COMMUNICATION STRATEGIES FOR ADOPTION OF MOBILE BANKING AMONG ABSA BANK CUSTOMERS, KAKAMEGA BRANCH

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JMC/LG/020/2015

A Thesis submitted to the Department of Journalism and Mass Communication in partial fulfilment for the requirements of the award of the Degree of Master of Science in Communication Studies of Masinde Muliro University of Science and Technology.

NOVEMBER, 2024

DECLARATION

Declaration by the Student

I, the undersigned, declare that this thesis is my original work and has not been presented in any other university for a degree or any other award.

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CERTIFICATION

The undersigned certify that they have read and hereby recommend for acceptance by Masinde Muliro University of Science and Technology a research proposal entitled **'Communication Strategies for Adoption of Mobile Banking among Absa Bank Customers, Kakamega Branch'**

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DEDICATION

I dedicate this thesis to my children: Gloria, Leon, Kyle and Patience, my mother Mary Mulindi, My father David Mulindi and my husband Stanley Okiya for their moral support, inspiration and motivation throughout my academic journey. Special thanks go to Gloria for holding my hand through the most challenging phases of the process.

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ABSTRACT

Mobile banking, as a channel, is offering many benefits for customers and their banks. The internet has been speeding up development of technology in a lot of sectors in the corporate world as well as the banking industry. Despite the advantages the internet offers, most banks face the setback of minimum mobile banking adoption, particularly in Kenya. The study examined the adoption of mobile banking among customers of Absa bank in Kakamega Branch. The following objectives aided the study: to determine the communication strategies employed by Absa bank to convince their customers to take up mobile banking, to assess the relationship between the bank's communication strategy and the customers' mobile banking adoption and to examine factors influencing customer perception towards mobile banking adoption. This study was underpinned by three theories, namely: Technology Acceptance Model (TAM), Diffusion of Innovations Theory and Theory of Reasoned Action. The study employed a mixed method research approach which utilized both qualitative and quantitative methods of data collection and analysis. The tools used in the study were an interview schedule and a questionnaire. A target population of the study was 3000 customers and 17 staff members from whom the sample of 341 respondents among the bank customers all 17 staff members were selected. Simple stratified random sampling and purposive sampling were applied in selecting customers and staff members for the study respectively. Quantitative data collected was analyzed using descriptive statistics and presented in form of tables, graphs and charts. The qualitative statistics were analyzed thematically. The findings of this study revealed that good communication strategies influenced mobile banking platform by enhancing the good corporate relationship with customers through social media at 71.8%, mass media communication at 68.9% and word of mouth rated at 84.4%. The study concludes that mobile banking services positively and significantly influences the development of the financial sector in Kenya The study recommended creating awareness and elevating customers' attitude by making the mobile banking platform affordable, easy and accessible to customers of all segments, easing the customers into the technology rather than forcing it on them while being innovative to stay competitive in the current market.

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ABBREVIATIONS AND ACRONYMS

ATM	Automated Teller Machine
CBK	Central Bank of Kenya
CCK	Communication Commission of Kenya
FDI	Foreign Domestic Investment
GDP	Gross Domestic Product
ICT	Information Communication and Technology
IVR	Interactive Voice Response
MMA	Mobile Monetary Association
MMUST	Masinde Muliro University of Science and Technology
MNO	Mobile Network Operator
MoU	Memorandum of Understanding
POS	Point of Sale
SIM	Subscriber Identification Module
SMS	Short Messaging Service
URL	Uniform Resource Locator
USSD	Unstructured Supplementary Service Data
WAP	Wireless Application Portal
ABSA	Amalgamated banks of South Africa (formerly Barclays bank)

OPERATIONAL DEFINITION OF TERMS

Adoption	Refers to uptake and embracing of the mobile banking platform by bank customers.
Communication Strategy	Is a well laid-down plan detailing how to reach a given vision, given the current situation.
Corporate	This is a commercial company or a business entity, for this case, is Absa Bank.
Customers	Refer to the long-range clientele within Absa Bank, Kakamega Branch
Mass Media Communication	This is the print and broadcast media including television, radio and newspaper mode of communication.
Mobile Banking	Refers to the service offered by Absa Bank, Kakamega branch allowing customers to remotely perform financial transactions with the use of a mobile phone or device through given software (app) for the purpose.
Internet Banking	This is an electronic payment system where customers conduct a range of financial transaction through the Bank's website.
Perception	This refers to the mind-set created by customers about mobile banking. Their positive or negative attitude towards the banking product.
Banking	This is business conducted or services offered by Absa Bank for example Retail Banking

Un- banked	This refers to not having access to the services of Absa Bank
Shareholding	This refers to when a person or an institution invests money in a corporation in exchange for a share of the ownership
Retail Banking	This is banking that provides financial services to individual consumers rather than businesses
Consortium	This is a lending situation where a single borrower is jointly financed by different lending institutions by grouping together
Investment Banking	Refers to a special segment of banking operation that helps individuals or organisations raise capital and provide financial consultancy services to them
Fiduciary	This is a person or an organisation that acts on behalf of another person or organisation putting their clients interest first with a duty to preserve good faith and trust
Transaction	Is a record of money that has moved in and out of ones bank account
Funds	Refers to a sum of money saved or made available for a particular purpose
Bill Payment	Means your use of a card to pay amounts that you owe to third parties for goods or services
Financial Resource	This is an asset that can be used for the purpose of generating income for example retirement funds

Banking Halls	This is the centre of banking activity in a bank where staff and customers meet surrounded by offices for managers and clerks
Cybercrime	This is criminal activity that either targets or uses a computer or a networked device
Cumbersome	Refers to slow or complicated and therefore inefficient
Adoption	This is the process by which people become users of a product
Conceptualize	This means to form an idea or principle in your mind
Variable	This is an element, feature, or factor that is liable to vary or change
Conjecture	This is an opinion or conclusion formed on the basis of incomplete information
Banking Strategy	Refers to a plan that outlines the objectives and goals of a banking institution and the strategies and tactics required to achieve them

CHAPTER ONE

INTRODUCTION

1.1 Overview

This section shows research questions, background of study, objectives and the problem statement. It further describes the scope, limitations and delimitation of the study, operational terms of definition, conceptual and theoretical frameworks.

1.2 Background of the Study

Serving personal, commercial and customers who are corporate in Absa Group Limited is an example of South Africa's greatest finance serving organizations. Absa's business is done in South Africa primarily. Furthermore, it has equity holdings in Kenyan banks, Malawi, Tanzania and Mozambique.

