericho branch and subsequently from Standard chartered bank. Interviews were then administered through telephone interviews using an interview guide which contained detailed questions to be used. Structured and semi structured Questionnaires was then used to collect the required data in the field.

### **3.12 Data analysis Techniques.**

According to, data analysis refers to examining what has been collected in survey or experiment and making deductions as well as inferences. It involves uncovering underlying structures, extracting important variables, detecting anomalies and testing any underlying assumptions (Kombo & Tromp 2003).

Multiple regression analysis was used to test the relationship between customer related factors and the choice of electronic banking in Kenya .The quantitative data obtained was edited, organized, arranged and analysed by use of correlational study design. Creswell (2008) observed that in correlation analysis, if a relationship is linear, a correlation coefficient is useful as it describes and measures the degree and strength of a relationship between two variables. Correlational coefficients can range from -1.00 to +1.00 with positive numbers used to identify a positive relationship and negative numbers being used to identify a negative relationship. No linear association is indicated with a correlation coefficient of 0.00. Thus, the closer a correlation coefficient is to 0.00, the weaker is the relationship between variables (Creswell, 2008). Analysis of the quantitative data, was done by descriptive statistics using Statistical Package for Social Sciences (SPSS V 18.0).

### **3.13 Ethical consideration**

Mugenda & Mugenda (2008), suggests that protecting the rights and welfare of participants should be the major ethical obligation of all parties involved in the study. In this study too, ethical standards of the research were upheld to the later. Before the data collection exercise was commenced, the researcher explained to the respondents their rights as the participants and also the benefit of the research to them and how the information obtained was to be treated. The information non-disclosure clause of ethics also guided this study. This ensured that the information as given by the participant would not be divulged to other persons outside the research nor would be used for reasons other than those for this research. The respondents were also not required to give their names nor their identity as they participated in the research and this ensured that their confidence was also not interfered with.

The researcher obtained verbal consent of the participants prior to the participation and also took time to inform the participants in the study of vital information that they needed to know such as, the purpose of the study, the research expectations of them as study participants and the length of the research work. In addition the researcher also explained to the participants clearly that their participation in the research process was on voluntary basis and that one on their own will, could choose not to take part in the research process. While obtaining informed consent, the researcher clearly stated the limits to confidentiality and the procedures that was followed in the event that a person's data indicated that he or she is at very high risk of seriously harming himself/herself or others.

## **CHAPTER FOUR**

### **DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION**

#### **4.1 Introduction**

The chapter presents the findings of the study, analysis presentation, interpretation and discussions on the data collected from the respondents based on the research objectives under the sub thematic themes areas response return rate ,distribution of the respondents by gender, distribution of the respondents by age, respondents distribution by level of education and also their level of income. The respondents were also stratified based on their knowledge of electronic banking and also on the basis of their privacy and confidentiality and finally the respondents were also distributed on the basis of their residential types as to whether urban settlement or rural settlements.

#### **4.2 Questionnaires return rate.**

To determine the return rate of the questionnaires, a total of 316 questionnaires were administered 304 of which were successfully return. This translates to 96% return rate. According to Frankel and Wellen (2004) a response rate of above 95% of the respondents can adequately represent the study sample and could give a very good and adequate information for the study analysis, conclusion and recommendation. The response rate achieved was good enough and this was possible because of the clear and systematic organization of the study. The 12 unsuccessful respondents were because some of them could not be reached on phones and others could not answer their calls. There were also a few of them who were not cooperative in participating in the study.

#### **4.3 Demographic Characteristics of the Respondents.**

The demographic characteristics helps the study to determine the quality of the responses from the respondents to facilitate the study achieve its objectives One of the objectives of this study is to study how demographic factors influence the choice of electronic banking. The demographic characteristics that were considered in this section include: gender, age and the

level of education of the participants and the results were as presented in the following sub-sections.

#### 4.4 Distribution of respondents by gender

Gender refers to socially constructed roles, behaviour, activities and attributes that a Particular society considers appropriate for men and women. Obtaining this information was very necessary for the research so as to determine how this characteristic influenced the choice of electronic banking platform by standard chartered customers. To determine the gender of the respondents each respondent was asked to state their gender and the results were as given in table 4.1.

**Table4.1 Distribution of Respondents by Gender**

<b>Frequency</b>	<b>percentage</b>	
Male	164	53.9%
Female	140	46.1%
<b>Total</b>	<b>304</b>	<b>100%</b>

Out of the total 304 respondents that gave their responses during the study, 164(53.9%) were male and 140(53.9%) were females. The findings indicate that electronic banking use amongst the customers of standard chartered bank kericho is inclined towards male customers and that there is no gender parity in the adoption and usage of the same.

#### 4.5 Distribution of respondents by age.

During the study, the researcher sought to establish the ages of the respondents. This was necessary because; the researcher was interested in determining whether age of respondents had any influence on the choice of electronic banking. To capture this, the respondents were asked to indicate the age bracket in which their age fell. The results of this were as given in table4.2.

**Table 4.2 Distribution of respondents by age**

<b>Age Bracket</b>	<b>Frequency</b>	<b>Percentage</b>
18-25	44	14.4%
26-30	64	21.1%
31-35	54	17.8%
36-40	45	14.8%
41-45	38	12.5%
46-50	37	12.2%
Above 50	22	7.2%
<b>Total</b>	<b>304</b>	<b>100</b>

Out of the 304 respondents that provide their responses, 64 (21.1%) fell in the age bracket of 26-30 and this represented the highest percentage proportion indicating that the majority of the customers within this age bracket of 26-30 indicates that they are young men and women who probably are active users of electronic banking. This was followed by those in the age bracket of 30-35 (17.8%) all of whom are the youthful group who are generally techno savvy. The lowest category were those falling in the age bracket of above 50 which represented a percentage proportion of 7.2%. This group was the elderly. Based on the results majority of the electronic banking customers fall on the age bracket of 26-30 years.

#### **4.6 Distribution of Respondents by Highest Educational Level**

The researcher was interested to establish customers' level of education. This was because the level of education was one factors that was studied to determine whether it had an influence on the choice of electronic banking. Having knowledge on this would be used to determine how the respondents choose electronic banking relative to their level of education and consequently was used to establish the relationship between the two variables. So as to capture this crucial information, the respondents were asked to indicate their highest level of education and the results were as given in table 4.3

**Table 4.3 Distribution of Respondents by Highest Educational Level**

<b>Level of education</b>	<b>Number</b>	<b>Percentage</b>
No formal education	12	3.9%
Primary	27	8.9%
Secondary level	67	22%
Tertiary level	96	31.6%
University level	102	33.6%
<b>Total</b>	<b>304</b>	<b>100%</b>

As stated in table 4.3, the smallest proportion of the respondents 12 (3.9%) indicated that they had no formal education. 27 (8.9%) respondents indicated that their highest education level was primary, 67 (22%) respondents indicated that they had secondary education as their highest level of education, 96 (31.6%) of the respondents indicated that they had tertiary level education as their highest qualification at the time of the study and 102 (33.6%) indicated that they had university level education. From the findings, majority 102 (33.6%) of the customers who use electronic banking platforms at standard chartered bank have got university education. Based on the results of the findings, majority of the customers had university education. The minority 12 (3.9%) had got no formal education. Based on the results of the findings, the researcher concluded that most of the customers of the bank have got some form of education with a majority having university education.

#### **4.7 Distribution of respondents on income levels**

The researcher sought to know the monthly income of the respondents. This was necessary so as to establish whether this demographic factor has got any influence on the customers' choice of electronic banking. The information was obtained by asking the respondents to indicate their income levels by ticking against the income level brackets that were provided. The results were as given in table 4.4



**Table 4.4 Distribution of Respondents on Gross Monthly income.**

<b>Income bracket (Ksh)</b>	<b>Frequency</b>	<b>Percentage of customers</b>
Up to Ksh30,000	31	10.2%
31,000-40,000	27	8.9%
41,000-50,000	29	9.5%
51,000-60,000	28	9.2%
61,000-70,000	39	12.9%
71,000-80,000	39	12.9%
81,000-90,000	35	11.5%
91,000-100,000	32	10.5%
Above 100,000	44	14.5%
<b>Total</b>	<b>304</b>	<b>100%</b>

From the results in table 31(10.2%) of the respondents indicated that their monthly gross income fell in the income range of up to Ksh 30,000, with those falling in the highest income range of above 100,000 being 44(14.5%). The results further revealed that most of the respondents 78(41.9%) had an income range of 61,000-80,000. This was followed by those who had gross income range of 81,000-90,000 standing at 35(11.5%). This indicated that minority of the customers in the bank fell in the income bracket of up to Ksh30,000 this stratum had a lower proportion even as compared with the highest income range of above Ksh100,000 which was 44(14.5%).

