ELECTRONIC BUSINESS PRACTICES AS AN OPERATIONAL STRATEGY BY COMMERCIAL BANKS IN NAIROBI

BY
JOSHUA WANGAI GACHARA

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA), SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

SEPTEMBER, 2012

DECLARATION

This research project is my original work and has not been presented for a degree program in any other university or any where else for academic purposes.

Signature: …………………………………. Date: ………………

Joshua Wangai Gachara

D61/72868/2009

This research project has been submitted for examination with my approval as the university supervisor.

Signature: …………………………………. Date: ………………

Eliud Mududa

Lecturer

School of Business

University of Nairobi

ACKNOWLEDGEMENTS

This project would not have been possible without the favour from the Almighty God. He guided my every step in my quest to complete this Masters Degree program. I am extremely grateful. Special thanks to my parents for their support and encouragement.

The work of conducting this project required adequate preparation and collective responsibility of many people. While it is not possible to name all, recognition has been given to a few. My sincere gratitude goes to my supervisor Mr. Eliud Mududa for his guidance, advise and unlimited much patience in reading through my drafts and suggesting workable alternatives, throughout the project.

To the school of business, University of Nairobi, thank you for offering me this opportunity to study this program. It has been fulfilling, worthwhile and has offered me new perspectives and appreciation of knowledge in this field. I look forward to applying the same in my endeavours.

DEDICATION

I dedicate this work to my parents, Mr. and Mrs Gachara for the support, joy, fulfilment, enthusiasm and encouragement which inspired me to achieve this goal.

ABSTRACT

Electronic business practices in commercial banks have become an operational strategy to meet business goals and objectives. This is because the operation is able to handle both complex and simple tasks with huge benefits of accuracy. Hence, banks have adopted this mode of operation in both internal and external business activities.

The purpose of this research was to examine how the electronic business practices have become a tool to maximise profit and minimise loss in commercial banks. Towards this end, the study collected primary data from members of management of commercial banks involved in strategic planning of process models. Primary data was collected by questionnaire method among thirty banks.

The result of this study showed that fraud affected the returns because the amounts lost in shillings were high. The trends in branding versus primary responsibility of banks were catching up to creating an impact that rakes in customers' attention for a lasting beneficial period. However, the absolute need to grow viral in positive branding was not achieved. All banks studied were found to involve in training of their work force so as to better the skills to cope with changing working trends and gain more competitiveness. However, few banks had embraced electronic running and assessment and most still engaged in paper work. The implementation of change to new trend such as cloud computing was successful as a result of competition towards gaining market share.

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LIST OF ABBREVIATION AND ACRONYMS

ATM	-	Automated Teller Machine
E-Business	-	Electronic business
E-Commerce	-	Electronic Commerce
EBIT	-	Earnings Before Interest and Tax

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

According to (Jelassi, 2008, p.15) electronic business is the use of electronic means to conduct an organization's business internally and or externally. This practice is often adopted by commercial banks so as to create a sustainable competitive advantage. "Yet technology underlying e-business and electronic commerce is not and cannot be, a substitute for strategy,"(Jelassi, 2008, p:7). Therefore the use of internet banking is one of the many strategies that commercial banks use to effect transactions and selling of products. Internal e-business activities include the linking of employee communication to meet business objectives while external e-business will engage other business partners and customers in an organization's operations. Geyskens et al. (2002) suggests that there are three main forms of demand expansion. These are market expansion, brand switching and relationship deepening. Market expansion occurs when new customers are reached, brand switching is by winning customers from competitors and relationship deepening is selling more to existing customers.

E– business applications were first developed in the early 1970s with innovations such as electronic funds transfer which was adopted by commercial banks. In Kenya, commercial banks began using electronic funds transfer in the late 1990s. This facilitated payments from one bank to another thereby enabling customers to reduce risks in carrying cash and increase efficiency in transaction costs. Dibb et al. (2001) adds that the organization activities facilitate and expedite exchange relationships through creation, distribution, promotion and pricing of goods, services and ideas.

One reason for the advance in technology was competition and other pressures such as globalization, information overload, digitization, new business models, fraud wars, and innovation which (Turban, 2005) submits to. With the emergence of new banks such as Kenya women finance trust bank and Faulu bank, the competition between them and the existing banks will always lend to advance in technology in banks operations. This means that the effect will lead to change in operations. Notably, Turban (2008), indicates that electronic business does not simply involve using technology to automate existing processes but should also achieve process transformation by applying technology to help change these processes. Turban (2008) adds that innovation in e-business is relentless with the continuous introduction of new technologies, new business models and new communication approaches. So all organizations have to review new electronic and internet based communications approaches for their potential to make their business more competitive and also manage ongoing risks such as security and performance. A similar scenario is from card business transactions in Kenya to mobile banking services.

Finally there is a difference between e-commerce and e-business. According to Laudon (2009), e-commerce is elaborated as the exchange of value across organizational and individual boundaries in return for products and services while e-business is the digital enabling of key business transactions and processes within a firm involving information systems under the control of the firm.

1.1.1 Electronic Business Practices

Laudon (2009), clarifies about the eight unique features of e-commerce. Ubiquity is the availability of internet everywhere at work, at home and via mobile devices. This is the cetrepiece of mobile banking. Global reach, means that technology reaches across national boundaries seamlessly hence making the market place to include billion of customers and businesses. Commercial banks in Kenya are able to use their global reach to add to their customer database by selling their products and service to a bigger market audience hence increase their market share. Thirdly, universal standards means that it is a common, inexpensive, global technology that can be easily adopted for use (Laudon 2009, p. 12). This enables commercial banks to become competitive based on the fact that consumers are able to view their products in a coherent comparative environment. An example would be the difference in interest rates offered by commercial banks.

Fourth is richness where the internet has the potential for offering considerably more information richness than traditional media such as printing presses radio and television because it is interactive and can adjust the message to individual users. Chatting with an online sales person comes very close to the customer experience in a small retail shop and banks have adopted this feature. Commercial banks have customer contact centres where consumers can contact them and obtain internet banking services. Barclays bank of Kenya is a first in Kenya.

Hoffman and Novak (1996) suggested that consumer to consumer interactions are a key characteristic of the internet that it is important for companies to consider borne out by the recent growth of social networks. Boyd and Ellison (2007) describes social networking sites are services that allow individuals to construct a public or semi-public profile within a bounded system, articulate a list of users whom they share a connection and view and traverse their list of connections or those made by others within the system.

Fifth is interactivity where technology works through interaction with the user which is similar to a face to face experience. This is by means of skype and teleconferencing. Top commercial bank managers will use this to interact with managers in other locations to make decisions on business operations.

Sixth is information density where technology reduces information costs and raises quality. Hence information such as price transparency becomes accurate and plentiful. Commercial banks will use this feature as a massive way of advertising by lowering interest rates and letting the customer to make comparisons and choices of obtaining a product.

Seventh is the feature on customization which allows personalization of marketing messages such as their names, interests and past purchases. For example, when a customer withdraws money from the automated teller machines ATMs or deposits cash into their account, the customer receives a short message sent to their mobile phone. This means that information is constantly gathered at point of transactions and can be used by commercial banks to perform market segmentation. Customization allows cloud computing where many activities are conducted with a computer and a web browser with local software applications used less widely.