Absa Bank, being a Barclays Bank PLC subsidiary, holds a 55.4%stake within the Group. A main global finance service provider engaged in commercial plus banking on retail, wealth management, investment banking, credit cards, and service management on investment and on top of that a vast international presence in Europe, the USA, Africa and Asia is Absa.

Through merging Volkskas Groups and Allied, UBS Holdings, certain interests on the Sage Group the Amalgamated Banks of South Africa Limited (Absa) was created back in 1991. It further increased its assets further by fully acquiring the shareholding of Bankorp Group (including Trust Bank, Banking and Senbank) in the year 1992. The Amalgamated Banks of South Africa Limited transformed to Absa Group Limited In the year 1997 consisting of three main divisions operating. Absa adopted a new corporate identity in the year 1998 when the Allied TrustBank, United, and Volkskas

brands were put together into one brand. (Barclays Africa Group Ltd. and OMFIF Ltd., (2017) Barclays Africa Group Financial Markets Index).

By combining physical and electronic channels, Absa Bank Kenya interacts with its customers providing ranges of comprehensive bank services from products which are basic and personal market services with little income to solutions which are custom for corporate and commercial markets, management of services and products for wealth.

Absa Bank business operations can be divided into four important sections financial services products provision and to the personal; banking services, corporate and commercial market segments: Corporate, commercial banking and Retail banking, Investment banking, and Banc assurance, that providing short-term and life insurance, fiduciary and investment services and products to all Kenyan segments.

Koivu (2002) asserts that for economic growth, the banking environment needs to be appropriate. With the wave of an information-driven economy continuously emerging, resisting technological indulgence within Kenya's banking industry has proven inevitable. The recurrent modernization of banking patterns and expansion has been boosted by the need for accessing financial resources conveniently thereby finance-oriented services are in huge demand. In attempt to take advantage of these opportunities in the banking industry, other institutions besides historical banks have joined the fray.

Porteous (2006) argues that although there aren't any existing figures which are reliable for people banking at the continental level. Retail banking penetration systems are very low in most African countries. Chosen countries as well as Kenya reveal that in ten years or less, a lot of people will poses these gadgets as well as bank accounts at the

rollout of mobile phones according to various national household surveys conducted even though the latter has been available for much longer. People are easily reachable at a lower cost with the use mobile phones and hence when offered through the phone, basic transactional service becomes more viable to.

Mobile banking is described as accessing computer intervened networks via telecommunications devices to initiate and complete transactions involved in proprietary privileges exchanging to utilize services and merchandise. It is essentially using a mobile device (personal digital assistant or cell phone) to perform multiple financial transactions by customers of a given financial institution. Bill payment, Balance enquiry, transaction history and funds transfer through mobile phones are some of the services provided by Mobile Banking. It is a cause to the flare of transactions in the financial services industry around the world by taking over traditional banking. (Feig, 2007). SMS or versatile webs are the main execution foundations, USSD codes (Al-Jabri.2012) can be used by customer downloaded applications on their cell phones or utilizing M-banking alludes with the use of media transmission versatility for bank services provision. (Rashid & Saleem, 2011) For example, with cell phones along with PDAs guidance customers are able to take cash out from banks. Now many banks have come up with mobile banking solutions of their own hence taking advantage of mobile phones technology. It has also generated a field for competition which do not only comprise of telecommunication companies but also banks.

Internet and mobile technology are being adopted by Consumer markets therefore one of the leading industries is banking. For customers and their banks, mobile banking offers a lot of advantages by increasing service performance, improve efficiency

through cost reduction, create stronger customer relations and access to new market segments. Customers are offered banking convenience unlimited accessibility, mobility, time-saving and real-time information which increases customers' perceived control on their accounts.

By cutting across other sectors of the economy and several financial institutions Mobile banking has significantly rendered itself in pervasive ways. (Vaidya, 2011) In the 21st century, mobile banking moved on from delivering mere messaging services to pseudo internet banking in that consumers could come up with multiple types of alerts and view their balances and also transaction activities such as instruct payroll based transactions, transferring funds, and deposit cash through mobile phones.

In conducting major roles in improving service delivery standards, technology has greatly advanced in the institution of finance sector. Customers now pay their school fees, utility bills, or any financial transactions by using their ATM cards at their convenience or from their homes comfortably via the internet instead of queuing in the banking halls. For banking services to be delivered to their clients institutions of finance took an interest in untouched opportunities and became partners with network providers because of the exponential growing mobile phone industry.

Banks can differentiate their service delivery due to the evolving new front of Mobile banking. (Johnstone, 2010) By deploying applications for mobile phone users, other services of finance and Banks have got opportunities for generating new business, control costs, retaining or attracting customers, and other advantages. Areas not conducive for physical presence involving large physical infrastructure and huge investments the mobile banking platform allows penetration increase by banks. Banks increase their share of wallet by the ability to sell more services to current customers.

Transactions and Mobile financial services introduction is a mobile phone aspect in a world that is developing viewed with anticipation. Linking “unbanked” citizens in the formal banking sector for many governments, is a priority because in countries that are less developed most rural users do not have access to financial services. However, evidence of initial efforts that is related is mixed to date.

For the banking sector to remain competitive, they had to adopt technological change. (Daniel 1999) Banks differentiated themselves from other financial institutions and have acknowledged value through new service distribution channels in the technological financial service industry in search of competitive advantages. As they could not qualify to own accounts, many rural individuals are removed from the Banks’ bureaucratic account opening process. Banks had to create innovative ways to simplify the process to keep up with the competition.

Equity bank M-Kesho, Absa Hello money, Family bank Pesa pap, KCB Mobibank, and more recently M-shwari of Commercial bank of Africa are examples of M-banking products banks have innovated. For both customers and Mobile banking banks provides a number of advantages. Mobile banking provides cash security and efficient cash management, Mobile banking brings convenience by bringing geographical limitation to customers. Also, there is no limitation of time; all day and in any place, banking maybe performed.

Porteous, (2006) Kenya’s populations with mobile phones is about 80% as affirmed thus many Kenyans are encouraged to access mobile banking. For the few Kenyans without mobile phones, it is difficult to access mobile banking hence this leads to low utilization of mobile banking services within the country. Depending on payment

ability at a given instance M-banking service will be used for any need, therefore kenyan consumption can be characterized using multiple strategies.

The banking sector must come up with strategies of communicating with each of the diverse customers to effectively meet their goals and expectations. To increase efficiency and accountability the banking sector is persuaded to take a stand in encouraging its clients/customers to fully adopt mobile banking.