#### **4.8 Distribution of the respondents by their occupation**

The study sought to establish the distribution of respondents by their occupation. The researcher intended to establish whether customers' occupation had any influence on customers' choice of electronic banking. In view of this, respondents were asked to state their occupation. The results of their responses were as illustrated in 4.5.

**Table 4.5 Distribution of Respondents by their Occupation.**

<b>Occupation</b>	<b>Number</b>	<b>Percentage</b>
Student	37	12.1%
Self employed	106	35.00%
Employed	124	40.8%
Unemployed	37	12.1%
Other	0	0.0%
Total	304	100%

From the findings of the study, out of the 04 respondents who participated in the study, 124(40.8%) fell in the employed category which was the highest proportion of all the categories. The unemployed was represented by 37(12.1%) with the students category registering a similar proportion 37(12.1%). The self-employed category was second highest with 106 respondents representing 35%. From this results the researcher deduced that majority of the bank customers who use the electronic banking in the bank are largely the employed, with the students and the unemployed being the least in category that banks electronically in the bank.

#### **4.9 Respondents' choice of electronic banking.**

The researcher sought to determine how the respondents chose the various types of electronic banking platforms. The researcher found it necessary to establish this so that, as the dependent variable of the study, the results of this choice of electronic banking would be used to relate with the other independent variables of the study to determine how they influence choice of electronic banking. To capture this important information, the respondents were asked to state the type of electronic banking platform that they preferred using. The results were as given in table 4.6

**Table 4.6 Respondents' Choice of Electronic Banking Platform**

Type of electronic banking plat form	Frequency.	percentage
Credit card	25	8.22%
Mobile banking	66	21.71%
Online banking.	22	7.24%
Debit card.	17	5.59%
Electronic funds transfer.	26	8.55%
Automated teller machine.	117	38.49%
All of the above	19	6.25%
None of the above.	12	3.95%
<b>Totals</b>	<b>304</b>	<b>100%</b>

The study revealed that majority 117(38.4%)of the respondents indicated that they preferred using the ATM, while 25(8.22%) indicated to prefer credit card and 66(21.71%)respondents preferred using the mobile phone which was the second highest group of respondents. Those who indicated online banking stood at 22(7.24%) while debit card only attracted 17 (5.59%) respondents 19 (6.25%) of the respondents indicated that they use all of the listed electronic banking while a minority of 12(3.95%) respondents indicated to be using none of the listed electronic banking. From the findings, the researcher deduced that most of the banks customers who are users of the electronic banking platform prefer using the ATM as their electronic banking platform of choice and that a minority 22(7.24%) would prefer online banking.

#### **4.10Relationship between the respondents of age and choice of electronic banking**

In order to determine whether there was a relationship between the respondents' age distribution and the choice of electronic banking, the research carried out further analysis through cross tabulation of the two variables. The results were as given in the table 4.7.

**Table 4.7 Cross tabulation of age of customers and choice of electronic banking platforms**

<b>Electronic banking platforms forms</b>	<b>Customers' age range</b>						
	<b>18-25</b>	<b>26-30</b>	<b>31-35</b>	<b>36-40</b>	<b>41-45</b>	<b>46-50</b>	<b>Above 50</b>
Credit card	2	4	4	6	3	2	3
Mobile banking	15	18	11	8	6	5	4
Online banking	1	5	5	4	3	3	1
Debit card	1	3	4	3	2	3	1
Electronic funds transfer	0	4	6	3	6	5	2
Automated Teller Machine (ATM)	22	23	19	16	14	15	7
All of the above	3	6	5	4	3	2	1
None of the above	0	1	0	1	1	2	3
<b>Total</b>	<b>44</b>	<b>64</b>	<b>54</b>	<b>45</b>	<b>38</b>	<b>37</b>	<b>22</b>

From the results of the findings, out of the 64 respondents who indicated that their age bracket fell within 26-30 years, 6 of them indicated that they use all of the electronic banking platforms listed and this was the proportion of respondents compared to all the other age brackets. This was followed by the respondents who fell in the age bracket of 31-35 years, with 5 of them indicating that they use all the listed electronic banking platforms. On the other hand, those who fell in the age bracket of above 50 years were the least proportion with only 1 indicating that they use all the listed electronic banking platforms. This age category registered the highest no of respondents who indicated that they use none of the listed electronic banking platforms, this becoming the highest percentage proportion in that category. Generally this age group registered the least proportion in all the electronic banking platforms with those falling within the age brackets of 26-30 and 31-35 registering relatively higher proportions compared to the rest of the electronic banking platforms. This was basically the youthful class of the respondents. From these findings, the researcher concluded that electronic banking is more adopted and used by the middle aged customers as opposed to all other age ranges. The researcher further concludes that those falling in the age of above 50

years generally do not easily embrace the use of electronic banking .Based on the results of the study, the researcher further concluded that age has got a relationship with the customers' choice of electronic banking. The results of the findings were also shared by Milanzi (2013) study which revealed that older customers have a negative attitude towards technology innovation as a whole and e-banking in particular as compared to younger adults who are more interested in using this new technology.

#### **4.11 Relationship between the respondents 'education level and the choice of electronic banking.**

To establish the relationship between the customers level of education and the choice of electronic banking, the researcher carried out further analysis by coming up with cross tabulation of the respondents' level of education and the choice of electronic banking. The results of this were as indicated in figure 4.8.

**Table 4.8 Cross tabulation of the education level and the choice of electronic banking by the respondents and the results.**

**Level of Education**

Electronic banking platform.	No formal		Primary		Secondary.		Tertiary		University	Percentage
	No formal	Percentage	Primary	Percentage	Secondary.	Percentage	Tertiary	Percentage	University	Percentage
Credit card	0	0.0%	0	0.0%	3	1%	8	2.6%	14	4.6%
Mobile banking	1	0.3%	7	2.3%	14	4.6%	24	8.0%	20	6.6%
Online banking	0	0.0%	0	0.0%	2	0.6	7	2.3%	13	4.3%
Debit card	0	0.0%	1	0.3%	3	1%	5	1.6%	8	2.6%
(EFT)	0	0.0%	0	0.0%	4	1.3%	9	3.0%	13	4.3%
ATM	4	1.3%	14	4.6%	40	13.2%	36	11.8%	23	7.6%
All of the above	0	0.0%	0	0.0%	1	0.3%	7	2.30%	11	3.6%
None of the above.	7	2.3%	5	1.6%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>12</b>	<b>3.9%</b>	<b>27</b>	<b>8.9%</b>	<b>67</b>	<b>22.0%</b>	<b>96</b>	<b>31.6%</b>	<b>102</b>	<b>33.6%</b>

Choice of electronic banking

From table 4.8, out of the 12(3.9%) of the respondents indicated that they had no formal education,4 of them indicated that they preferred using the ATM machine with proportion of 7 indicating that they didn't use any of the electronic banking platform at all. Respondents represented the highest percentage compared to any other group of respondents This category of respondents said that they usually enlist the help of their relatives to carry out the transactions in a given electronic banking for instance the ATM otherwise they could not use them by their own since they did not know how to use and that they didn't not like the challenge the platforms posed to them. Of the 102 respondents who indicated that their level of education was university, 13 of them indicated that they prefer using online banking platform. This number of respondents is the highest compared to the other levels of education

on the same electronic banking platform. This category of university education also exhibited the highest proportion on those who indicated that they use credit cards (14). This category also showed the highest number of respondents indicating that they use all of the listed electronic banking platforms. On the other hand, 5 of those who had primary education indicated that they did not use any of the platforms. None of the respondents who indicated to have secondary, tertiary and university exhibited that they use none of the electronic banking platform.

The study revealed that those who had better education chose a wide range of electronic banking platform as opposed to the respondents who either had none or very little education. Basically for one to use online electronic banking they need to have some good level of education that would help them to understand clearly the use of the platform which is generally more technical compared to the other forms of electronic banking. This implies that this category of respondents used these platforms because their education level helped them to navigate the platforms with a good understanding. Based on the results in table 4.8, 3.6% of these group of respondents did indicate that they are comfortable using all the listed forms of electronic banking. This percentage proportion is represents the majority of the respondents across all the strata. From this result the researcher deduced that generally played a big role in the respondents' choice of their electronic banking and therefore these findings indicates that there was a significant relationship between the customers' level of education and their choice of electronic banking. Basing on this findings, The findings were also revealed in a study by Milanzi (2013) in which he concluded that noted that education level influence the inclination towards electronic banking. Similar sentiments were also echoed by Polatoglu and Ekin (2001), where they concluded that affluent and highly educated groups generally accept changes more readily, making them the most likely group of consumers to adopt e-banking.