Finally, the feature of social technology allows social networking where users create and share content in the form of text, videos, music or photos. Hence Facebook is an active social networking tool where commercial banks can reach a target audience. O'Reilly (2005) adds that a range of interactive tools include blogs, podcast and social networks. These are aimed at increasing user participation and interruption on the web with customers, with the hope they will have a viral effect. A viral effect means they will be discussed online and offline and more people will become aware of the brand campaign.

1.1.2 Commercial banks in Kenya

Commercial banks have been in operation with the regulator central bank offering the guidelines of operations. This important role has laid down a platform for banks to shift their operations from hard copy, physical processes to electronic modes. On emergence of new business platforms, Chaffey (2002), elaborates on the new millennium dawned with business to business market places in electronic form. This was supported by the increased competition among banks and the need to cut costs through upgrading technology in operations.

Notably, as the changes in transaction such as pay bills and M-pesa increased, central bank has continued to monitor the effects and plays a central role in regulating the operations together with the risks involved. This has enabled banks to expand and open branches across Kenya as the mode of transacting is in sync with the dynamic changes in technology and the growing need to make it easier to conduct transactions.

1.1.3 Commercial banks in Nairobi

Commercial banks play an important role in offering financial services. According to Cecchetti (2008), banking operates on five principles namely time, risk, information, markets and stability. Therefore, in an electronic business, banking practices operations will be founded on the principles.

For electronic business to be effective, the time it takes to transact has to be short compared to queuing in a bank. Hence the platform for e-banking means faster processes in transaction and adding value to the customer. Through the use of mobile banking, commercial banks are able to process customer instructions promptly.

Risk as a principle means fraud management to present financial losses. The types of risks that commercial banks face include loan defaulters, fraudulent transactions, credit card fraud and ATM withdrawal losses. On electronic business related transactions, the latter three are most common.

Information to the customers enables decision making on which bank offers the best competitive practices. Though the sector is highly regulated by central bank of Kenya, the information on interest rate is key to enhancing electronic business.

Cecchetti (2008), agrees that financial markets gather information from a large number of participants and aggregate it into a set of prices that signals what is valuable and what is not. Hence commercial banks are able to raise capital through selling of stocks and shares. Rayport and Sviokla (1996) contend that the internet enables value to be created by gathering, organizing, selecting, synthesizing and distributing information.

Cecchetti (2008) acknowledges on the improvement of welfare through financial stability. While stabilizing the economy is the role of central bank, fluctuations as witnessed in October 2011 in the Kenyan banking centre affected the interest rates and slowed economic progress. This means customers had to grapple with high interest rates.

1.2 Research Problem

Commercial banks have adopted the use of e-business and e-commerce as a means of maximizing profits despite stiff competition. According to Oloo (2004) banks have realized that to stay ahead of competitors, they have to improve their existing products or come up with completely new innovations. Hence by engaging in e-business and e-commerce activities such as international forex trading, credit card and mobile banking, the challenges in the macro environment affect their operations. This includes political, legal, economic, social and technological factors Jelassi (2008). Therefore this study will identify how e-business and e-commerce has been affected by the macro environment in maximizing returns.

Jelassi (2008), adds that operational strategy deals with how to implement the business unit strategy with regard to resources, processes and people. This leads to the question of how commercial banks are training their people while cutting on resources spent in training.

Noting that e-business and e-commerce lead to reduction in risks, costs and efficiency in commercial banks operations, the challenges on adopting a strategy that will enable banks to capture data on the environment, establish measures of performance and evaluate results so as to remain competitive exists. With the growth of social networks, consumer to consumer interactions are key internet characteristics and the challenge will be to adopt a strategy that considers the same. By engaging many web users, commercial banks need to utilise viral effect on the web. Hence in a dynamic competitive environment, this study will seek to answer the following questions. What operational strategies have commercial banks put in place in E-business? What challenges do commercial banks face in implementing E-business strategy? Do banks value the viral effect and cloud computing? Do banks use electronic business in handling customer complaints, training employees as well as fraud management in sharing of information?

1.3 Research objectives

The objectives of this study were:

i) To determine electronic business practices applied by commercial banks in Nairobi.

ii) To determine the benefits such banks derive from E-business practices.

1.4 Value of the Study

The findings of the study will be important to the central bank of Kenya in understanding the dynamics of e-business and e-commerce and in ensuring that the limits of innovation are not exceeded through fraud and money laundering. This will be easily conducted through an exercise for all banks to share data on fraudsters to curb proliferation of fraud from one bank to another.

The results of the research will be important to the management of commercial banks in identifying gaps in internet banking that can be filled through innovation of e-commerce and e-business so as to bring the customer to a closer relationship to the bank. This will be done better if each customer is treated as an individual and all complaints recorded by use of electronic system to provide individualised feedback.

Electronic business practices as an operational strategy will enable bankers to identify strengths and weaknesses in the e-commerce and e-business activities and enable them make decisions on how to outperform each other. Hence the strategies in becoming a banking leader will steer growth of advertisement that seeks to go viral so as to create tremendous growth through customer to customer interactions.

The academic community and researchers will obtain addition knowledge and help banks set expected outcomes. This is because electronic business is very dynamic hence the need to gather pace to conform to emerging trends of banking operations.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Micro environmental and macro-environmental factors affecting e-business and e-commerce and challenges in adopting a strategy due to the dynamics of market forces were the focus of the study. This section reviews past studies on the subject and its relevant literature. The chapter consists of seven sections; section 2.2 discuses e-business models, section 2.2.1 discusses integrated online and offline business model, section 2.2.2 examines the revenue model, section 2.2.3 looks at the shareholder value model, section 2.2.4 is about the financial growth model, section 2.2.5 discusses the schwabs business model, section 2.3 discusses some basic strategic orientation such as in section 2.3.1 where it presents the cost leadership while section 2.3.2 discusses differentiation.

2.2 E-Business models

Bart et al. (2005) suggests that electronic business models are compounded by cues of trust as a key nature for transaction to exist. This is because the brand strength will heavily rely on word of mouth, advertising and offline contracts and has been in traditional banking. The privacy would require confidentiality of disclosed information by the customer. This should be supported by purchasing intent which requires detailed information to build on loyalty. Finally the order fulfilment of customer promises must be met to build a relationship that lasts online.

2.2.1 Integrated online and offline business model

Jeffrey (2001, p.85) describes the benefits of using both an online and offline interface to customers in four-fold. These are persistent connection with customers, new value for customers, access to new customers and scalability. Whereas the physical customer engagement by commercial banks is limited to eight hours a day, the benefits of adding the time is lucrative. This is by engaging the customers online where they can issue a set of instructions geared towards meeting a transactional deadline. Online communication between bank and a customer happens any time of the day and this offers a platform to create new value possibilities for customers. This is evident by the wealth of information that a bank is able to offer its client online. Deighton (1996) adds that online activities involves, customer initiating contact, customers seeks information, marketer has 100% of customer attention while viewing the website, company gathers customers response and finally individual needs of customer can be addressed and taken into account in future dialogues. Customer information delivered on the website must be integrated with other databases of customer and order information like similar accounts, such as those accessed by a staff in the call centre to provide what (Seybold, 1999, p.6) calls a “360 degree view” of the customer.

Online business opportunities are immense owed to a huge audience that can access the information. It enables to increase the customer base which translates to growth in market share. Finally, scalability is an “integrated strategy that enables it to be replicated across the regions of the world" (Jeffrey, 2001, p.85). This would be ideal for a bank that seeks to open other outlets in foreign country.

The online business model may have an inverse relationship with the offline business model. When a business goes online, its customers may seek the platform as an alternative to offline business.