In today's highly competitive and technologically advanced banking environment, effective communication strategies are paramount for success. The banking sector must develop comprehensive strategies to communicate with its diverse customer base, ensuring that the goals and expectations of all clients are met. Corporate communication is not just about relaying information but involves building strong, trustworthy relationships with customers. This is crucial for enhancing customer satisfaction and loyalty, which in turn drives business growth. Corporate communication encompasses a wide range of activities, including marketing, public relations, and customer service interactions. Each of these components plays a critical role in shaping the perception of the bank among its stakeholders. Effective communication helps in managing customer expectations, addressing concerns promptly, and providing clear and transparent information about banking products and services (Boakye, K., & Inekwe, J. 2020)

The study of mobile banking adoption is grounded in several conceptual frameworks. According to Rogers' (2013) Diffusion of Innovations Theory, innovation adoption depends on factors such as complexity, triability, relative advantage, observability, and compatibility. These elements determine how quickly and effectively new technologies are adopted by users.

Other researchers have identified additional factors affecting mobile banking adoption, categorized into technological, economic, and social dimensions. Technological factors include ease of use, security and privacy concerns, and service reliability (Njenga, 2011). Economic factors involve service costs, availability of alternatives, and mobile phone access. Social factors encompass awareness, trust in service providers, and the social context of transactions (Donner & Tellez, 2008).

1.3 Statement of the Problem

The banking sector is faced with a myriad of challenges including cybercrime, fraud, robbery and corruption. In order to deal with such challenges, the banking sector has adopted a mobile banking platform for its customers. However, the banking sector still faces a slow uptake of mobile banking. Many clients still prefer costly and cumbersome methods for example queuing for services in the banking hall. Instead of attending to other duties, the bank workers take too much time serving many customers (Brown, 2003). Furthermore, banks have had to make numerous technological changes to remain competitive.

In the service industry technological finance, through new service distribution channels banks have ascertained purposes of differentiating themselves from other institutions of finance. Mobile banking will not be properly launched without good customer relations. Communication is paramount to create a relationship. Better results come from better communication. Communication has an important role in Mobile banking adoption. We aim to show that mobile banking management can reach to customer loyalty/retention through communication.

According to Donner and Tellez (2008), little scholarly research was done to explore the transformational potential of this mobile banking platform. Although mobile banking

has been adopted to enhance service delivery and mitigate challenges in the banking sector, its uptake remains slow. One crucial factor affecting the success of mobile banking is the quality of customer relations. Effective communication is paramount to creating and maintaining these relationships. Better communication leads to better results, and this is particularly true in the context of mobile banking adoption.

Mobile banking users' personal characteristics are crucial in determining their decisions on adoption, and efforts to understand customer perception of mobile banking services improves market analysis and consequently adoption rate (Sulaiman et al., 2007).

Becker et al. (2022) found that customers who already use online banking services and show digital skills in their payment behaviour tend to adopt mobile banking faster. Adoption rates are higher among the young, and the gender gap in mobile banking adoption has vanished in recent years Furthermore **Farah et al. (2018)** found that perceived value, performance expectancy, habit, social influence, effort expectancy, hedonic motivation, perceived risk, and trust are significant predictors of mobile banking adoption.

This study assesses mobile banking adoption among customers of Absa bank Kakamega Branch by looking into communication strategies the bank uses in mobile banking adoption, relationships between bank's communication strategy and adoption of M-Banking, factors influencing customer perception towards adopting a mobile banking platform. By addressing these objectives, the study seeks to fill the existing research gaps and provide actionable insights that can enhance mobile banking adoption through effective communication strategies.

1.4 Objectives of the study

1.4.1 Main Objective of the Study

To assess communication strategies for mobile banking adoption among customers of Absa bank, Kakamega Branch.

1.4.2 The Specific Objectives of the Study

i. Determining the effectiveness communication strategies employed by Absa Bank Kakamega Branch in improving mobile banking adoption.
ii. To assess the relationship between the bank's communication strategy and the customer's mobile banking adoption in Absa Bank Kakamega Branch
iii. To establish the customer perception influencing factors towards mobile banking adoption in Absa Bank Kakamega Branch

1.5 Research Questions

The study aims to answer the following research questions:

i. How effective are the communication strategies employed by Absa Bank Kakamega Branch in improving the adoption of mobile banking?
ii. What is the relationship between the bank's communication strategies and the customers' adoption of mobile banking?
iii. What factors affect customer perception towards adoption of mobile banking?

1.6 Justification of the Study

Since mobile banking introduction in Kenya, subscribers have not increased compared to other payment systems; transactions have never been higher. Despite over 30 million

mobile money subscriptions as of 2023, mobile banking transactions remain underutilized. The adoption of mobile banking is critical for the financial performance of institutions like Absa Bank Kakamega branch and the broader financial sector in Kenya. Therefore, mobile banking adoption is understood by checking on the factors influencing adoption which is a guide for bankers in decision making, strategic planning and has a good impact on influencing financial performance of Absa bank Kakamega branch, and other financial institutions in Kenya as well as provision of services from the bank and ultimately lead to economic growth of our country.

According to the Communications Authority of Kenya (2023), the country had over 62 million mobile subscriptions, yet only about 25% actively use mobile banking services.

Recognizing differing communication preferences among difference generations and tailor-made communications and products for each customer ensures better customer uptake of mobile banking. (Kelly, 2023; Vuduma, 2019).

Further, findings from this research will be of great significance to the stakeholders in the banking sector to guide identification and prioritization of communication strategies based on evidence. This is in line with recommendations from global reports on financial inclusion and digital banking (World Bank, 2020; Omwoyo, 2020). In banking, it is not just about transactions anymore, it is connecting with customers, building relations with trust as a basis to attract mobile banking usage.

There is need to tailor communication and products to different customer segments, ensuring better customer uptake of mobile banking services. Effective communication is not just about transactions; it involves building relationships based on trust to attract and retain mobile banking users (Alkhaldi, 2017; Sachombe, 2015).

In alignment with the goals of Kenya's Vision 2030, which emphasizes the importance of financial inclusion and the provision of high-standard financial services (Government of Kenya, 2007; Gesare, 2020) this study will provide knowledge on the factors affecting customer adoption of mobile banking services, which can be utilized by policy actors in the banking sector to implement policies that ease the adoption of digital innovations within banks.

Excellent customer communication is a strategic key to keep customers engaged in mobile banking. If those influencing factors can be understood, financial institutions will employ better communications strategies, and then transactions conducted through mobile banking will rise like other systems of payment (N. Alkhaldi, 2017).