To determine the strength of relationship statistically, regression analysis then performed to determining the relationship between level of education and customers' choice of electronic banking platform. The result shows that  $r^2=0.88$ , indicating that there is a strong relationship between level of education and customers' choice of electronic banking platform.

<i>Regression Statistics</i>	
Multiple R	0.938356
R Square	0.880511
Adjusted R Square	0.581789
Standard Error	1.893322
Observations	8

<i>ANOVA</i>					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	5	52.83067	10.56613	2.947591	0.272493
Residual	2	7.169334	3.584667		
Total	7	60			

	<i>Standard</i>			
	<i>Coefficients</i>	<i>Error</i>	<i>t Stat</i>	<i>P-value</i>
Intercept	14.90591	4.781335	3.117519	0.089321
No formal	2.194109	1.190114	1.843613	0.206555
Primary	-4.2344	1.756694	-2.41043	0.137489
Secondary	0.171951	0.234476	0.733341	0.539661
Tertiary	2.514997	1.070305	2.349795	0.143205
University	-2.3942	0.920459	-2.60109	0.121457

#### **4.12 The influence of income on the choice of electronic banking**

The researcher sought to establish the how the income levels influenced the choice of electronic banking by respondents. This was necessary so as established whether there was a relationship between the levels of income and the choice of electronic banking. To achieve this across tabulation of the level of income and the choice of electronic banking was carried out. The results are as shown in table 4.9



**Table 4.9 Influence of income on the choice of electronic banking platform.**

**Respondents' level of income in Ksh .**

<b>E-banking platform</b>	<b>Up to 30,000</b>	<b>31,000-40,000</b>	<b>41,000-50,000</b>	<b>51,000-60,000</b>	<b>61,000-70,000</b>	<b>71,000-80,000</b>	<b>81,000-90,000</b>	<b>91,000-100,000</b>	<b>Above 100,000</b>
Credit card	0(0%)	0(0%)	1(0.3%)	1(0.3%)	3(1%)	4(1.3%)	4(1.3%)	5(1.6%)	7(2.3%)
Mobile banking	8(2.6%)	7(2.3%)	8(2.6%)	9(3%)	12(3.9%)	8(2.6%)	5(1.6%)	3(1%)	6(2%)
Online banking	0(0%)	0(0%)	1(0.3%)	1(0.3%)	3(1%)	3(1%)	4(1.3%)	3(1%)	7(2.3%)
Debit card	0(0%)	1(0.3%)	0(0%)	1(0.3%)	2(0.7%)	1(0.3%)	3(1%)	4(1.3)	5(1.6%)
Electronic funds transfer	0(0%)	3(1%)	3(1%)	2(0.7%)	2(0.7%)	3(1%)	3(1%)	4(1.3%)	6(2%)
Automated Teller Machine (ATM)	16(5.3%)	12(3.9%)	14(4.6%)	12(3.9%)	14(4.6%)	17(5.6%)	14(4.6%)	10(3.3%)	8(2.6%)
All of the above	0(0%)	0(0%)	1(0.3%)	2(0.7%)	3(1%)	3(1%)	2(0.7%)	3(1%)	5(1.6%)
None of the above	7(2.3%)	4(1.3%)	1(0.3%)	0(0%)	0(0%)	0(0%)	0(0%)	0(0%)	0(0%)
<b>Total</b>	<b>31(10.2%)</b>	<b>27(8.9%)</b>	<b>29(9.5%)</b>	<b>28(9.2%)</b>	<b>39(12.9%)</b>	<b>39(12.9%)</b>	<b>35(11.5%)</b>	<b>32(10.5%)</b>	<b>44(14.4%)</b>

From the findings presented in table 4.9, the respondents who indicated that their income level is up to Ksh 30,000 had no score on the choice of credit card as an electronic platform used. This was probably because they do not meet the threshold for obtaining credit card at standard chartered. However majority 16 out of the 31 respondents who had showed that their income level was up to Ksh, 30,000, of this class of respondents indicated that they prefer using ATM. Another 8 of them indicated that they use mobile banking.

On the other hand the respondents who indicated that they fall in the income category of above Ksh 100,000, who were 44 of them, also exhibited the largest no of those who use the credit card 7 (2.3%) This was the largest percentage of the entire respondents indicating the use of this electronic banking platform. Further, this category of respondents formed a majority of those who use debit card 5(1.6%) as compared to any other category of respondents. Majority 17(5.6%) of the respondents with income bracket of Ksh81,000-90,000 registered the highest levels of ATM machine usage. From the result it is also exhibited that as the income level rises the number of respondents who use all the listed electronic banking platforms increases to a maximum of 5 (1.6%) at the income level above Ksh 100,000. Based on the results of the findings, the number of respondents who said they do not use any of the platform stood high 7(2.3%) followed by those with income levels of 31000-40000 at 4(1.3%). Generally from the results of the research, the researcher conclude that those with high income levels and also those with the middle income levels adopt and use the electronic banking more than the other categories. Further, when the incomes levels are low customers tend to choose certain electronic banking platforms more than others and that their scope of choice shrinks as well. From this study, the researcher concluded that customers tend to choose an electronic banking platform based on their income level and that a relationship exists between the choice of an electronic banking platform and the income levels of the customers. This findings were also replicated by Yuan et al. (2010) where it was observed that the adoption of Internet banking is high among middle and upper income groups, as opposed to low income groups. Similarly, the use of Internet banking is also found mainly among customers with larger deposits in their accounts.

#### 4.13 Relationship between the respondents 'occupation and the choice of electronic banking.

The researcher sought to establish whether there was any relationship or influence of occupation on the choice of electronic banking. To achieve this objective, a further analysis was done by working out the cross tabulation of the respondent' occupation and the respondent's choice of electronic banking. The results were as shown in table 4.10.

**Table 4.10 Cross tabulation of the respondents' occupation and the choice of electronic banking.**

Electronic banking platform		Respondents' Occupation									
		Student	Percentage	Self employed	Percentage	Employed	Percentage	Unemployed	Percentage	other	percentage
Type of Electronic banking	Credit card	0	0.0%	9	3.0%	16	5.3%	0	0.0%	0	0.00%
	Mobile banking	11	3.6%	23	7.6%	22	7.2%	10	3.3	0	0.00%
	Online banking	1	0.3%	11	3.6%	8	2.6%	2	0.7%	0	0.00%
	Debit card	0	0.0%	4	1.3%	11	3.6%	2	0.7%		0.00%
	Electronic funds transfer (ATM)	0	0.0%	23	7.6	3	1.0%	0	0.0%	0	0.00%
	All of the above	25	8.2%	26	8.6%	52	17.1%	14	4.6%	0	0.00%
	None of the above	0	0.0%	6	2.00%	12	3.9%	1	0.3%	0	0.00%
		0	0.00%	4	1.3%	0	0.0%	8	2.6%	0	0.00%
	<b>Total</b>	<b>37</b>	<b>12.1%</b>	<b>106</b>	<b>35.00%</b>	<b>124</b>	<b>40.8%</b>	<b>37</b>	<b>12.1%</b>	<b>0</b>	<b>0.00%</b>

As indicated in the table 4.10, out of 37(12.1%) of the respondents who indicated that they were students, 25 of them indicated that they use the ATM. Further 11 of them indicated that they use mobile the rest of the platforms did not have any score in the category. Similarly, out of the 106(35%) of the respondents who opined that they were self-employed, 23 indicated

that they use mobile banking with a similar number showing that they use electronic funds transfer platform. These were the highest recorded entries for this group of respondents above, majority of the respondents 25(8.2%) out of the total 37(12.1%) of the respondents whole sample who took part in the study, indicated that they were students also indicated that they prefer using the ATM machine .23 (7.6%) of the self-employed group of respondents. This was probably because the self-employed groups are mostly business people who more often have to transfer money to third parties paying for goods and services. Of the 124 respondents who showed that they were employed, 52 of them indicated that they preferred using the ATM.16 of them indicated that they use credit card and this was the highest proportion of respondents across all the occupations to indicate that they use credit card. This implied that majority of the credit card users are found within the employed category of customers. Finally out of the 37 respondents who indicated that they were unemployed, 14 of them gave a response that they use the ATM while 10 of them indicated that the use the mobile banking .Amongst these respondents, the other categories of electronic banking registered very low response up to 1 for those who use all of the electronic platforms in the bank. However this group of respondents recorded the highest number of respondents (8) who opined that they use none of the electronic platforms. Based on the results of the study, the researcher concluded that customers choose their electronic banking platforms based on their occupations and that there is therefore s a relationship between the choice of electronic banking and the customers' occupation. This result therefore confirms the hypothesis; there is a relationship between the customers' demographic factors and the choice of electronic banking in standard chartered. This findings were revealed by Milanzi (2013), where he observed that most of the business men who generate large profits were reluctant to adopting the e-banking and according to his research this was contrary to the people with high income associated with employment status.