This translates to the need of a clear demarcation of services that can be offered online and offline as it can lead to cannibalization. Jeffrey (2001) adds that cannibalization can lead to only a transfer of online sales that normally would have occurred offline.

2.2.2 Revenue model

Culmination of the revenue model is from the evaluation of seven categorised internet companies by Jeffrey (2001). This involves postal of companies with user entry point to the internet like yahoo, transactional companies like e-bay, commerce companies like Amazon, content companies like the street.com, internet service providers, enabler companies that provide hardware and software to communicate and advertising companies. The evaluation was based on gross profit (revenue – cost of goods sold), EBIT (Earnings Before Interests and Taxes and net income.

The result showed that transaction companies enjoy favourable financial performance because of their solid reverse model. They are able to make earnings out of every transaction conducted on their online site. This is the path that commercial banks seeking a favourable financial position should focus on because they are mainly transaction based.

The revenue model as drawn by Jeffrey (2001) indicates that online firms are able to obtain revenue by four main sources. This includes advertising where an online site sells advertisements, product sales where goods are sold, transaction where a fee is charged for facilitating a transaction and subscription where fees for magazines on a periodical basis is charged.

2.2.3 Shareholder value model

The shareholder is the pillar of entity and its operations. Jeffrey (2001), indicates that this is due to their contribution towards market capitalization of the company, The company is the core interest of the shareholder while the value is utilised by the user. This model seeks to examine three company and user derived value models that are based on bringing together large number of buyers and sellers.

First the Meta markets switchboard is able to conglomerate many different online companies with different products. This is like the Kenya businesses online which allow different Kenyan business to put their operations on the site. The benefit of this includes the growth of market share with a large number of buyers and sellers.

Secondly, is the traditional and reverse suction where buyers and sellers are able to bid. In the traditional auction, buyers with the highest bid win the auction while in reverse auction, suppliers with the lowest bid are awarded to supply. The success of these auctions is pegged on large numbers of buyers and sellers.

Thirdly, is the category switchboard which focuses entirely on one product category. This means that brands to a product are fitted in one category to enable the customer to choose from a variety.

2.2.4 Financial growth model

Jelassi (2008) notes that the positive interactions that competitors within an industry can have a positive effect on profitability. This profitability creates a benchmark for financial growth which includes joint standards setting, joint development and joint lobbying.

Joint standard setting for technology notes that competition within mobile banking can encourage development of standard approaches. An example is the M-pesa whose standard approach to open an account requires an identification document for every transaction.

Joint development Baily et al (1994) expounds on improving performance of each of the five rights of purchasing, which include price, time, quality, quantity and source. This means that all the above held constant, the competitors will seek to improve quality, increase demand and smoothen procurement process.

Chaffey (2002), adds that joint lobbying aspires favourable legislation, This is similar to commercial banks in Kenya seeking to withdraw a financial bill that seeks to legislate regulating interest rates.

2.2.5 Schwabs business model

The model is centred around creating an opportunity for customers to consume trapped value and obtain new value, which is according to Jeffrey (2002). For the customers to insure the trapped value the entity must seek to make the market more efficient by reducing the turnaround time in serving a customer. It also requires compressing steps in current value systems, enabling ease of access and disrupting pricing power to create demand. Creating new value entailed customizing offerings, building community, collaborating across multiple people locations and time while introducing new to the world functionality both to operators and customers. This model is based on the unwilling to pay customers for investment advice. Therefore it embraces three components namely the target market, the key benefit and the unsupportive rationale.

The target segment includes consumer earnings limits while the key benefits aims at creating innovative superior products at lower prices and the supportive rationale involves superior technology that creates benefits which existing competition cannot match.

2.3 Some basic strategic orientations

Strategic analysis of competitors and benchmarking for acquisition and retention of customers is important because of the dynamic nature of the internet medium. As Porter (2001) has pointed out, these dynamics enables new services to be launched and elements of the marketing mix, such as price and promotion to change more frequently. Chase (1998) advocates that when benchmarking, companies should review competitors' sites and identify the best practices, worst practices and "next" practices. Next practices are where a company looks beyond it industry sector at new approaches to become more competitive. Deise et al., (2000) suggests that competitive capability is the agility meaning speed of response multiplied by the reach which is the ability to connect products and promote them in new markets divided by the time-to-market which is the product lifecycle from concept to revenue generation.

2.3.1 Cost leadership

Jelassi (2008) examines cost leadership as by clarifying it as an ability of a firm to produce its product at a substantially lower cost than its competitors while offering benefit proximity through meeting threshold criteria on its products to customers. Factors influencing a firm to achieve cost leadership include economies of scale, factor costs and learning effects.

Economies of scale are often achieved when a firm has high fixed costs and low variable costs. Therefore as a firm increases its production output, it decreases its unit production cost. In the banking industry an expansion to reach new customers requires high capital to acquire new infrastructure while incurring minimal variable costs on operations to have new customers.

Factor costs are represented by the ability to bargain down input prices through bulk purchasing. Hence in operations of a bank, the bulk purchasing would be characterized by stationery and staff uniforms.

Learning effects include reducing wasteful activities (Jelassi, 2008). This means maximizing efficiency as a result of routine jobs that banking is.

2.3.2 Product differentiation

Banks strive to provide a product that is unique and able to provide maximum benefit. There are tangible source for differentiation namely product quality, service quality, convenience, delivery speed, brand and reputable (Jelassi, 2008).

Product quality will mainly focus on the degree of personalization that a product has on the customer. Banks have products that are designed to meet customers at their point of need. This means that a market segment based on income earnings is designed for a product that matches it. Online business for banking is able to cut across a huge market segment and the product quality will be determined by the amount of time it takes to implement customer institutions.

Degree of service quality allows customers to issue instructions to suit their needs. This means that the benefit accrued by the customer will largely depend on the banks ability to implement in a flexible approach. Convenience will involve mobile banking where the customers give institutions to bankers at the torch of their mobile phones. Delivery speed will focus on the amount of time it takes to open an account or obtain a loan. The faster a bank is, the more attractive it is for customers to transact.

Brand and reputation of commercial banks are based on integrity, cost and fraud management. This is the perceived image of a financial institution and its provision of quality products. Jelassi (2008) adds that when it comes to making online payments, a company reputation is critical since many online customers feel uneasy providing their credit card information to an unknown vendor.

2.4 E-Business practices as operational; strategic orientation

Jelassi (2008), on outcomes of operations notes that the best results have always been achieved when operational excellence, attention to the smallest details, step by step change, and careful experimentation over a long period of time have driven the implementation of business. The successful e-business companies did not fall into the trap of believing that being first in the market would be sufficient to guarantee lasting competitive advantage. They had internalized one of the most important strategic insights; it is not enough to be first, but you must also be the best. By observing all the above in details, commercial banks are able to competitively benefit. Haven (2007) adds that by engaging customer online the level of interaction, intimacy and influence an individual has with a brand over a period of time grows.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

Five sections were drawn herein as follows. Section 3.1 is the introduction, section 3.2 comprises research design, section 3.3 is the target population, section 3.4 is about sampling, section 3.5 is about data and data collection methods while section 3.6 involves data analysis.

3.2 Research Design

This was a descriptive survey based on commercial banks in Nairobi. The research aimed at establishing the pivoted role of electronic business on operational strategy in banking. It was a qualitative study because it describes the various aspects used in e-business. This includes; ATM's, Mobile banks, Mortgage, E-banking, youth oriented accounts, women account, debit cards, credit cards, personal loans and employment training and feedback programmes.