Additionally the study will inform the basis for further research in fields of both banking and communication. Philosophically, the findings resonate with the pragmatic approach to communication, where effective communication requires assessing the situation and tailoring messages to achieve desired outcomes (Bergman, 2016). Meaning that messages should be created and disseminated based on the target audience information need rather than the needs of the communicator.

Absa Bank Kakamega Branch was an ideal choice due to its proximity to the researcher, with its diverse customer segments. It also provides easy accessibility to the respondents whom the researcher had already attained a rapport and built trust.

The branch is easily accessible to a large population(both rural and urban) due to its strategic location ensuring the collection of data from a broad demographic. The diversity of customer segments allows for a comprehensive analysis of adoption of mobile banking across different dynamics including individuals, businesses and premium customers.

1.6 Scope of the Study

The study sought to assess the influence of corporate communication strategy in the adoption of mobile banking among Absa Bank customers within Kakamega Branch. The study targeted a population of 3017 and a sample of 353 respondents involving 336 Barclays' Bank customers and 17 staff members. The study conceptualized customers' perception, the usability of technology and corporate responsibility as the independent variables. Trust and good relationship, as well as social influence and transformation, were conjectured as the dependent variables. Both the dependent and independent variables were intervened through factors such as acceptability of technology and attitude of customers towards the new technology. The study was carried out in Absa Bank Kakamega branch from Monday to Friday between 9.00 am and 4.00 PM and on Saturday as from 9.00 AM and 12.00 PM. Absa Bank Kakamega Branch was selected due to several strategic reasons among them being that other banks may not readily grant research opportunities due to stringent data protection, confidentiality, and privacy policies, making Absa Bank an accessible and compliant option for conducting this study. Focusing on a single branch as well ensured better control and management of data, safeguarding customer information in compliance with data protection and confidentiality standards.

Mobile banking is pivotal due to its significant role in the ongoing digital transformation of the financial sector. Mobile banking offers unparalleled convenience, allowing customers to perform transactions from anywhere at any time, thus increasing customer satisfaction and retention. Furthermore, the effective adoption of mobile banking can drive economic growth by increasing financial inclusion and facilitating easier access to financial services. The study aimed to provide insights that can enhance

communication strategies, improve customer engagement, and increase the adoption of mobile banking services.

1.7 Limitations of the Study

The study was hampered by the following challenges; negative attitude from the customers since banking strategy of a person is strictly confidential, time management as every customer will be oriented on the entire aim of the research process. To delineate these challenges, the researcher gave utmost confidentiality and anonymity of each respondent who gave information and in order to save, the researcher assured participants of utmost confidentiality and anonymity. Clear communication was provided to respondents, explaining that their personal information would not be disclosed and that all data would be anonymized. This helped in building trust and encouraging participation. To save time and ensure efficient data collection, the researcher recruited research assistants. These assistants were trained to cover a large number of respondents in the shortest time possible while maintaining the integrity of the research process. This strategy facilitated the collection of comprehensive data within the stipulated timeframe.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.0 Introduction

This chapter highlights the mobile banking adoption, bank communication strategy and strategies in banking communication with themes and sub-themes being drawn from specific objectives of the study and the theoretical framework.

2.1 Mobile Banking Adoption

Mobile Banking is “the availability of bank-related financial services through mobile devices. (Tiwari *et al.,* 2006) In the field of brokerage, it has services, financial and information accounting. It is also defined an electronic banking system that allows bank accounts access to their customers through SMS (supported by telecommunication networks), website of the bank (internet) and smartphone applications.

When utilizing mobile banking, users can access a variety of services, including bill payments, deposits, viewing card statements, and checking account information. Additional features include ordering check books, obtaining mini statements, reviewing account history, receiving alerts for account activity that exceeds specified thresholds, monitoring term deposits, accessing loan statements, managing mutual funds (such as equity statements), stopping payment on checks, making withdrawals, and checking account balances.

M-Banking can be clustered in to; transformational M-Banking which is to reach unbanked population, the provisioning of banking services using a mobile phone and additive M-Banking which refers to using the mobile phone as additional channels used to deliver banking services to those who are already banked (Porteous, 2006). With mobile banking, banking transactions can be carried out by users, 24hrs a day, convenience can be achieved because users can access their mobile phones all day and at all times.

According to McKinsey & Company 2024. The banking sector has had a myriad of challenges ranging from cybercrime, fraud, robbery and corruption, financial cybercrime and fraud. To counter the ever-increasing challenges, the banking sector

adopted the mobile banking platform for the customers (ABA Banking Journal, 2024) However its still noted that mobile banking technology is still facing a slow adoption (SpringerLink. (2023), Mobile Banking Adoption: Key Challenges and Opportunities and Implications for a Developing Country.) There is quite a number of scholarly works that have been done to explore the transformational potential of the mobile banking platform. (Tandfonline. (2023). Yet, none has been done to explore mobile banking adoption platform among customers of bank Absa – Kakamega branch – which the study sought to determine.

Most people do not live near banks neither do they have bank accounts in most of the parts of the world. For instance, only 8% of the population in Senegal own a bank account, whereas only 11% own an account in Uganda. (World Bank, 2023). For a very long time these percentage of people were unable to transact financially simply because they did not own a bank account. (*Demirgüç-Kunt et al.*, 2023). But in the current age of technology with cell phones, this has been made possible. Cell phone based banking system has rapidly grown and spread in Kenya in the early 2000s, surpassing US financial payment systems. (*Jack & Suri*, 2011).

Research shows that the rapid spread of these mobile banking systems led to a significant economic growth in affected places. (*Mbiti & Weil*, 2011). More than a decade later it is easier to pay for groceries and purchases via mobile banking in areas it is embraced than in the US. (*Aker & Mbiti*, 2010). 43% of Uganda population are bon boarded on a mobile banking platform. (*Bank of Uganda*, 2023). In Kenya, 72% of the population are transacting on mobile banking platform (*Communications Authority of Kenya*, 2023).

Many regular users of M-banking are average and low income earners (Njenga 2008). They happen to hold a higher percentage of individuals with no traditional bank accounts. This does not agree with the argument of mobile service provider's, who in an effort to circumvent certain regulatory requirements front these facilities.

Although a good number of balances in mobile phone are seen as low, there are balances enough in proving that there's storage. There is a high value indication put on the associated convenience mobile money services usage. In urban settings, M-banking is evidently used more. Numerous challenges face Universal access in rural areas including management of the float (cash) in light of demand prospected and a serious concern in other regions that are underdeveloped becomes access where there is poor network coverage. Densely populated economic zones is the main focus for operators.