To establish the level of relationship between these two variables, regression analysis was performed on data in table 4.10 to determine whether there is a relationship between Employment status and choice of electronic banking platform .The result show that  $r^2=0.744$ ,implying that there is a strong relationship between employment status and choice of electronic banking platform

<b>Regression Statistics</b>	
Multiple R	0.862605
R Square	0.744088
Adjusted R Square	0.104308
Standard Error	2.318221
Observations	8

ANOVA				
	<i>Df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>
Regression	5	31.2517	6.25034	1.163038
Residual	2	10.7483	5.37415	
Total	7	42		

	<i>Standard</i>			
	<i>Coefficients</i>	<i>Error</i>	<i>t Stat</i>	<i>P-value</i>
Intercept	16.02816	7.682878	2.086219	0.17226
Student	1.92841	1.312272	1.469521	0.279464
Self employed	-0.45179	0.281907	-1.60263	0.250193
Employed	-0.66146	0.42439	-1.55862	0.259418
Unemployed	-0.90987	0.846834	-1.07443	0.395048

Based on this results and that of the other demographic factors, the hypothesis is thus confirmed that indeed there is a relationship between the customers' demographic factors and the choice of electronic banking in standard chartered.

#### **4.14 Customers' knowledge on the existence of electronic banking.**

To establish whether customers' knowledge on the existence of various forms of electronic bank at standard chartered bank Kericho influence the choice of electronic banking by customers, the respondents were asked to state electronic banking platforms they were aware of to exist at standard chartered bank Kericho. The results were summarized in table 4.11.

**Table 4.11 Type of electronic banking platforms customers knew to exist at standard chartered bank Kericho.**

<b>Knowledge of the respondents on the existence of electronic banking.</b>		
<b>Electronic banking forms</b>	<b>Frequency</b>	<b>Percentage</b>
Credit card	36	11.84%
Mobile banking	82	26.97%
Online banking	24	7.89%
Debit card	21	6.92%
Electronic funds transfer	6	1.97%
Automated Teller Machine (ATM)	117	38.49%
All of the above	10	3.29%
None of the above	8	2.63%
<b>Total</b>	<b>304</b>	<b>100</b>

The study revealed that 117(38.49%) had the knowledge that the ATM machine existed in the bank being the highest total of the respondents. The second group were those who indicated that they knew the mobile banking platform existed in the bank 82 (26.97%), 36 (11.84%) indicated that they knew credit card to exist 24(7.89%), 21(6.92%) and 6(1.97%) indicated that they knew online banking, debit card and the electronic funds transfer to exist in the bank. 8(2.6%) indicated that they knew none of the listed e-banking platforms to exist. While 10(3.29%) pointed out that they knew all of the above to exist. The study revealed that the majority of the respondents knew the ATM existed in the bank. The least 6(1.97%) of the respondents knew of electronic funds transfer.

When the respondents were asked to indicate the type of the electronic banking platform they preferred using, majority 117(38.49%) of them indicated that they preferred using the ATM. 66(21.71%) of the respondents being the second most number of respondents indicated that they preferred using mobile banking. This was the kind of results exhibited when the respondents were asked to indicate the type of electronic banking platform they knew existed at standard chartered bank. Those who indicated also that they knew none of the listed electronic banking platforms to exist registered a low percentage of 2.63% which was also proportional to those who indicated that they used none of them being a percentage of only

3.95%.The results generally implied that customers choose and adopt for use an electronic banking plat form that they already have knowledge of its existence in prior. This was echoed by Karjuotoet al. (2002) where in there research they concluded that prior computer experience, prior technology experience, and prior personal banking experience positively affect consumers’ attitude and behaviour towards e-banking.

**4.15 The relationship between knowledge of the existence of electronic banking platform and customers’ choice of electronic banking platform.**

To determine whether customers’ knowledge of the existence of electronic banking influenced their choice of electronic banking, the researcher asked the respondents a direct question as to whether their knowledge of existence of an electronic banking influence their choice on the same. The results were as given in Table 4.12

**Table 4.12customers’ knowledge of the existence of an electronic banking**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
YES	239	78.62%
NO	65	21.38%
<b>Total</b>	<b>304</b>	<b>100%</b>

From the above results its 239(78.62%) of the respondents were in agreement with the fact that their knowledge of the existence of an electronic banking influence their choice of electronic banking. Only 65(21.38%) of the respondents indicated that their knowledge of the existence of an electronic banking platform did not influence their choice of the same. Based on these results it points out that customers’ choice of an electronic banking is generally informed by the fact that they have a prior knowledge of the existence of the electronic banking platform. Going by the result, the researcher concluded that there is a relationship between the customers’ knowledge of the existence of an electronic banking and the choice of electronic banking. This sentiments were shared by AL-Sukkar and Hasan,(2004) in a research conducted in the Middle East that, a lack of awareness reduces the adoption rate of e-banking services by the consumers. In Uganda, a study conducted by Namugerwa (2013) showed that customers knew about the availability of the electronic banking services

#### 4.16 Respondents' adoption and use of a new electronic banking platform.

The researcher sought to know the respondents' opinion on their adoption of new electronic banking platform introduced to customers'. to determine this, the researcher asked the respondents to indicate their level of agreement/disagreement on the question; Electronic banking platforms which are largely known to customers are adopted and used more than newly introduced ones, even if the new ones are more efficient and more customer friendly. The results of this were as given in table 4.13.

**Table 4.13 Customers' adoption and use of a new electronic banking platform.**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	105	34.54%
Agree	99	32.57%
Not sure	30	9.87%
Disagree	49	16.12%
Strongly disagree	15	4.93%
Don't know	6	1.97%
<b>Total</b>	<b>304</b>	<b>100%</b>

A significant number of customers, 105(34.54%) of the total respondents, strongly agreed to the statement that the electronic banking platforms that they had knowledge of were easily adopted than the newly introduced platforms. Other 99(32.57%) customers also agreed to the statement. This brought the total proportion of those who strongly agreed and those who agreed to 67.11% which was largely a significant proportion. The number of customers who either disagreed or strongly disagreed was less than half of the sample, 64 representing 21.05% while those who stated that they didn't know were only 6 representing 1.97% customers. From the above results the researcher concluded that customers prefer adopting and using what they already know or what they have knowledge about. It therefore further confirms that there is a relationship between customers' knowledge of the existence of electronic banking and their choice of the same.

The above findings confirms the hypothesis that there is a relationship between customers' knowledge on the existence of an electronic banking platform and the choice of one.



#### 4.17 Customer's Privacy and the Choice of Electronic Banking.

The third objective of the study sought to assess the influence of customers privacy and confidentiality on their choice of electronic banking in standard chartered bank .To establish this, the researcher sought the respondents opinions and this was done by asking the respondents to indicate whether they were concerned with their personal privacy and confidentiality when choosing an electronic banking platform. The results of this were as given in table 4.14.

**Table 4.14 customer opinion on privacy and confidentiality when choosing an electronic banking platform.**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly concerned	221	72.70%
Concerned	54	17.76%
Neutral	21	6.90%
Strongly unconcerned	1	0.33%
Unconcerned	4	1.32%
Don't know	3	0.99%
<b>Total</b>	<b>304</b>	<b>100%</b>

From table 4.14, it's evident that customers were strongly concerned with personal privacy and confidentiality when choosing an electronic banking platform. This could be seen from the large number, 221(72.70%) who indicated that they were strongly concerned. Also, 54(17.76%) of the customers indicated that they were concerned about their privacy and confidentiality. A few customers 4(1.32%) were unconcerned while 1(0.33%) of the total sample were strongly unconcerned. Based on the above findings the researcher concluded that customers are generally concerned with their privacy while choosing an electronic banking.

**4.18 Respondents Privacy and Confidentiality factor on while choosing a type of electronic banking platform to use.**

The researcher intended to elicit the respondents responses whether at all times they take privacy and confidentiality to be a key concern while deciding or choosing the type of electronic banking platform to use. To establish this important information, the respondents were asked to indicate whether they take their privacy and confidentiality to be a key factor while choosing the type of electronic banking platform to use. The results of this were as given in table 4.15.