3.3 Target Population

The target population was of all 44 commercial banks operating in Kenya as at April 2012 as per http.www.cbk.com. This study targeted all the banks in order to provide plenty of information about the e-business practices used as an operation strategy.

3.4 Data Collection

Primary data was collected by use of a questionnaire (see Appendix II) designed and administered through a "drop and pick technique" targeting bank managers to be the respondents. The questionnaire had three parts. Part I consisted of introductory and background questions pertaining personal and organizational issues considered relevant to the study. Part II contained questions to analyze the level of electronic business practice in the Kenyan banking sector. Part III entailed questions of motivation, benefits and challenges of electronic business practices by commercial banks in Nairobi. Part III also questioned on recommendations for better conclusion on issues at hand.

3.5 Data Analysis

After collecting data, the questionnaire was edited for completeness and consistency before processing. Excel sheets were used to group information for analysis. Information was grouped into meaningful subjects and analysed using descriptive statistics. Pie charts, bar charts, frequency tables, percentages, mean and deviation are used to display the results of data analysis for better presentation and analysis.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

The chapter presents data analysis and interpretations of the findings. Data was collected from bank managers who steer electronic banking business as an operational strategy in the forty four commercial banks in Nairobi. Consequently, after data collection was conducted, of the 44 questionnaires distributed for this research yielded 30 usable questionnaires which were returned giving a response rate of 68.18%. This was considered satisfactory for subsequent analysis. Section one captures bank characteristics, section two factors, section three benefits and section four challenges.

4.2 Characteristics of banks

Commercial banks are characterised by functions which play different roles in order to ensure that set business objectives are met. This is well defined by the management structure in order to provide seamless service to their customers with maximum levels of efficiency in productivity while maintaining quality standards.

4.2.1 Management functions

This study section aimed at establishing the various banking functions that the respondents were attached. The study towards the various banking functions was to clarify the participant's level of engagement towards the topic of discussion. The results are shown in the table below.

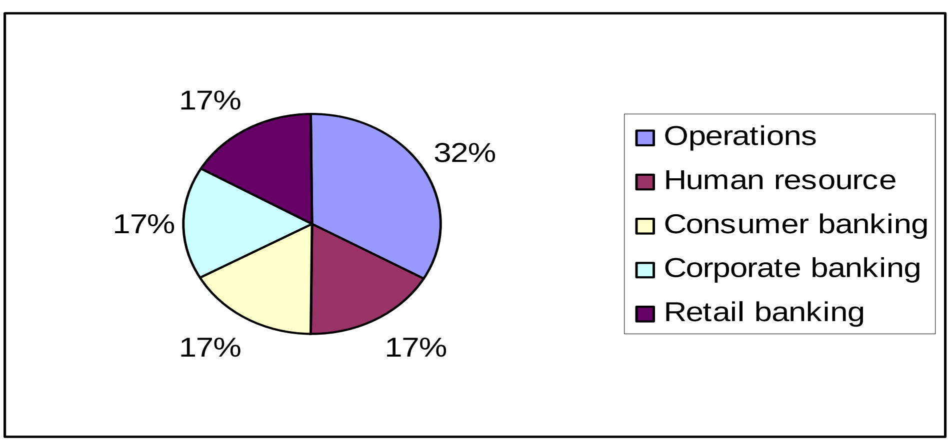
Table 4.1: Banking management function

Function	**Frequency**	**Percent**
Operations	10	33.3
Human resource	5	16.6
Consumer banking	5	16.6
Corporate banking	5	16.6
Retail banking	5	16.6
Total	**30**	**100**

Source: Researcher

From the findings, data portrayed that majority of the respondents were from operations comprising of 33.3 per cent and this was followed closely by human resource, consumer banking, corporate banking and retail banking each consisting of 5 per cent. This is also shown in the pie chart below.

Figure 4.1: Management function percentages



Source: Researcher

The five functions were operations, human resource, consumer banking, corporate banking and retail banking. The operations banking was the key functional area where main banking transactions are conducted. It is where accounts are opened, monitored, closed and to a huge extent management of customer records. The human resource section was largely involved in handling staff related issues on disciplining and grievances, promotions, hiring and exit of staff. The consumer banking section was critical to the bank due to the focus it gave on customer needs. This entailed product development to suit clients' demands as well as handles customer complaints. The corporate banking function was segmented towards handling clients who deposited huge sums of money meaning that they had a central support disguise towards a major percentage of bank deposits for investment. Finally, the retail banking handled the regular customer and the reliance on huge masses was important for growth of market share.

4.2.2 Electronic business initiatives

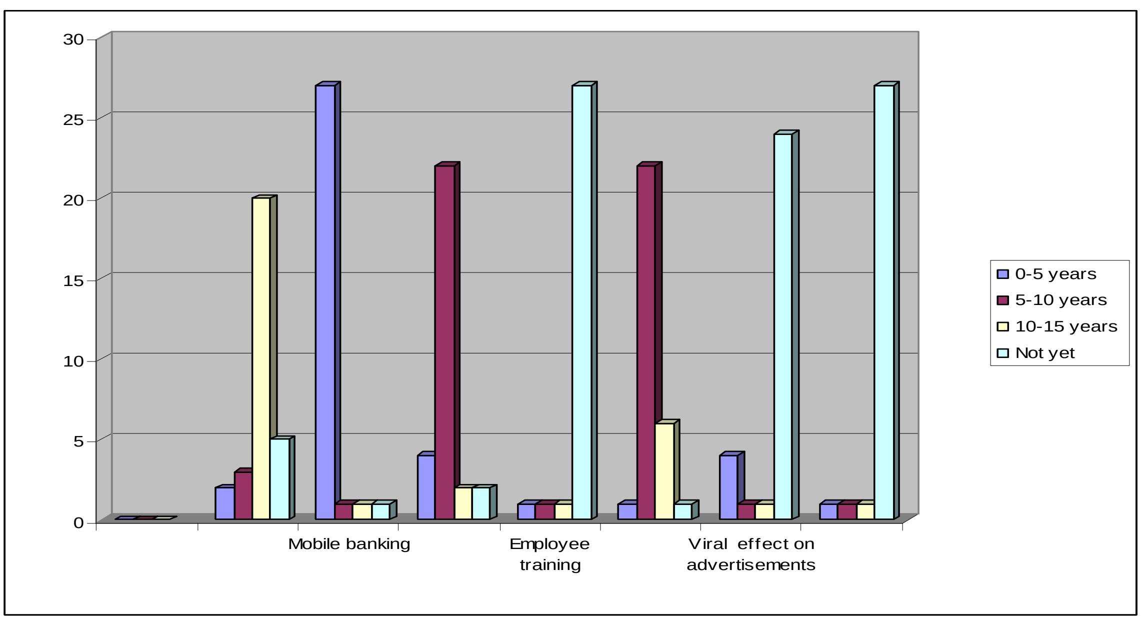
This study aimed at observing the trends that commercial banks responded to growth in electronic business as a strategy to maximise profits. This was tabulated as follows:

Table 4.2: Electronic business innovations

Category	0-5 years Gap Frequency	5-10 years Age frequency	10-15 years Age frequency	Not yet
ATMS	2	3	20	5
Mobile banking	27	1	1	1
Credit cards	4	22	2	2
Employee training	1	1	1	27
Fraud management on systems	1	22	6	1
Viral effect on advertisements	4	1	1	24
Contact centres	1	1	1	27

Source: Researcher

Figure 4.2: Electronic business strategies



Source: Researcher

Data from the above shows that contact centres and employee training on electronic form have the least frequency showing it is yet to be fully adopted as a strategy ranging within the last 0- 5 years. Also, electronic payments and mobile banking are the most commonly used among banks to conduct transactions ranging 0- 5 years. The data showed that many banks are yet to adopt employee electronic tracing, use of viral effect to create advertisements as well as setting up of contact centres. However, most electronic forms of conducting business in commercial banks ranged within the last 5 -15 years namely; mortgage, credit cards and personal loans.