In relation to the governments latest move encouraging operators to develop and support rural area services, it is only reasonable for mobile activities expecting better environments. For both banks and customers, Mobile banking provides a number of advantages. It negates geographical limitations to customers hence bringing convenience. There isn't any limitation of time i.e. banking can be done in any place at any time of the day. Mobile banking ensures provision security of cash and efficient cash management.

2.2 Mobile Phone Banking in Africa

As part of their corporate social responsibility, by local mobile phone service providers specifically in Kenya mobile Phone banking strategy was made available. In comparison to other past services within the service it turned out to be life changing. The perceived difference between mobile service providers is mostly on the scope of services, quality, strategy as well as pricing.

Mobile banking lacks a standardized global format, differing significantly across operators and countries. The structure and functionality of mobile banking systems vary widely, often incorporating a range of financial services such as utility bill payments, person-to-person (P2P) transfers, long-distance remittances, and micro-payments to merchants. These systems are delivered through various institutional and business models, which may include full bank offerings, partnerships between banks and telecommunications providers, or services solely provided by telecom companies (Porteous, 2006).

(Mortimer-Schutts, 2007) In determining delivered services which can be offered through which regulatory factors, institutional arrangements varying dramatically, nationwide it plays an important role.

Mobile banking transactions are not so likely to be the winner-take-all business dominated by other banking players due to governments regulators in most African countries having mandated mobile wallet interoperability, rather they compete against each other and against telecoms and fintech .

Majority of retail leading markets banks of the mobile wallet could capture 20% or more if they have strategic offerings and right investment. African countries can be divided into three distinct categories in terms of mobile transactions which are; advanced countries having favourable regulatory environments and high latent demand, but competitors are already in place in many instances.

Next-frontier markets have moderate latent demand and present some regulatory challenges, typically because consumers still use non-mobile-payment alternatives such as debit cards or prefer cash.

A harder-to-crack market is a section only including South Africa. Thus because of a regulatory bias against interoperability and entrenched consumer habits, mobile payment efforts in that country have faltered. Industrial-led efforts of establishing interoperable banking platforms in South Africa are yet to succeeded.

2.3 Adoption of Mobile Banking in Other Parts of the World

The rise in mobile banking adoption can be attributed to the increasing use of mobile and wireless devices in recent years. Research from the early 2000s indicated that European nations such as the UK, France, Japan, Ireland, and Germany, along with Canada and Scandinavian countries, were among the early adopters of mobile banking. In contrast, Australia and New Zealand were slower to embrace this technology, while mobile banking usage was on the rise in certain Asian countries like Singapore and Malaysia. Considering it is a developing continent there was no reference to Africa and in the technology world, mobile banking was still very new. (International Telecommunications Union, 2005) In Sub-Saharan Africa Mobile banking had grown faster in a significantly short time in most areas of the world within as shown in other studies conducted in mid 2000s, and was expected to keep increasing.

Consumers in developed countries were the first targets for mobile banking applications according to Karjaluoto (2002). By complementing services given by banking system like ATMs, cheque books, among others without handling cash the mobile platform is offering additional convenient methods for management of money. On the other hand, for users in developing worlds, the need for mobile banking may be more about accessibility and affordability and less about the convenience. Generally, in the developing world, mobile banking systems gives permission to users to do three things:

in the stored value account convert cash in and out, transfer stored value between accounts and keep values in an accessible account through handsets.

Mobile banking is defined as use of models categorized as Joint Venture (bank-led), Bank-focused (pure bank-driven), Non Bank-led and Non bank-driven by Porteous (2005).

When low-cost delivery channels are used by traditional banks which are not traditional in providing bank services to existing customers, the bank-focused model emerges. Use of automatic teller machines (ATMs) to internet banking which is online banking is an Example, or providing bank‘s customers to certain limited banking services with mobile phone banking.

It can be seen as part of branch-based conventional banking and additive in nature. An example is a mobile banking service allowing the user access to bank services using a mobile phone known as Equity Bank‘s Eazzy 247.
Customers conduct mobile phone financial transactions rather than at bank‘s branches In the Joint Venture model. By using delivery channels that are different it substantially increases the financial services outreach like a different trade partner with experience and market targets different from traditional banks, and may cost less than bank-based alternatives.

The model can be implemented through partnerships between banks and non-bank agents, with the bank maintaining the customer account relationship. Notable examples of this model include Mobi-bank from Kenya Commercial Bank, M-Banking by Co-operative Bank of Kenya, Hello Money from Absa Bank, M-Kesho by Equity Bank, M-

Shwari from Commercial Bank of Africa, SIM-ple banking by National Bank of Kenya, and Standard Chartered Bank's Mobile Banking.

In the non-bank-led model, non-bank agents handle all transactions, with the bank playing a minimal role in daily account management, primarily serving as a custodian for surplus funds. In this setup, non-bank agents directly manage customer accounts. For instance, customers can withdraw funds from their M-Pesa accounts at certain bank ATMs, illustrating how Safaricom employs this model. Other mobile service providers are also expected to adopt similar frameworks as they expand their offerings.

The non-bank driven model allows non-bank agents to act as depository entities through the issuance of e-money. Here, telecommunications companies oversee transactions and account management entirely. This model is exemplified by services like Yu Cash from Yu, Airtel Money from Airtel, Safaricom's M-Pesa, and Orange Money from Orange.

2.4 Factors Affecting Mobile Banking Adoption in Kenya

New innovation and technology is thought to present risks to customers, therefore depending on their innate characteristics, they react differently, the needs and wants of other buyers behaviour and their companies. Innovation adoption depends on complexity, triability, relative advantage, innovation observability, and compatibility (Rogers, 2013).

Other factors pointed out by researchers that affect adoption of mobile banking which could be categorized into technological, economic and social factors. Examples of economic and social factors influencing the dynamics of mobile banking and affect technology adoption have been given by Donner and Tellez (2008). Some social factors

include awareness, electronic money conceptualizing, the social context of transactions, trust in one's bank or service provider, attitude towards change (embracing new technology), service convenience and the comfort in using these services that people have.

Economic factors are; availability of alternatives, service cost and mobile phone access. Technological factors are ease of use, handset operability, security and privacy concerns, service reliability and availability, service availability on different mobile networks and network coverage. (Njenga, 2011) Other fronted factors propose that the patterns for mobile banking usage seem to be mainly driven by service providers marketing strategies and personal missions. To prevent internet banking losses, performances of Banks is directly dependent on effectiveness and efficiency of internet banking and tight controls in standards on the other hand. Financial institutions need to strike balances between standards and tight controls in internet banking efficiency so as to not impair on their prosperity. This is possible only if the internet banking effects on institutions of finance and their customers are understood well and analysed.