**Table 4.15 Privacy and Confidentiality on the choice of electronic banking**

	<b>Frequency</b>	<b>Percentages</b>
<b>Response on Privacy and Confidentiality</b> Always	205	67.43%
Not at all	22	7.24%
Sometimes	55	18.09%
Not sure	22	7.24%
<b>Total</b>	<b>304</b>	<b>100</b>

The results of the study revealed that 205(67.43%) of the respondents indicated that their privacy and confidentiality influenced their decision while choosing an electronic banking platform. 22(7.24%) indicated that they did not consider privacy and confidentiality did not at all influence their choice of electronic banking. 55(18.09%) indicated that it could only be influenced by the variable at sometimes. Another 22(7.24%) of the respondents indicated that they were not sure as to whether their privacy and confidentiality influenced their choice of electronic banking.

**4.19 Influence of customers’ privacy on the choice of electronic banking**

To determine this, customers were asked to indicate how they value their privacy and confidentiality while choosing an electronic banking. The results were as presented in table 4.16.

**Table 4.16 whether customers’ privacy and confidentiality influences their choice on the electronic banking to use.**

<b>Influences of privacy and confidentiality on electronic banking</b>					
<b>Electronic banking platforms forms</b>	<b>Always</b>	<b>Not at all</b>	<b>Sometimes</b>	<b>Not sure</b>	
<b>Electronic Banking Platform</b>	Credit card	5(2.44%)	3(13.64%)	3(5.45%)	1(4.55%)
	Mobile banking	70(34.15%)	7(31.82%)	18(32.73%)	7(31.81%)
	Online banking	2(0.98%)	1(4.55%)	5(9.09%)	2(9.09%)
	Debit card	2(0.98%)	1(4.55%)	3(5.45%)	1(4.55%)
	Electronic funds transfer	1(0.49%)	2(9.09%)	3(5.45%)	2(9.09%)
	Automated Teller Machine (ATM)	122(59.51%)	6(27.27%)	18(32.73%)	6(27.27%)
	All of the above	2(0.98%)	1(4.51%)	2(3.64%)	2(9.09%)
	None of the above	1(0.49%)	1(4.51%)	3(5.45%)	1(4.55%)
	<b>Total</b>	<b>205</b>	<b>22</b>	<b>55</b>	<b>22</b>

The cross tabulation of the findings as reflected in table 4.16 indicated that of the respondents who had indicated that they always consider their privacy and confidentiality, 122(59.51%) of them indicated that they use or prefer using the ATM. 70 (34.15%) of the respondents indicated that they use mobile banking, 5(2.44%) of them indicated credit card and online banking, debit card and all of the above each was represented by two respondents with 1(0.49%) respondent saying they use none. Those who indicated not all had 6(27.27%) indicating the ATM, 1 each indicating online banking, debit card all of the above and none of the above. The respondents who indicated that they considered privacy and confidentiality to be key sometime, chose credit card 3 (5.45%) mobile banking 18(32.73%), online banking 5(9.09%) debit card 3(5.45%) electronic funds transfer 3,(5.45%) ATM 18(32.73%) all of the above 2(3.64%) and none of the above 3(5.45%). The respondents who indicated that they were not sure, were a total of 22 with 1(4.55%) indicating the use of credit card, 7(31.81%) mobile banking 2(9.09%) online banking, 1(4.55%) debit card 2(9.09%) electronic funds transfer and 6(27.27%) ATM. Those who said they used all of the above were 2 and those who didn't use any were (4.55%). From the findings most (122) of those who

indicated to always consider their privacy and confidentiality indicated ATM as their choice of electronic banking platform. Also in this group the other large number of respondents were noted on those who chose the mobile banking platform to be their preferred choice of electronic banking platform. Considering those who said not at all, the response attracted fewer respondents in all the electronic banking platforms compared to those who said always. Similar trend was noted for those who said were not sure. Basically from the results obtained the researcher concluded that there is a relationship between the customer's privacy and confidentiality and the choice of electronic banking platform. This sentiment was shared by Liu and Amett (1999) when they concluded in their research that one of the major influencing factors around the use of internet banking is that of security. Further noted that the need for secure transactions is critical to the success of not only electronic banking but that of any e-commerce related to website

Further analysis was done by carrying out regression analysis was performed to determine whether customers' opinion on privacy and confidentiality influences their choice on the electronic banking to use. From the result above  $r^2 = 0.592$ , which implies that there is a strong relationship between customers' privacy and confidentiality on the electronic banking to use.

<b>Regression Statistics</b>	
Multiple R	0.769427
R Square	0.592017
Adjusted R Square	0.04804
Standard Error	2.389929
Observations	8

ANOVA					
	<i>Df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	4	24.86473	6.216181	1.088313	0.492006
Residual	3	17.13527	5.711758		
Total	7	42			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>
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	<i>Error</i>			
Intercept	6.499151	1.703215	3.815814	0.031663
Always	0.092398	0.06469	1.428328	0.24851
Not always	-1.50526	1.098615	-1.37014	0.264174
Sometimes	-0.67469	0.869517	-0.77593	0.494344
Not sure	1.604023	1.733156	0.925493	0.422972

Most customers 205 (67.43 %) stated that they always choose the type of electronic banking based on the privacy and confidentiality it guarantees. A very insignificant percentage of customers 22(7.24 %) stated that security and confidentiality did not at all influence their choice of electronic banking platform.

Also, 55(18.09 %) of them indicated that sometimes it influenced their choice of electronic banking transform. This result for customers to accept a given electronic banking introduced their security is substantially key to them.

#### **4.20 Security of an electronic banking.**

To determine the customers' opinion on the level of security of the privacy and confidentiality and data in any given electronic banking at standard chartered, the researcher asked the respondents whether they trust that their privacy and confidentiality is uniformly and sufficiently secured /guarded in all the electronic banking plat form they knew of at standard chartered bank. The results of this were as given in table 4.17

**Table4.17 Electronic banking platform and security.**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
YES	258	84.87%
NO	46	15.13%
<b>Total</b>	<b>304</b>	<b>100</b>

From the results above, a significant proportion of the respondents 258(84.87%) indicated that they feel there is sufficient security and control across all the electronic banking platforms offered at standard chartered bank. These points out the level of confidence with which the respondents have on the electronic banking plat forms offered in the bank. This largely supports their concurrence with their substantial number choosing ATM and even

mobile banking platforms and the general usage of the other platforms the bank offers. The findings further concur with the hypothesis that customers' privacy and confidentiality has got a relationship with the customers' choice of electronic banking. This part of the research question and the findings coincided with the conclusion of Cranor and Laurie(1999) where they found out that 81% of internet users are concerned a concerned about threats to their privacy while online. Hartman, et al. (2000) also shared a view that security is a major concern wherever online transactions take place.

#### **4.21 customers' settlement type and the choice of electronic banking.**

The last objective of the study sought to establish whether customers' settlement type whether rural or urban influences their choice of electronic banking in standard chartered bank. Settlement type in this regard is simply where the customers live or reside from (researcher 2015).To achieve this, the researcher asked the respondents to indicate their settlement type and the results were as given in table4.18.

**Table 4.18 Customers' settlement type.**

<b>Settlement type</b>	<b>Frequency</b>	<b>Percentage</b>
Rural	157	51.64%
Urban	147	48.36%
<b>Total</b>	<b>304</b>	<b>100</b>

The researcher found out that majority, 157(51.64%) of the customers were from rural areas while 147(48.6%) of them were living in urban areas. From this result, the researcher concluded that the majority of customers reside in rural places and come to the town areas of kericho whenever they want to use the standard chartered bank ATM machine. This could be because the bank has got only one ATM machine and situated in the town of Kericho and that there is none in the rural parts of Kericho.

To investigate the relationship between the customers' type of settlement whether rural or urban influences their choice of electronic banking, the researcher sought to find out the level of respondents agreement or disagreement on the subject. They were asked to tick against their answers and the results were as given in table 4.19.

**Table 4.19 Respondents responses on whether the customers' settlement type influences the choice of electronic banking.**

<b>Customer settlement</b>	<b>Rural</b>	<b>percentage</b>	<b>Urban</b>	<b>Percentage</b>
Strongly agree	59	19.41%	66	21.70%
Agree	39	12.83%	42	13.82%
Neutral	29	9.54%	26	8.55%
Strongly disagree	11	3.62%	7	2.30%
Disagree	8	2.63%	2	0.66%
Don't know	11	3.62%	4	1.32%
<b>Total</b>	<b>157</b>	<b>51.65%</b>	<b>147</b>	<b>48.35%</b>

As stated in the in table 4.19, 98 (32.24%) of the respondents from the rural settlements strongly agreed and agreed that settlement influences the choice of electronic banking on a customer. The results on their urban counterparts indicated that 108 (35.52%) strongly agreed and agreed. Only 19(6.25%) of the rural respondents and 9(1.98%) urban respondents indicated that they strongly disagreed and disagreed to the statement. Based on this results a significant percentage of 67.76% of the combined categories strongly agreed and agreed to the fact that customers settlement influence the choice of electronic banking by a customer, compared to only combined 8.23% who strongly disagreed or disagreed. This indicates that there is a relationship between the customers' settlement type and the choice of electronic banking by customers and that the variable influences the choice.