As commercial banks responded to competition in the market, they undertook various initiatives as a strategic operational measure. Automated teller machines ATMs were used to effectively serve the customer in order to easen the workload on the cashier. Mobile banking which is the newest initiative is characterised by transacting by use of the mobile phone to access bank account. Credit cards are effective mans of obtaining cash for a customer who experiences abrupt shortage. The bank will recover the money spent to a percentage interest on the total. Employee training was characterised by use of an electronic feedback system by banks to train instead of attending conferences that infringe on costs. Fraud management on systems is the ability to mitigate financial losses caused by dishonesty in transactions. The sharing of information on suspected fraudsters is key to reducing fraud. Viral effect on advertisement is the motivation to creating a lasting and instantaneous impact on the customer. The setting up of contact centres enabled each customer grievances to be handled separately.

4.2.3 Electronic process versus manual process

The changes in the banking industry have been dynamic resulting from competition. Noting that most processes were manual, results were in response to the transition into electronic operations. The results were as follows:

Table 4.3: Electronic versus manual operations

Process	**Strongly agree**	**Mildly**	**Indifferent**	**Strongly agree**
Bank has increased new products	25	3	-	2
Bank has reduced process steps	12	1	-	17
Bank has increased electronic operation	26	4	-	-

Source: Researcher

The data showed that 83% commercial banks have increased new products over the recent past while a majority of 53% agree that the business process have been increased in electronic operation.

The data showed that 83% of commercial banks have increased raw products over the recent past. The products were characterised by market segmentation. Such as Islamic banking products, women diva accounts, youth accounts and business accounts with specifications on deposit maintenance. These new products were tailored based on research to meet customers at their point of needs. However data showed that the processes involved in ensuring that a product is operational to maximum customer satisfaction had increased. This was represented by a 53% of respondents who felt that processes were more. Finally, a majority of respondents represented by 86% agreed that electronic operations had increased. This is because banks focused on obtaining all information on the customer such as residential address, Shareholding, directors and authorised signatories.

4.2.4 Responsibility of e-business formulae

The study aimed at establishing who are responsible for the use of electronic business as a strategy in commercial banks. The results are shown in the table below:

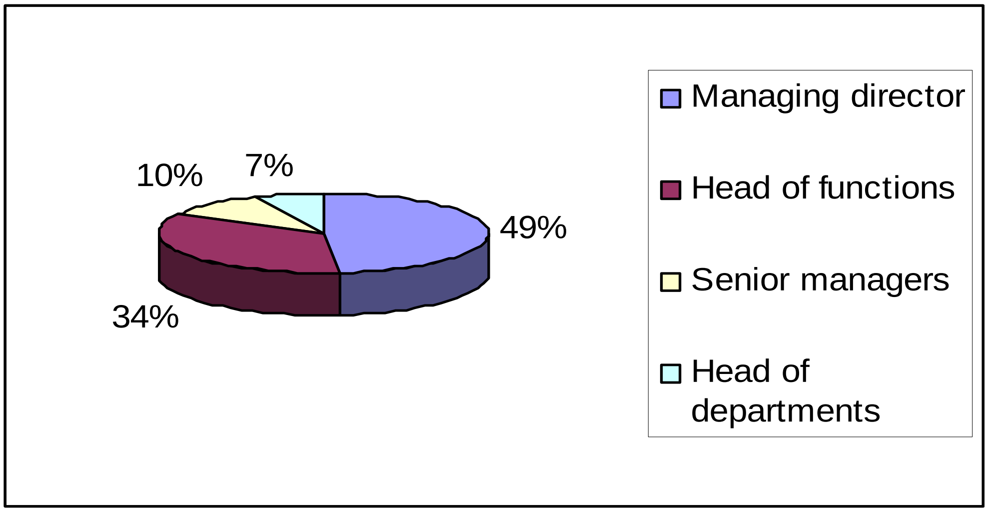
Table 4.4: Management functions

Managing director	14
Head of functions	10
Senior managers	3
Head of departments	2

Source: Researcher

The data was tabulated as follows:

Figure 4.3: Management functions presentation



Source: Researcher

Data showed that 49% of managing directors are responsible for the electronic business strategy adopted. This is because, when they are actively involved in the adoption of the strategy, they bear the image borne, and therefore want to understand it well. 34% represented heads of functions in formulating the strategy. This is because, the heads are changed with the responsibility of upholding any strategy in the interest of the bank. Therefore their presence on developing a strategy is key to operations of each function. 10% represented senior managers, who held positions of influence. These were characterised by their strong leadership skills which means that their promotion towards heads of functions was imminent. Finally 7% represented head of departments who also portrayed strong leadership skills. They were also tasked with the responsibility of cascading all information about electronic business strategy to their teams.

4.2.5 Effectiveness of electronic business

This study was aimed at identifying the various views on whether electronic business as an operational strategy was effective. This was presented as follows:

Table 4.5: Operational effectiveness

Strategy	Mean	Std deviation
Fraud management on systems	2.785714	1.137728
Training of colleagues by systems	3.214286	0.842057
Contact centres to solve queries	3.261905	0.586828
Viral effect option	3.428571	1.01558
Cloud computing option	3.571429	0.703401

Source: Researcher

Data from the above table shows that cloud computing had the highest mean of 3.57. This contends that the growing need to remain competitive has prompted banks to embrace cloud computing to a huge extent. This is because it facilitates mobile banking where customers are able to not only access information on their account by mobile phones, but to transact. This was followed by the viral effect which is creating a need to have a lasting positive impact of the bank's brand on the customer. The viral effect posted a mean of 3.42. In close proximity was the setting up of contact centres which had a mean of 3.26. This means that contact centres enable the banks to obtain information on how their products are performing and help solve all complaints to a desired level. This enables the bank to come into a closer contact with its customers. Training of colleagues by use of bank systems generated a mean of 3.21. This is a growing trend on cutting costs that are mainly on the numerous conferences. Noting that the feedback on performance of training is instant on completion of a module, the amount of time on feedback is tremendously reduced. Finally, fraud management was least effective with a mean of 2.78 which depicted the laxity on management of shared system resources. This means that the banks had done little to curb fraud due to lack of a united effort to combat the unpredictable nature of this event.