Mobile money to financial institutions in Kenya, has emerged as strong competition. From previous forms of primitive communications like smoke and drums, to improve communication, they developed cellular phones. To improve banking channels financial institutions introduced ICT. This allowed bank customers' access of their account related information, (Tiwari, Buse and Herstatt, 2006.). By providing different financial services through their networks service providers took mobile money services deep in the financial sector.

The Central Bank of Kenya (CBK) and the Communications Commission of Kenya (CCK) facilitated the provision of mobile banking services by allowing various service

providers to enter the market. This has resulted in increased competition within the mobile banking sector, particularly with the emergence of new money transfer systems that enable transactions across all mobile networks, such as M-Pesa.

A survey conducted by the Kenya Bankers Association revealed a shift in customer preferences regarding bank services. In 2022, there was a notable increase in the desire for human interaction in customer service, reversing the trend towards automation that began during the COVID-19 pandemic in 2020. According to the Banking Industry Customer Satisfaction Survey (2022), 15% of bank customers preferred speaking to bank representatives rather than using self-service options like chatbots and online platforms. This change reflects a return to the preference for human assistance seen in 2019.

Despite this, the use of automated banking channels continued to rise, increasing from 58% in 2021 to 67% in 2022. The findings indicate that while customers prefer to engage with bank representatives for complaints or support, they still favour conducting transactions without needing to visit a physical bank branch.

The survey also highlighted a rise in the number of customers who prefer visiting bank branches for transactions, increasing from 7% in 2021 to 17.6% in 2022. Analysing over 33,000 responses, the survey showed a sustained trend of multi-banking, with 48.2% of clients holding two or more bank accounts.

Additionally, the proportion of surveyed customers with disabilities increased from 3.4% in 2021 to 13.8% in 2022. Among these respondents, 93.5% reported being able to access banking services, while 6.5% indicated difficulties in transacting independently (*Kenya Bankers Association*, 2023).

2.4.1 Social Factors

How comfortable people are with electronic money is known as electronic money conceptualizing. First time individuals joining banking through the mobile handset usually need an abstract concept command on virtual or invisible money. Donner and Tellez (2008) argued. Habits, Beliefs, concerns and misunderstandings must be addressed when people are requested to keep money in a handset and they are used to storing it in cash. Convincing them that a wallet will work like the handset thus affecting mobile banking adoption may be quite a task. Therefore, adoption will rely on a person's comfortability with virtual money. People have different reactions to innovation based on those innovations perceived risk as pointed out by Rogers (2013). In the factor of economic transactions social aspect, there are long lists of contextual or social influences among the use of mobile banking. Both micro-level cultural factors and macro-level, locally-negotiated norms in families and among peers about money particularly are at play. (Donner and Tellez, 2008) For instance, as a gift to a family member an individual would comfortably and certainly transfer cash although they wouldn't do the same with a friend as a loan. Technically, they are the same actions but they are miles apart socially.

Another factor affecting adoption of mobile banking is attitude towards change. (Sulaiman, 2007) Personal features of mobile banking users are determined by adoption decisions like users or customers encouraged by the convenience and managing their money with greater ease are becoming more sophisticated and the customers with savvier characteristics will more likely to take advantage of their money. Therefore, they are anticipated to take advantage of mobile banking flexibility as their confidence grows. Attitude can be viewed from the users age perspective. (Monitise, 2012)

Assumptions that older individuals are more rigid or reluctant to adopt doing things in a new way of hence technology may seem daunting to older people. This attitude may be of effect their mobile banking adoption.

Mobile banking services convenience has a huge adoption role of services. Instead of searching for the nearest bank‘s branch so as to perform same transactions it is easier for a consumers through the handset to get some banking services, this means if not all, most people take their handsets around wherever they go. As it means banking anywhere anytime, like no other service mobile banking offers a convenience which is what attracts consumers to mobile banking adoption.

2.4.2 Economic factors

Cost may be seen in terms of affordability of the service and price, cost of the handset as well as ongoing costs. This refers to the actual transactions costs incurred to the customer to access the service. Mobile banking usage is influenced not only by the way a service is priced but by absolute prices according to Rosenberg (2010). For example, free deposits are some services offered encouraging money transfer trails, making branchless banking a convenient saving method.

Charges are incurred by the telecoms service provider while free services maybe provided by some of the banks mobile solutions. For example, free of charge funds transfer between accounts in the same bank and performing account inquiry, in form of airtime, customers will be charged a small fee. Therefore, it may determine if a customer can afford it or depending on the cost incurred by the customer in performing all the transactions required or if he wants to pay that much for it, therefore services adoption is affected.

As noted by Njenga (2011), marketing strategies significantly influence the adoption of mobile banking. The patterns of mobile banking usage are primarily shaped by the marketing tactics employed by service providers. This creates a sense of excitement among some users, leading them to embrace mobile banking, often driven by the appealing images crafted by marketers that suggest using mobile banking is trendy. (Rogers, 2013) When developing marketing strategies Factors which should be considered if persuasion will be achieved are communicability of the promotional effort and product benefits. On top of that, different adopters sections need different strategies of marketing.

Mobile banking adoption may also be affected by availability of alternatives and existing payment mechanisms. Current transaction relationships, moved over to new channels may be reflected by a large portion of the mobile banking volume transactions. There are notable advantages of safety, reliability, flexibility, cost and mobile banking systems related with immediacy. (Goro, 2003) However, it is necessary for the policy makers, industry players and researchers understand already existing transactional networks and the behaviours. According to Rogers (2013), other factors influenced the adoption rate like the relative advantage of the innovation referring to the perceived benefits degree over alternate products or services.

2.4.3 Technological Factors

The ease in accessing mobile banking services with a particular handset device is referred to as Handset operability. Different mobile phone devices are used in very different ways, others use the QWERTY keyboard some use touch screens, but are required to perform the same role at the end of it. This affects mobile banking adoption

in that under mobile banking, for a user to perform some services it may be difficult, for example during a funds transfer transaction, adding a beneficiary, because the characters to be keyed in as the beneficiary name may probably not be supported by the mobile device posed by the user may be a big challenge for banks in offering solution of mobile banking on any device type. Some of the devices support SIM Application Toolkit while others support Java ME, a WAP browser, or SMS only. Hence, the mobile phone type either supports applications of mobile banking or not. (Monitise, 2008) A new handset user usually takes about six months when finding everything on their phone, because if the user doesn't know how to access the services they may not have the ability to use some of the services therefore this could also affect adoption.