To further establish the relationship, regression analysis was done to determine whether the type of customer's settlement (whether rural or urban) influences the choice of electronic banking by a customer. This was done by correlating the responses of the different settlement types. The results indicated that there was a strong relationship between the answers given by Rural and Urban dwellers ( $r^2=0.9$ )

<i>Regression Statistics</i>	
Multiple R	0.953977
R Square	0.910072
Adjusted R Square	0.85012
Standard Error	0.72428
Observations	6

#### ANOVA

	<i>Df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	2	15.92626	7.963129	15.17998	0.026968
Residual	3	1.573743	0.524581		
Total	5	17.5			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>
Intercept	4.260366	1.355933	3.142019	0.051583
Rural	0.15098	0.188596	0.800549	0.481925
Urban	-0.19067	0.151192	-1.26109	0.296427

From the Anova table shows that P value is 0.027, implying that the type of customer's settlement (whether rural or urban) influences the choice of electronic banking by a customer. P value is used to test significance of a test in order to either reject or accept the null hypothesis. If p value is less than 0.05, we accept the null hypothesis; otherwise we reject the null hypothesis.

To further analyse the relationship between customers' settlement and the choice of electronic banking, cross tabulation of customers' type of settlement and the customers' choice of electronic banking. The result of this was as indicated in table 4.20.



**Table 4.20 Cross tabulation of the customers settlement type and the choice of electronic banking in standard chartered bank Kericho.**

		<b>Respondents Type of Settlement</b>			
		<b>Rural</b>	<b>Percentage Rural</b>	<b>Urban</b>	<b>Percentage Urban</b>
<b>Type of electronic banking</b>	Mobile banking	56	18.42%	10	3.29%
	ATM	55	18.09%	62	20.39%
	Online banking	6	1.97%	16	5.26%
	Credit	8	2.63%	17	5.59%
	Debit card	5	1.64%	12	3.95%
	Electronic funds transfer	10	3.29%	16	5.26%
	All of the above	8	2.63%	11	3.62%
	None of the above	11	3.62%	1	0.33%
<b>Total</b>		<b>159</b>	<b>52.30%</b>	<b>145</b>	<b>47.70%</b>

As stated in table 4.20, most of the rural respondents 71(23.36%) when asked to indicate the type of electronic banking that they use, indicated that they prefer using mobile banking. This was nearly half of the 51.66% of the rural respondents which is a significant proportionate researcher concluded that the indication could be as a result of the customers finding it convenient and time saving instead of travelling for long distances mainly to the urban centres to seek for other means of electronic banking. On the other hand, the respondents who indicated that they are urban residence had a majority of them at 77(25.33) indicating that they prefer using the ATM machine as their electronic banking. This still was a large proportion of the 48.34 which in essence is more than half of the respondents who reside in urban settlement. This could be because the ATM is available in the urban centre more as compared to the rural areas. The proximity of this machine to these respondents could be factors that entice them to adopt it more. It could also be associated with the cost factor in that it may be cheaper for them to use the ATM as compared to other forms of electronic banking.

Credit card and debit card adoption and use was also established to be higher in the urban settlers as compared to their rural counterparts standing at 3.95%, 4.28% and 2.96% for the

urban respondents and 0.66%, 1.32% and 0.66% for the rural respondents. These results indicate that customers' type of settlement influences their choice of electronic banking. This therefore confirms the hypothesis that there is a relationship between the customer's type of settlement and the choice of electronic banking in customers of standard chartered. The findings of the study echoed what Wambari A.P (2009) found out that all the urban business generally have access to ATMs, traditional banking and adopts its use and also the m-banking. Still, Wambari A (2009) observed that rural customers have access to and mainly use m-banking through safaricom M-pesa services.

The results confirm the hypothesis that there is a relationship between customers' type of settlement and the choice of electronic banking by a customer in that rural customers tend to choose certain electronic banking platforms and their urban counterparts also tend to prefer certain types of electronic banking platforms.

## CHAPTER FIVE

### SUMMARY OF FINDINGS, DISCUSSIONS CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter contains summary of findings, conclusion, recommendations, and contributions to the body of knowledge and suggestions for further research.

#### 5.2 Summary of Findings

This section gives a detailed discussion of the findings from the study on relationship between customer related factors and the choice of electronic banking.

Gender distribution of respondents revealed that 164 (53.9%) were male while 140(46.1%) were female. On the demographic characteristic age, the study revealed that most of the respondents 64(21.1%) fell within the age bracket of 26-30. The other half of 240(78.9%) the respondents whose age fell within 31 years and above. The study also established that a majority of the respondents 108(35.2%) had university education and the least category of the respondents were those who did not have formal education representing 7(2.3%). Those with primary, secondary and tertiary education were 23(7.6%), 68(22.4%) and 98(32.2%) respectively. On income level as one of the demographic factors studied, the study revealed that majority of the respondents 61(20.1%) fell in the income bracket of Ksh71,000-80,000. The least number of respondents were 17(2.6%) falling in the income bracket of up to Ksh30,000. Those in the bracket of 31,000-70,000 were 107(35.20%) while those in the income bracket of between Ksh81,000-Ksh110,000 were 100(32.89%) those above Ksh 110,000 forming 22(7.2%) proportion. Finally on the demographic characteristics occupation, the study revealed that a significant number of the respondents 135(44.41%) were employed. This was followed by 98(32.24%) of the respondents. The rest were, students, unemployed and others who formed proportions of 39(12.82%), 32(10.53%) and 0(0%) respectively.

The first objective of this study was to investigate the extent to which customer knowledge on the availability of the various types of electronic banking influenced the choice of electronic banking in Kenya. Data analysis and interpretation of responses on the customers knowledge whether it influences the choice of electronic banking by a customer, 239(78.62%) of the respondents indicate YES implying they agreed to influence. 65(21.38%) of the

respondents indicated NO implying that it does not influence the choice of electronic banking. On the level of agreement or disagreement on whether customers' knowledge on the existence of an electronic banking influences the choice of electronic banking, total of 204(67.11%) indicated that they strongly agree and agree that customers' knowledge on the existence of electronic banking influences the choice of electronic banking by customers. The other part was 64 (21.10%) who indicated that they strongly disagree and agree. The "neutral" and the "don't know" categories formed 36 (11.84%) of the respondents.

The second objective of the study sought to establish the extent to which customer demographic factors influence the choice of electronic banking in Kenya

On education 29 (9.5%) of those who indicated to be having university education indicated that they prefer using online banking. 8.2% of this group indicated that they use the ATM machine. This was a smaller proportion compared to those falling on secondary level of education who indicated that 40(13.2%) of them prefer using the ATM machine. Mobile banking was largely adopted and used by those who indicated to possess tertiary level of education. Similarly the largest percentage, 4(1.3%) of those who said were using all the listed electronic platforms possess university education. On the contrary, those indicated the largest percentage of not using any of the listed electronic banking platforms fell in the category that do not have formal education. The respondents who possessed university education exhibited the highest proportion of 7(2.3%) on the use of credit card. This category of respondents similarly showed the highest proportion on the use of debit cards well reaching 14(2.6%).

On occupation income levels, majority of the students 20(6.58%) indicated that they use the ATM machine. Majority of the self-employed 34(11.018%) exhibited that they prefer using mobile banking while 42(13.82%) of the employed indicated that they use ATM machine with 33(10.86%) indicating that they use mobile banking. The highest proportion of the unemployed 15(4.93%) indicated that they use mobile banking. The largest number, 7(2.3%), of those who indicated that they use all the listed electronic banking fell in the category of the employed this. With students and the unemployed recording the least, 1(0.33%), in this electronic platform the employed category also showed that it recorded the highest proportion of those who use the credit card.

The third objective of the study sought to determine to examine the extent to which customers' privacy and confidentiality influence the choice of electronic banking in Kenya.

On whether the respondents are concerned with their privacy and confidentiality while choosing an electronic banking platform, 221(72.70%) of the respondents indicated that they were strongly concerned with their privacy and security while choosing an electronic platform. 54(17.76%) of the respondents indicated that they were concerned. On the other hand, only 1(0.33%) of the respondents indicated that they were strongly unconcerned while 4(1.32%) of the respondents indicated that they were just unconcerned. 3 (0.99%) indicated that they didn't know. On a similar trend, 205(67.43%) of the respondents indicated that they always consider their privacy and confidentiality before choosing an electronic banking platform with 22(7.24%) indicating not at all do they consider their privacy and security before choosing an electronic banking platform. 55 (18.09%) indicated that they sometimes consider, while 22(7.24%) of the respondents indicated that they were not sure.