4.3 Electronic business factors

The aim to study the motivating factors based on the level of extent as per respondents. The results were shown in table below:

Table 4.6: Electronic business factors

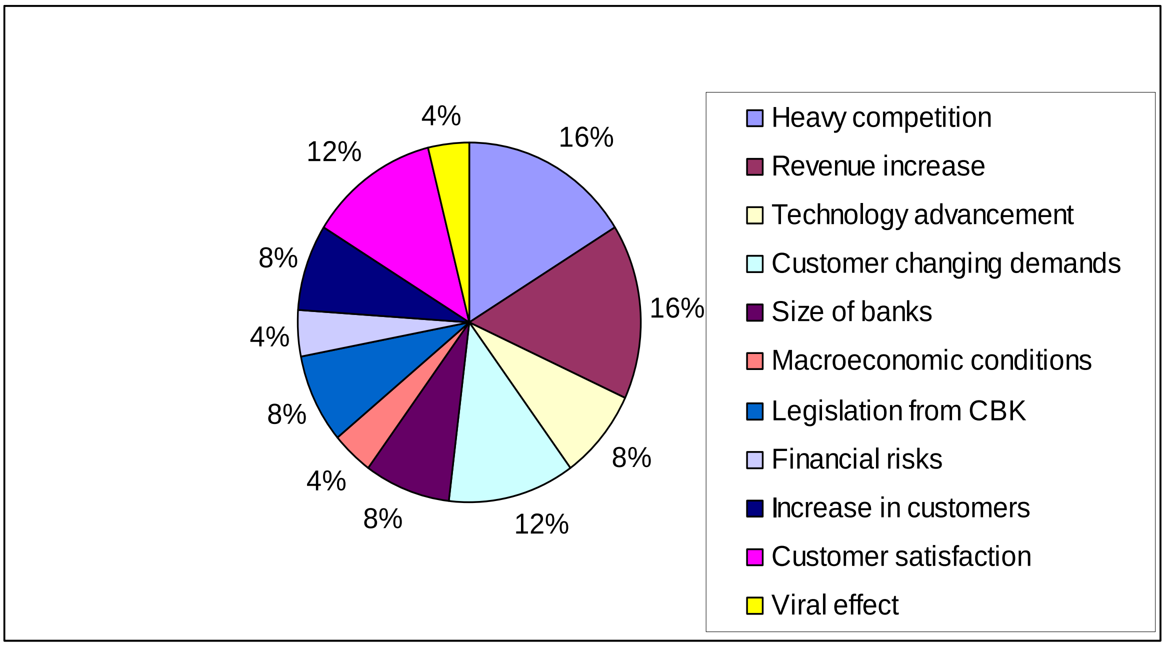
Factors	**Frequency percentage**
Heavy competition	4
Revenue increase	4
Technology advancement	2
Customer changing demands	3
Size of banks	2
Macroeconomic conditions	1
Legislation from CBK	2
Financial risks	1
Increase in customers	2

Customer satisfaction	3
Viral effect	1
Total	**25**

Source: Researcher

The data was tabulated into a pie chart as follows

Figure 4.4: Electronic business factors



Source: Researcher

Heavy competition and the need to increase revenue were the factors having the most motivation by percentage of 16% in eleven factors. This is because heavy competition created a framework that required a unique approach to the bank's operational strategy. Also the need to increase revenue was triggered by the image reputation of a solid partner who cannot collapse financially. Secondly, the size of the bank and technology advancement had a percentage effect of 12%. This is because the size of bank is demonstrated by the access to transact in terms of branches distribution and automated teller machine ATMs distribution while technology refers to efficiency with minimal downtime.

Customer changing demands, macroeconomic conditions, increase in customer Numbers and customer satisfaction had eight percent representation. This is because the customers are the key reason that banks operate. Hence the need to make the transaction process simpler and further is the motivation to adopt various strategies like mobile banking and credit cards. Finally, viral effect and financial risks had the least representation of four percent. This is because the decision to implement an e-business strategy is least motivated by the above.

4.4 Benefits of electronic business

This section aimed at establishing the benefits of electronic business as an operational strategy. To measure, respondents were asked to rate their opinion on various key benefits. Rating was based on a 4 point scale ranging from (1) Great extent (2) Some extent (3) Average, (4) No extent. The interpretation was on a scale which state less than 1.4 for great extent, 1.5-2.5 some extent, 2.5-3.5 average, 3.5-4.5 no extent. The respondents were to reflect on the banks benefit both as an institution to itself and to customers.

4.4.1 Bank as an institution to itself

This study sought to establish the benefits resulting from applying electronic business as an operational strategy. The results in the table below show.

Table 4.7: Bank's self benefit

Bank status	**Mean**	**Standard deviation**
Cost of services has gone down	3.15	1.075
Increase in revenue	3.30	1.212
Increment in competitive products	2.98	0.881

Source: Researcher

It was shown that one key benefit that was most outstanding was the increment in revenues which has a mean of 3.30. This is largely because the increased revenues translates to increased profits which is shared among but employees as banks and shareholders. It also represents growth and contends the need for more innovativeness either on electronic business operations or on other forms in order to display similar financial performance in recruitment periods.

The respondents were also satisfied with the benefit that cost of services had gone down which was represented by a mean of 2.98. Notably the performance of a manager is based on among many items, one being cost, electronic business operations have reduced paperwork and time spent to visit customers. Indeed it has promoted a paperless banking which led to a cut in costs. The respondents were also content with the fact that commercial banks had experienced an upsurge in products which was represented by a mean of 2.98. The upsurge in products is relative to the bank's innovation to meet customers at their needs as well as increasing competitiveness to gain market share.

The standard deviation of 1.075 and 1.212 implies a significant variance in the responses concerning cost of services going down and increase in revenue. This means that there is no consensus and it would be brought by the fact that different banks experience these benefits based on how they implement the strategy

4.4.2 Bank as an institution to customers

This study aimed at identifying the factors that benefited customers as it pursued electronic business as an operational strategy. The results were as shown below.

Table 4.8: Bank customer benefit

Customer benefit	**Mean**	**Standard deviation**
Improved customer service	2.6	0.781
Reduction in number of customers	2	0.634
Expansive in geographic coverage	1.72	0.318
Reduction in transactions costs	1.80	0.320

Source: Researcher

Respondents felt that customer service had improved hence were most satisfied depicting a mean of 2.6. This was in comparison to the minimal time that the customer was engaged with the bank in transacting. However, with e-business operations, the customer transacts often, enquires often and receives feedback more often which leads to better improved levels of customer service. However, respondents were moderately satisfied that there was a reduction in customers in banking halls with an indication of a mean of 2. As indicated earlier in chapter 2.2.1, the cannibalization of services leads to reduction of customers due to online engagement of customers. For an expansion in geographic coverage, respondents felt the impact was not so much with an indication of a mean of 1.72. This happens because the areas where there is frequent high transaction levels only grows within themselves such areas include cities and major towns. Hence the geographic coverage does not increase due to irrelevance in the need to conduct transactions. The respondents were not satisfied with reduction in transactions costs on the part of customers with an indication of a mean of 1.80. The costs of transacting were ever-present to majority of electronic business operations. Though the changes are less, they did not diminish at an increasing rate hence were constant always as an innovative dorm of generating revenue.

The variation in expenses was not significant with an indication of the standard deviation of 0.781, 0.634, 0.318 and 0.320 respectively because the respondents felt that electronic business was a shift from paper to electronic but the orientation of it being a strategy was being embraced gradually.

4.5 Challenges of electronic business practices

This section analyses the findings related to the challenges commercial banks face in implementing electronic business practices as an operational strategy. It is against the backdrop of understanding that electronic business as an operational strategy requires knowledge on bank operations.