2.6 Macro-economic Impacts of M-Banking

Research indicates that mobile phones have a notably positive impact in developing countries. According to Waverman, Meschi, and Fuss (2005), mobile phones serve a role in these nations similar to that of fixed-line telephony in wealthier countries during the 1970s and 1980s. The growth of mobile phone usage in developing regions has a substantial effect on economic development, with studies showing that an increase of ten mobile phones per 100 people correlates with a 0.6% rise in GDP. Furthermore, the relationship between mobile phone penetration and Foreign Direct Investment (FDI) has strengthened in recent years; a 1% increase in mobile penetration is linked to a 0.5-0.6% rise in both FDI and GDP, as reported by Williams (2005).

Introduction of mobile financial services and transactions is a crucial aspect of the developing world. Getting citizens who are "unbanked" linked in the formal banking sector somehow is crucial when a lot of rural users in countries that are under developed do not have access to any type of financial services (Ivatury, Pickens 2006; Morawczynski 2008). To pay for things like airtime and pre-paid electricity, users

employ the mobile banking system, and are utilizing them for sending remittances to relatives and rural village friends, a number of those registering for more formal banking services through mobile phones, such as savings and credit services is not considerable

2.7 Benefits of Mobile Banking

R. Chandra, (2014) lists the following Mobile banking benefits brought to its banks and customers. Mobile banking is secure. It is presumed to be secure, more than online/internet banking. Generally, good applications on mobile banking have guarantees on security or send you an SMS verification code needed to input in order to authorize a payment for added security.

When transacting on your phone Mobile banking offers easy access to your finances. Even beyond the working hours, you can be able to access your financial information. Banking services are made available by making a call to the bank. It requires no internet connection and uses mobile connectivity of telecom operators.

Their efficiency is also increasing meaning, mobile banking functions are competitive, efficient and functional. It reduces paperwork for both the customer and the banker and also helps in decongesting the banking halls.

Around the clock 24/7/365, Mobile banking is available. For financial services a lot of mobile phone owners in the rural areas find it an easier and convenient choice access.

It is also gives customers the ability to make payments, access bank accounts, and track investments regardless of your location could be a big advantage. Other than of waiting in queues, do your banking at a place and time that suits you. Instead of utilizing time walking into banks, you can schedule and receive payments, check account balances,

money transfer and accounts organization when on the go therefore Mobile banking is time saving.

An advantage to mobile banking implementation is Fraud reduction. “Customers are asked to keep an eye on their accounts in real-time. You can transfer funds, manage investments, check your account balance, review the recent transaction, pay bills, locate ATMs, deposit cheques, etc.

2.8 M-Banking Technology Platforms

Customers can access banking services through mobile devices, similar to how they use ATMs, point-of-sale (POS) systems, branches, and internet banking. This is achieved by employing advanced technical architecture specifically designed for mobile banking. Mobile phones serve as a channel that leverages the mobile network, making mobile banking an extension of a bank's existing payment infrastructure (Krugel, 2007). Like other banking services, the mobile banking system operates within a comparable technical environment.

The core banking system can process data through one of the bank channels such as ATMs or the internet received from consumers, but would need a way to translate received banking instructions within the core’s banking system which is the housing system for the related transaction management and consumer’s account and history. Through two bearer or application environments the mobile banking channel could be delivered to the consumer. Applications residing on customers SIM cards or on their mobile phone device are known as Client-side applications.

Those developed on a server away from the consumer mobile phone or SIM card are known as Server-side applications which include IVR, USSD2, WAP and SMS.

There are four primary stakeholders in order to deliver mobile banking services according to Gavin Troy Kurgel (2007) which are: Mobile Network Operator (MNO), a Bank, a Mobile Number, the consumer and a Mobile Banking Technology Vendor.

The mobile banking vendor being the pioneer in making industry adoption and lobbying the other two principal stakeholders on the benefits of reaching the banking franchise to mobile.

Through using different technology platforms Mobile banking services are provided. Short message service (SMS), Mobile web and Mobile client applications can be categorized as M-banking media channel platforms. Each of them has its own weakness and strength. Presented below is a short description of mobile banking channels (Mobile Marketing Association (MMA), 2009).

2.8.1 Short Message Service (SMS)

It is an M-banking channel that is widely available and affordable for consumers. For a Bank to respond to customer's request MMA or generating short messages to send to a customer's mobile device, the bank uses applications or APIs (application programming interface) (2009). Like for communication between the bank and customers a URL in a web short code is used as unique locator as applied by the bank.

Ease of use, Common messaging tool among consumers, Affordable for consumers, no software installation Required, Work across all wireless operators, allows financial institutions and banks to give access to real-time information to employees and customers and without a network connection stored messages can be accessed are some of the advantages of short message service according to the MMA Mobile Banking an Overview (2009).

However, MMA (2009) short message service does have disadvantages which are; 140 – 160 limited character per message and it is not a secure environment.

SMS (short messaging Service) allow users to receive and send mobile phone text messages by inputting characters on the handset numbered keypad. Each message sent to and from users of different operator networks can be up to 160 characters long. SMS today is supported by all mobile phones available meaning SMS has turned into a universal phenomenon, with over a billion text messages sent globally every week. It is estimated that 1 trillion text messages were sent in 2005 worldwide.

In the new age of banking services, mobile banking is seen as one of the major development with digital transformation in full swing across the banking sector. Banks implemented high security standards, introduced new technologies, and brought in people with specialised skills to operate the mobile first approach which seems to have a bright future.

To secure consumers loyalty in years to come applications allow for an addition of voice and video chat features, Mobile client care options layered on top of them, location and preferences- based services all aiming to appeal (Andersen, A and Morgan, J.P 200).

Triggered by the consumer sending and receiving messages to the customer service centre on their phones banks can offer a variety of services using SMS. By data input via the phone keypad, customers can typically:

Check the account balance

Check A cheque number status

Transfer funds between accounts

View previously made transactions (usually three to five)

Request statements of transaction

Cheque book Requisition

Password editing

Pay a utility bill (usually only for more advanced m-banks).

According to S.J. Barnes and B. Corbit (2002), a part from remote M-banking there also exists point-of-sale (POS) applications which are wireless using phones connected to Bluetooth terminals whereby consumers can pay bills by connecting with the merchant's POS terminal to buy items from vending machines. The payment is debited from a bank account or a card added to the phone bill payment options.

2.8.2 Mobile Web

To channel through the mobile handset delivery of web contents, Mobile web allows web sites access to users from their handsets. Mobile web Usage is growing, as a result in mobile handset devices advancement like having wider screen with high resolution as well as advanced web browsing features coupled with availability of mobile internet services with high quality (broadband) and affordable services as compared to what was before.