Finally the last objective of the study sought to determine the extent to which customers' type of settlement influence the choice of electronic banking.(whether urban or rural) on this objective, 157(51.64%) of the respondents indicated that they live in urban settlements while 147(48.36%) of the respondents indicated that they live in the rural areas. On seeking to establish the relationship between the customers' settlement type and the choice of electronic banking, majority of the rural residents 71(23.36%) indicated that they prefer using mobile banking. On the other hand, majority of the urban residents 77(25.33%) indicated that they prefer using ATM machine. On online banking majority of the respondents 12 (3.95%) who indicated that they use the platform are from the urban areas compared to the 2(0.66%) of their rural counterparts. Among the urban residents, 20(6.58%) of the respondents indicated that they prefer using mobile banking. 13 (4.28%) of this category of residents indicated that they use credit cards while their rural counterparts 2(0.66%) indicated that they prefer using credit card. Debit card and electronic banking attracted 2(0.66%) and 1(0.33%) respectively for the rural residents and also 9(2.96%) and 6(1.97%) respectively for the urban residents. Only 1(0.33%) of the rural residents and 9(2.96%) of the urban residents indicated that they prefer using all of the above. While 26(8.55%) of the rural residents and 1(0.33%) of the urban residents indicated that they use none of the listed electronic blank forms.

### 5.3 Conclusions

The following conclusions were drawn from the study: The first objective of the study sought to investigate the extent to which customer knowledge on the availability of the various types of electronic banking influences the choice of electronic banking in Kenya. The study revealed that customers feel at ease and prefer using the electronic banking platform that they already know about and have the knowledge that they exist. This means that the background knowledge of customer on a given electronic banking is key in its adoption and use. The study revealed the fact that customers' knowledge on the existence of the various types of electronic banking has a relationship and influences the choice of electronic banking.

The second objective of the study sought to establish the extent to which customer demographic factors influence the choice of electronic banking in Kenya. The findings of the study indicated that age is one of the demographic factors studied in this research influences the choice of electronic banking by a customer. The older generations who are largely not techno savvy tend to choose electronic platforms which are technologically easy to operate. In some cases the older generation tends to leave out on choosing the electronic banking platforms completely. On the other hand the young generations who are largely computer literate tend to choose a variety of the electronic banking platforms because of their being techno savvy. Education level and the choice of electronic banking platform was also studied. The study revealed that customers 'who generally do not have formal education generally do not adopt the use of electronic banking. On the other hand the customers who have got good education such as university education easily adopts and use a big variety of the electronic banking platforms at any given time and also adopts and use those platforms considered to require a higher level of technological knowledge. The results of the study indicated that education level influences the customers' choice of electronic banking. People who are better educated tend to adopt and use electronic banking platforms with lots of ease. Income levels was another demographic variable that was studied. From the findings of the study, this demographic factor influences the customers' choice on the choice of electronic banking. Lastly occupation of the customers was also studied and the study revealed that customers choose their electronic banking platforms what their occupation was. Customers who are self-employed tend to use credit cards and electronic funds transfer while carrying out their transactions. On the other hand the students' category tend to use ATM and mobile banking platforms. This therefore means that occupation influences the choice of electronic banking.

The researcher generally then concludes that the studied demographic factors all influenced the choice of electronic banking.

The third objective of the study sought to examine the extent to which customers' privacy and confidentiality influence the choice of electronic banking in Kenya. Since most of the respondents indicated with a resoundingly high percentage that they strongly agree that customers privacy and confidentiality takes priority in consideration before choosing an electronic banking platform, the researcher concluded that customers 'privacy and confidentiality are very key in customers choice of electronic banking and that customers value this to a very great extent.

The fourth and the last objective of the study sought to determine the extent to which customers' type of settlement influence the choice of electronic banking.(whether urban, or rural).From the analysis of the results, the findings was that there was a strong correlation( $r^2=0.9$ ) on the answers given by the rural and urban residents. Based on this fact which establish a relationship between the settlement type and the choice of electronic banking, and also on the general findings of the study on this variable, the researcher concluded that customers' settlement type influences the customers' choice of electronic banking.

Finally the findings of the study revealed that other than the banks related factors and challenges there are the factors which solely pertains to the customers which influence the customers adoption and use of the various electronic banking platforms that the banks introduces to their clients. They ought to consider these factors as well so as to facilitate ease of adoption and use of these platforms.

#### **5.4 Recommendations.**

Based on the study's findings, the following recommendations were made;

1. The bank should put prior efforts first to educate and sensitize customers through advertisements and even road shows about the availability of anew electronic banking platform that it intends to bring to the market, before it is released to the market. This will boost the uptake of the product by the consumers.
2. The bank should identify and understand the demographic characteristics, especially income, occupation and education, of its clients so as to purposively invest on the electronic banking platforms that will meet the customers' needs and also help the bank reduce on investing on the platforms which may not be largely adopted.
3. The bank to improve on ensuring that the security of every electronic banking platform it introduces takes Centre stage and always maintain high standards so as to increase the number of customers buying the products.
4. The bank needs to provide electronic banking platforms tailored to customers based on their settlement rather and directly invest in where the customers rather that releasing the electronic banking platforms indiscriminately to customers.



## 5.5 Contribution to the Body of Knowledge

**Table 5.1: Contribution of the Study to the Body of Knowledge**

<b>Objectives.</b>	<b>Contribution to body of knowledge</b>
<p>To investigate the extent to which customer knowledge on the availability of the various types of electronic banking influences the choice of electronic banking in Kenya.</p>	<p>The bank should put prior efforts first to educate and sensitize customers through advertisements and even road shows about the availability of anew electronic banking platform that it intends to bring to the market, before it is released to the market. This will boost the uptake of the product by the consumers.</p>
<p>To establish the extent to which customer demographic factors influence the choice of electronic banking in Kenya.</p>	<p>The bank should identify and understand the demographic characteristics, especially income, occupation and education, of its clients so as to purposively invest on the electronic banking platforms that will meet the customers’ needs and also help the bank reduce on investing on the platforms which may not be largely adopted.</p>
<p>To examine the extent to which customers’ privacy and confidentiality influence the choice of electronic banking in Kenya.</p>	<p>The bank to improve on ensuring that the security of every electronic banking platform it introduces takes Centre stage and always maintain high standards so as to increase the number of customers buying the products.</p>
<p>To determine the extent to which customers’ type of settlement influence the choice of electronic banking.</p>	<p>The bank needs to provide electronic banking platforms tailored to customers based on their settlement rather and directly invest in where the customers rather that releasing the electronic banking platforms indiscriminately to customers.</p>

## **5.6 Suggestions for further study.**

The researcher proposes the following areas for further research

1. The significance of the electronic banking in the growth of the banking industry in Kenya.
2. Factors hindering the adoption of paperless banking in banks in Kenya.
3. A replica of the same research in another branch of standard chartered bank.

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## **APPENDIX I:**

### **QUESTIONNAIRE GUIDE FOR STANDARD CHARTERED BANK CUSTOMERS.**

My name is Gideon Kipkoech, a student at the University of Nairobi pursuing a Master's degree in Project Planning and Management. In order to fulfill my degree requirements, I'm currently undertaking a research project and I would like to request your assistance in the research endeavour by filling the questionnaire to the best of your knowledge and with sincerity. My research topic is "Relationship between customer related factors and the choice of electronic banking in Kenya. A case of Standard Chartered Bank Kericho". The data collected from your responses will be treated with utmost confidentiality, anonymity of the respondents will also be observed and the results will only be used for the purpose of the study.

#### **SECTION A:**

#### **CUSTOMER DEMOGRAPHIC FACTORS AND THE CHOICE OF ELECTRONIC BANKING.**

##### Instructions

The purpose of this section is to obtain data on the demographic features of the respondents. Kindly tick [] in the appropriate box or you can also give a brief opinion where necessary.

1. What is your Gender?

Male [] Female []

2. Which age bracket does your age fall? Put a tick against your answer.

18-25years []

26 to 30 years []

31 to 35 years []

36 to 40 years []



41 to 45 years [ ]

46 to 50 years [ ]

Above 50 years [ ]

3. What is your current highest level of education?

No formal education [ ]

Primary [ ]

Secondary level. [ ]

Tertiary level [ ]

University level [ ]

4. What is your monthly income bracket?

UptoKsh30,000 [ ]

Kshs31,000-40,000 [ ]

Kshs41,000-50,000 [ ]

Kshs51,00-60,000 [ ]

Kshs61,000-70,000 [ ]

Kshs 71,000-80,000 [ ]

Ksh81,000-90,000 [ ]

Ksh91,000-100,000 [ ]

Above Ksh100,000 [ ]

5. What is your current occupation?

Student [ ]

Self-employed [ ]

Employed [ ]

Not employed [ ]

Other, specify [ ].....