The results were shown in the table below:

Table 4.9: Efficiency versus challenges

Challenges	Percentage
Risking product introduced	8%
Poor customer response	6%
Similar products introduced	23%
Difficulty in re-engineering	28%
Downtime in operations	27%
Government restrictions	8%

Source: Researcher

Findings provided above initiate that the main challenge was having difficulty in re-engineering the processes to meet the current demand of new and upcoming trends in the banking industry with 28%. The maintenance of systems to relevant channels of operations was dynamic to both the customers and banks. This re-engineering process was always designed to combat fraud and become user friendly which posed a major challenge. Closely was a downtime in operations which had 27%. A downtime means no electronic operations hence only manual operations such as transport of documents and teller services. It always happened when the bank servers are overloaded with numerous tasks. While similarity of products introduced in the market was at 23%. This being a result of competition, all banks want to gain on each strategy however similar. The level of risky products and government regulation were at per with 8%. The risky products are those involving large amounts of money which is where fraudsters target. Hence the workable engagements between the government and banks on money laundering have yet to become law and this is still a challenge. While the least challenge was poor customer response at 6%. Customers are always willing to adopt the simplest and safest mode of transaction at a minimal fee. Thus the use of electronic business processes is more efficient to customers. This meant that customers were quick to adopt electronic banking processes. Electronic banking still take more time in ensuring 100% efficiency hence the various challenges pose the difficulty in meeting that target.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The major purpose of this study was to establish the electronic business practices used as operational strategy by commercial banks in Nairobi. The respondents were drawn from the management of all commercial banks in Nairobi. The tools of this practices included debit cards, credit cards, mobile banking, fraud management systems, viral effect use, electronic training and setting up of contact centres.

5.2 Summary of the findings

Based on the findings majority of the respondents were satisfied that banks had set up fraud management to curb losses and that training of employees was happening but not at electronic level. Respondents also were satisfied that banks were moving towards embracing the need for viral effect in their advertisements and the trend was gradually catching up as competition increases. Most respondents were in agreement that two main factors for this strategy were heavy competition and the business objective to increase revenue. The respondents also felt that top management was responsible for the branding of the commercial banks and felt that the banking operations had skewed towards electronic mode which had not only been embraced as a mode of operations but also a strategy of maximizing profits. The two key benefits witnessed in this study were that cost of services had gone down due to reduced paper-work while an inverse proportion was an increment in returns. Other benefits witnessed include improved customer service.

Finally respondents felt that the biggest challenge was difficulty in the re-engineering process which is always aimed at re-modifying an electronic operating system for the bank into more customer user-friendly. A challenge close to that was downtime in operations which halted transactions leading to time wastage which commercial banks had to grapple with.

5.3 Conclusion

The study established that respondents were moderately satisfied with the electronic banking strategy mainly on easening the transaction process. The most dissatisfying were downtime in transaction processing. On branding on the internet, respondents were moderately satisfied noting that the degree of reactivity in viral advertisement was good. However the tend was to experience more. The respondents also felt that training on an electronic platform would cut costs and this ought to be embraced more. Many described that the use of electronic training will reduce the time spent in monitoring performance of employees.

Respondents also felt that more needed to be invested in fraud management with the aim of curbing cyber crime attacks. This would be best enhanced by a data based shared among all commercial banks on persons suspected of fraud. The need to set up customer contact centres was emphasized by respondents. This would be the best way to address each customer needs on an individual basis noting that the total number of customers for each bank had run into millions.

5.4 Recommendations for policy and practice

The following recommendations are given to both the policy makers and researchers. Leadership to manage change in an organization is essential in driving electronic business banking as an operational strategy. Noting that electronic business is very dynamic, the ability of the leadership of the organization to manage the ever changing trends is crucial. Indeed, change processes encompass human resources information technology adoption and upgrades, tools and techniques, as well as the basic rules and control within the organization. These changes such as embracing the value of viral effect on advertisement to increase in market share, the electronic training of employees rather than spend in costly conferences and the cloud computing to effect mobile banking need a leadership that makes them tangible. This is because leaders are responsible for bridging the gap between strategy decisions and the reality of implementing the changes within the structure of operations in an organization.

The management of commercial banks should identify the best strategies and implement them to mitigate risks in commercial banks. This is because the internet world is vibrant with hackers who are willing to commit cyber crime so as to earn a living. Every transaction on internet banking as any other form conducted in electronic business should be monitored to combat fraud. The real fact being that commercial banks lose million of shillings annually to fraud which is the ultimate reason for combating this risk.

Finally, even as banks pursue electronic business, the branding that goes into customers mind as safe haven for keeping money should be the basic objective in implementing this strategy. This will enhance the efforts of creating and maintaining a reputation that is deserved for banks; as institutions of keeping money, lending at an interest rate and conducting transactions. The latter part of transactions is key in electronic business practices and the damage created through losses resulting from poor management of the same, is expensively repairable. This is why electronic business practices as an operational strategy is arguably the best platform that commercial banks can advance their competition in the market. It is a strategy that maximises returns with maximum risks.

5.5 Limitations of the study

There are several factors that posed constraints to the study. First, was the time factor which made the study limited in depth and scope. This is because the banking industry is very dynamic and wide. Secondly, some of the employees of the commercial banks did not cooperate at all in answering the questionnaires and this posed a major problem in gathering data. Thirdly, is the fact that the respondents in their different situations may give biased information and their feelings may change over time. Lastly, the study did not get feedback from all the commercial banks which does not give a total wholesome effection of all commercial banks.

5.6 Suggestion for further study

This research is a descriptive study on the electronic business practices as an operational strategy by commercial banks in Nairobi. Future analysis should seek to extend the analysis to the other banks. The study recommends that further research be done focusing on other financial institutions like micro-finance institutions, among others. The study also recommends a cross sectional survey be done covering the whole industry. Most of the respondents reported that electronic banking is very dynamic and that there are no uniform trends but competitive trends. Hence, it is impossible to predict the direction that majority of the commercial banks will take. Another study is important to establish what other underlying strategies within electronic business banking that are key to the dynamism witnessed in the commercial banks market.

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APPENDICES

APPENDIX 1: LETTER OF INTRODUCTION

JOSHUA WANGAI GACHARA

D61/72868/2009

Dear Sir/ Madam,

REF: RESEARCH PROJECT QUESTIONNAIRE

I am a student at University of Nairobi undertaking a master of Business Administration degree and am expected to conduct a research project. Therefore I kindly request your assistance in filling this questionnaire on electronic- business practices as an operational orientation by commercial banks in Nairobi.

Your participation and assistance will be highly appreciated.

Yours faithfully,

Joshua Wangai Gachara

APPENDIX II

QUESTIONNAIRE ON ELECTRONIC BUSINESS PRACTICES AS AN OPERATIONAL STRATEGY BY COMMERCIAL BANKS IN NAIROBI

This questionnaire is designed to analyze the level, motivations, benefits and challenges of electronic business practices by commercial banks in Nairobi. The information collected from each questionnaire will be used for academic purposes only and the responses will be treated with utmost confidentiality.