**SECTION B:**

**CUSTOMER KNOWLEDGE ON THE AVAILABILITY OF THE VARIOUS TYPES OF ELECTRONIC BANKING AND THE CHOICE OF ELECTRONIC BANKING.**

Instructions:

This section seeks to elicit views feelings and the respondents' opinions on the extent to which customer knowledge on the availability of the various types of electronic banking influences the choice of electronic banking. Kindly tick [] in the appropriate box or you can also give a brief opinion where necessary.

6. Does your knowledge on the availability of the various types of electronic banking at standard chartered bank influences your choice of electronic banking?

YES [] NO []

7. Which electronic banking platforms are you aware of to exist at standard chartered bank Kericho?

- i). Credit card []
- ii). Mobile banking []
- iii). Online banking []
- iv). Debit card []
- v). Electronic funds transfer []
- vi). Automated Teller Machine(ATM) []
- vii). All of the above []
- viii). None of the above []
- ix). Other, specify.....

8. What is your opinion on this statement? Electronic banking platforms which are largely known to customers are adopted and used more than newly introduced ones, even if the new ones are more efficient and more customer friendly.

- Strongly agree []
- Agree []
- Not sure []
- Disagree []
- Strongly disagree []
- Don't know []

**SECTION C:**

**CUSTOMERS' PRIVACY AND CONFIDENTIALITY AND THE CHOICE OF ELECTRONIC BANKING.**

Instructions;

This section is intended to capture the respondents' feelings facts and opinion on the extent to which customers' privacy and confidentiality influence the choice of electronic banking in Kenya. Please answer the following questions as freely as possible and to the best of your knowledge.

9. To what extent are you concerned with your personal privacy and confidentiality when choosing an electronic banking platform?

- Strongly concerned [ ]
- Concerned [ ]
- Neutral [ ]
- Strongly unconcerned [ ]
- Unconcerned [ ]
- Don't know. [ ]

10. (a) Do you take your privacy and confidentiality to be a key factor in deciding which electronic banking platform to use? Tick where appropriate.

- Always [ ]
- Not at all [ ]
- Sometimes [ ]
- Not sure [ ]

(b) Kindly give a short explanation for your answer.

.....  
.....  
.....

11.(a) Do you trust that your privacy and confidentiality is uniformly and sufficiently guarded secured in all of the electronic banking platforms you are aware of, in standard chartered bank kericho.

YES [  ]

NO [  ]

(a)If the answer is 'NO' which type of electronic banking do you feel your privacy and confidentiality is guarded the most and you feel secured using it? Please indicate here:

.....

#### **SECTION D:**

#### **CUSTOMERS' SETTLEMENT TYPE (IN TERMS OF RURAL SUB- URBAN AND URBAN) AND THE CHOICE OF ELECTRONIC BANKING.**

This section seeks to elicit views feelings and the respondents' opinions on the extent to which customer settlement type influences the choice of electronic banking Kindly tick [] in the appropriate box or you can also give a brief opinion where necessary.

12. Where do you reside from?

Rural residence [  ]

Urban residence [  ]

13. Please indicate your level of agreement/disagreement to the following statement;

The type of customer's settlement influences the choice of electronic banking by a customer like you.

Strongly agree [  ]

Agree [  ]

Neutral [  ]

Strongly disagree [  ]

Disagree [  ]

Don't know. [  ]

14.(a) which of the electronic banking platforms do you prefer using and why?

- (i) mobile banking [ ]
- (ii) ATM [ ]
- (iii)on line banking [ ]
- (iv)credit [ ]
- (v) debit card [ ]
- (vi)electronic funds transfer [ ]
- (vii) all of the above [ ]
- (viii) None of the above [ ]
- (i) Other, specify.....

(b) What is the reason for your choice above?.....

Thank you for your participation in this study.

## APPENDIX II: RESEARCH AUTHORIZATION LETTERS



### NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,  
2241349, 310571, 2219420  
Fax: +254-20-318245, 318249  
Email: secretary@nacosti.go.ke  
Website: www.nacosti.go.ke  
When replying please quote

9<sup>th</sup> Floor, Utalii House  
Uhuru Highway  
P.O. Box 30623-00100  
NAIROBI-KENYA

Ref. No. **NACOSTI/P/15/92765/8414**

Date:

**6<sup>th</sup> November, 2015**


Gideon Kipkoech  
University of Nairobi  
P.O. Box 30197-00100  
**NAIROBI.**

#### **RE: RESEARCH AUTHORIZATION**

Following your application for authority to carry out research on *“Relationship between customer related factors and the choice of electronic banking in Kenya. A case of Standard Chartered Bank Kericho Branch,”* I am pleased to inform you that you have been authorized to undertake research in **Kericho County** for a period ending **6<sup>th</sup> November, 2016**.

You are advised to report to **the Branch Manager, Standard Chartered Bank, the County Commissioner and the County Director of Education, Kericho County** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

  
**SAID HUSSEIN**  
**FOR: DIRECTOR GENERAL/CEO**

Copy to:

The Branch Manager  
Standard Chartered Bank, Kericho.

The County Commissioner  
Kericho County.

The County Director of Education  
Kericho County.



*National Commission for Science, Technology and Innovation is ISO 9001:2008 Certified*



**APPENDIX III: RESEARCH PERMIT**

**THIS IS TO CERTIFY THAT:**

**MR. GIDEON KIPKOECH**  
**of UNIVERSITY OF NAIROBI, 0-20200**  
**KERICHO, has been permitted to conduct**  
**research in Kericho County**

**on the topic: RELATIONSHIP BETWEEN**  
**CUSTOMER RELATED FACTORS AND THE**  
**CHOICE OF ELECTRONIC BANKING IN**  
**KENYA A CASE OF STANDARD**  
**CHARTERED BANK KERICHO BRANCH.**

**for the period ending:**  
**6th November, 2016**

*[Signature]*  
**Applicant's**  
**Signature**

*[Signature]*  
**Director General**  
**National Commission for Science,**  
**Technology & Innovation**

**Permit No : NACOSTI/P/15/92765/8414**  
**Date Of Issue : 6th November, 2015**  
**Fee Received : Ksh 1,000**

**CONDITIONS**

- 1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit**
- 2. Government Officers will not be interviewed without prior appointment.**
- 3. No questionnaire will be used unless it has been approved.**
- 4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.**
- 5. You are required to submit at least two(2) hard copies and one(1) soft copy of your final report.**
- 6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice.**

**REPUBLIC OF KENYA**

**NACOSTI**

**National Commission for Science, Technology and Innovation**

**RESEARCH CLEARANCE PERMIT**

**Serial No. A 7102**

**CONDITIONS: see back page**



## APPENDIX IV: RESEARCH PERMIT REQUISITION



**UNIVERSITY OF NAIROBI**  
COLLEGE OF EDUCATION AND EXTERNAL STUDIES  
SCHOOL OF CONTINUING AND DISTANCE EDUCATION  
KISUMU CAMPUS

The Secretary  
National Council for Science and Technology  
P.O Box 30623-00100  
**NAIROBI, KENYA**

25<sup>th</sup> September, 2015

Dear Sir/Madam,

**RE: GIDEON KIPKOECH-REG NO. L50/73226/2014**

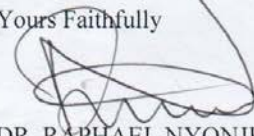
This is to inform you that **Gideon Kipkoech** named above is a student in the University of Nairobi, College of Education and External Studies, School of Continuing and Distance Education, pursuing Masters in Project Planning and Management.

The purpose of this letter is to inform you that **Gideon** has successfully completed his course work and Examinations in the programme, has developed Project Proposal and submitted before the School Board of Examiners which he successfully defended and made corrections as required by the School Board of Examiners.

The research title approved by the School Board of Examiners is: ***“Relationship Between Customer Related Factors and the Choice of Electronic Banking in Kenya. A Case of Standard Chartered Bank , Kericho Branch”***. The project is part of the pre-requisite of the course and therefore, we would appreciate if the student is issued with a research permit to enable him collect data and write a report. Thesis reflects integration of practice and demonstrates writing skills and publishing ability. It also demonstrates the learners' readiness to advance knowledge and practice in the world of business.

We hope to receive positive response so that the student can move to the field to collect data as soon as she gets the permit.

Yours Faithfully

  
**DR. RAPHAEL NYONJE**  
**RESIDENT LECTURER**  
KISUMU CAMPUS