PART I

<u>Background information</u>

1) Name of the bank ………………………………………………………..
2) Current designation ………………………………………………………
3) Level of education ………………………………………………………..
4) How long have you worked for the bank …………………………………
5) In the Kenyan banking sector, how would you classify the size of your organization in terms of market dominance? ***(Please indicate by ticking only once).***
    a) Large ( )
    b) Medium ( )
    c) Small ( )
6) In the Kenyan banking sector, which of the following description suits your organization
    a) Foreign owned, private bank ( )

b) Privately owned domestic bank ( )

c) With government participation ( )

d) Foreign public owned ( )

7) How long has your bank operated in Kenya?

a) 5 -15 years ( )

b) 16 -30 years ( )

c) 31- 50 years ( )

d) Over 50 years ( )

PART II

1. How would you rate the level of electronic business practices being undertaken by your organization when compared to its competitors in the banking sector? ***(Please indicate by ticking only once)***

a) Market leaders ( )

b) Sufficient ( )

c) Inadequate ( )

2. When was the last time your bank undertook electronic business initiative?

a) Last 6 months ( )

b) 6 -12 months ( )

c) 12 -18 months ( )

d) 18 -30 months ( )

e) Not recently ( )

3. What field has your bank undertaken electronic business in the last 15 years?

   a) New Products ( )

   b) New Services ( )

   c) New Processes ( )

   d) New Technology ( )

4. Indicate the extent to which you agree with the following statements?

   Strongly agree (1) mildly agree (2) Indifferent (3) Strongly agree (4)

	1	2	3	4
a) The bank has increased the new products overtime in business	( )	( )	( )	( )
b) The bank has reduced the number of process steps to serve a customer due to adopting electronic business operations	( )	( )	( )	( )
c) The bank has increase the number of operation practices that support e-business	( )	( )	( )	( )

5. The following table shows different electronic business categories tick the category of years in which you introduced them?

	1995-2000	2001-2005	2006-2012
(a) ATMs	( )	( )	( )
(b) Mobile Banks	( )	( )	( )
(c) Mortgage	( )	( )	( )
(d) E- Banking	( )	( )	( )
(e) Youth oriented Accounts	( )	( )	( )
(f) Women oriented Accounts	( )	( )	( )

(g) Debit cards	( )	( )	( )
(h) Credit cards	( )	( )	( )
(i) Personal loans	( )	( )	( )
(j) Employee training and feedback	( )	( )	( )

PART III

A) <u>Motivation for Financial Innovation</u>

1. In a scale from 1 to 4 Great Extent (1) Some Extent (2) Average (3) No Extent (4) indicate by using tick (√)the extent to which different factors influence electronic business practices in your bank

	1	2	3	4
a) Heavy competition in financial sector	( )	( )	( )	( )
b) To increase revenue	( )	( )	( )	( )
c) Technology advancement	( )	( )	( )	( )
d) Customers changing demands	( )	( )	( )	( )
e) Size of the Bank	( )	( )	( )	( )
f) Macro economies conditions (economic growth)	( )	( )	( )	( )
g) Legislation and Financial supervision	( )	( )	( )	( )
h) Increase in financial risks	( )	( )	( )	( )
i) To increase the number of customers	( )	( )	( )	( )
j) To enhance customer satisfaction	( )	( )	( )	( )
k) To create viral effect on advertisement	( )	( )	( )	( )

2. State any other factor(s) that have influenced electronic business practices in your bank

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B) <u>Effects and benefits of electronic business as an operational orientation</u>

1. To what extent do you agree or disagree with the following statements. Responses are on a scale of 1 to 4 (Great Extent (1) Some Extent (2) Average (3) No Extent (4))

	1	2	3	4
a) The cost of services offered by your bank has gone down	( )	( )	( )	( )
b) Increase in revenue	( )	( )	( )	( )
c) The bank has increased its competitive products and services	( )	( )	( )	( )
d) The ICT installation and maintenance cost has increased over time	( )	( )	( )	( )

2. Please indicate the extent to which each of the following factors best explains the benefits derived from electronic business practices. Responses are on a scale of 1-4 (Great Extent (1) Some Extent (2) Average (3) No Extent (4))

	1	2	3	4
a) Improved customer services	( )	( )	( )	( )
b) Reduction in no of customers in the banking halls	( )	( )	( )	( )
c) Reduction in operational costs	( )	( )	( )	( )

d)	Expansion of bank Geographical coverage	( )	( )	( )	( )
e)	Increase in the market share	( )	( )	( )	( )
f)	Increase in bank revenue	( )	( )	( )	( )

3. State any other benefit(s) derived from electronic business practices by your bank

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Challenges of electronic business practices as an operational orientation

1. Please tick to what extent the following challenge(s) affects electronic business in your bank. Responses is on a scale of 1-4 (Great Extent (1) Some Extent (2) Average (3) No Extent (4))

		1	2	3	4
a)	Introduction of risky products and services	( )	( )	( )	( )
b)	Customers' poor response	( )	( )	( )	( )
c)	High cost of new products and services	( )	( )	( )	( )
d)	Introduction of similar products by the competitors	( )	( )	( )	( )
e)	Difficult to conduct re-engineering	( )	( )	( )	( )
f)	Downtime of operations	( )	( )	( )	( )
g)	Government restrictions	( )	( )	( )	( )

2. Please state any other challenge(s) that your bank encountered as a result of electronic business or in the process of operations of electronic business

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Recommendations

1) Which electronic business service does your organization need to improve on?

(You have the option of ticking more than one product or service)

   a) Savings accounts with no charges ( )
   b) Mobile banking ( )
   c) Flexible loans/credit services ( )
   d) ATM network ( )
   e) Credit cards ( )
   f) Debit cards ( )
   g) Risk management ( )
   h) Employee training ( )

2) In your opinion, what more needs to be done to improve the level of operations of electronic business?

   a) More marketing and advertising ( )
   b) Improving on the variety of products and services being introduced ( )
   c) Structuring the products and services to be more user-friendly ( )
   d) Toughening penalties on fraud ( )

e) Improving the re-engineering process ( )

f) Relaxing CBK/Government regulation ( )

g) Engage in cloud computing ( )

3) Please add any other comment on electronic business by your bank or in general

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(The End…)

APPENDIX III

COMMERCIAL BANKS IN KENYA

1. African Banking Corporation Ltd.
2. Bank of Africa Kenya Ltd.
3. Bank of Baroda (K) Ltd.
4. Bank of India
5. Barclays Bank of Kenya Ltd.
6. CFC Stanbic Bank Ltd.
7. Chase Bank (K) Ltd.
8. Citibank N.A Kenya
9. City finance Bank
10. Commercial Bank of Africa Ltd.
11. Consolidated Bank of Kenya Ltd.
12. Co-operative Bank of Kenya Ltd.
13. Credit Bank Ltd.
14. Development Bank of Kenya Ltd.
15. Diamond Trust Bank (K) Ltd.
16. Dubai Bank Kenya Ltd.
17. Ecobank Kenya Ltd
18. Equatorial Commercial Bank Ltd.
19. Equity Bank Ltd.
20. Family Bank Ltd
21. Fidelity Commercial Bank Ltd

22. Fina Bank Ltd
23. First Community bank
24. First community Bank Limited
25. Giro Commercial Bank Ltd.
26. Guardian Bank Ltd
27. Gulf African Bank Limited
28. Habib Bank A.G Zurich
29. Habib Bank Ltd.
30. I&M Bank Ltd
31. Imperial Bank Ltd
32. Jamii Bora Bank Ltd.
33. Kenya Commercial Bank Ltd
34. K-Rep Bank Ltd
35. Middle East Bank (K) Ltd
36. National Bank of Kenya Ltd
37. NIC Bank Ltd
38. Oriental Commercial Bank Ltd
39. Paramount Universal Bank Ltd
40. Prime Bank Ltd
41. Standard Chartered Bank (K) Ltd
42. Trans-National Bank Ltd
43. UBA Kenya Bank Ltd.
44. Victoria Commercial Bank Ltd