Among the services, use mobile internet for mobile banking is becoming popular in the banking business. Users are allowed to access corporate applications and also on most of the mobile browsers, secure connections can be established, using the internet with a mobile device is a familiar user experience and rich experiences are offered are some of the advantages of channel mobile web.

While nonstandard variables including browsers, handsets, and operating systems, varying connection speeds and handset limitations cause inconsistent user experience,

price-sensitive demographics require users to have a data plan which may be a barrier to adoption and No offline (out of the coverage) capability are some of the disadvantages.

2.8.3 Mobile Client Applications

On a lot of mobile phones today, Mobile client applications are common because they are developing rapidly and are important because they provide user interfaces for basic telephone and messaging services and also for more entertaining advanced experiences. Mobile applications are not the same for browsing the mobile web for it has advanced to giving users access to services requiring faster, richer and not specifically connected user experiences. Ability for customization and branding, accessing all banking functionalities encryption and strong authentication of data that is sensitive are some of the many benefits that combining handset client application and server component provides.

From applications and financial services point of view, mobile client applications have a list of advantages i.e. Support for access to corporate customs applications, working ability when there isn't any connection to any wireless network, offering organizations control over user experience to effect a better user interface capability, secure access could be established with applications, when device is lost or stolen most applications provide the ability to provide wipe- out of information remotely.

2.9. Key Trends Driving Mobile Banking in 2024

The evolving journey of mobile banking from when it began to the present is a demonstration of the rapid pace of how technology improves and the constantly changing consumer needs. When it all began the only capabilities extended through mobile banking were limited to transaction alerts and account balance inquiries.

A myriad of financial services can now be accessed on your fingertips from real-time payments to sophisticated investment advice, budgeting tools, peer-to-peer lending, offering the consumer a one-stop shop for managing personal finances, enjoying convenient Banking as you go (*McKinsey & Company*, 2024). From a consumer point of view this gives them an increased decision making power and greater control over their financial wellbeing.

Key to understanding mobile banking as it is now is understanding the rapidly evolving nature of the market. There is need for the mobile banking industry to change and adapt and this is highly dependent on evolving technology and innovation and changing consumer needs and expectations. This continuous evolution has altered the user experience, spurred innovation, and changed business structures. Simply put mobile banking is a system that requires constant and continuous reinvention to stay relevant. This makes it necessary for industry players to remain adaptable, conscious to market changes and open mindedness and willingness to implement new techniques and technologies. (*ABA Banking Journal*, 2024)

Globally, Mobile Banking has drastically changed over the years from becoming an opt-in service to becoming a vital and necessary part of financial life. This transition is majorly influenced by consumers expectations for quick tailored banking experiences. The COVID-19 pandemic acted as a trigger, making it a requirement for banks to include digital channels as part of their strategy and a priority for customer service and business continuity. Consequently, mobile banking has cemented its status as a pillar of the financial sector.

Mobile banking has become the leading form of digital banking in numerous developing regions, particularly in Africa. According to the GSM Association's 2023

Industry Report on Mobile Money, Sub-Saharan Africa is recognized as the global leader in mobile banking, excelling in the number of active services, subscribers, and transaction volumes (*GSMA. (2023). GSMA Industry Report on Mobile Money 2023*).

Figure 2.1: GSMA (Global System for Mobile Communications) State of the Industry Report on Mobile Money 2024

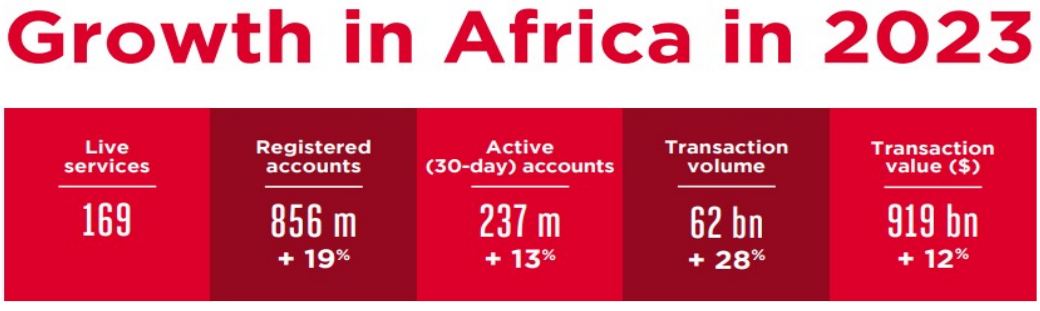


Figure 2.2: GSMA (Global System for Mobile Communications) State of the Industry Report on Mobile Money 2024

The report indicates that when North Africa is included, the continent accounts for nearly 50% of the world's mobile banking services, as well as approximately two-thirds of global transaction volumes and values. Additionally, Africa hosts nearly half of the world's mobile banking accounts, and this number is on the rise. The increase in registered accounts and transactions in Africa exceeds the global average, with a growth rate of about 20% in 2022, significantly outpacing other regions worldwide.

In his latest research Rosengard's (2016) finds that mobile banking has transformed how Kenyans manage their money. Rather than expanding the conventional banking sector and gradually reaching and bringing the "unbanked" into the system, Rosengard explained how mobile banking enables countries to give access to affordable financial services en-mass. His study suggests that in sub-Saharan Africa in the 2000s, cell phones had this effect. With the explosion of mobile phone ownership, nations were able to bypass the landline telephone phase and quickly provide their inhabitants with modern communication. Kenya presently has an almost same cell phone ownership percentage (82%) to the US (89%).

2.9.1. Characteristics of the Current Mobile Banking Landscape

2.9.1.1. High Adoption Rates

Global popularity of mobile banking has surged due to its accessibility and convenience with Kenya and Nigeria setting pace in Africa. The vast majority of people in developed economies use mobile banking in some capacity. In many developing nations, where mobile technology has frequently surpassed traditional financial infrastructure, this tendency is also noticeable. (Statista 2024)

There are a number of reasons for its quick acceptance, including: Demographical shifts which include increase in the number of smartphone users especially the younger

generation is a major contributor to this trend; Urbanization which gives rise to concentration of populations in urban areas, with better access to technology and financial services, has boosted adoption rates. Other reasons are Financial inclusion which played a crucial role in bringing financial services to underserved populations, expanding the user base. Convenience and accessibility is a key attractive trait which gives the ability to bank anytime, anywhere, making Mobile Banking an attractive option for consumers.

2.9.1.2. Enhanced Security Measures

The rapid expansion of mobile banking has necessitated an increase in security measures to protect data which was met with a response from Financial institutions implementing an arsenal of security protocols. (Apaua & Lallieb, 2021). B**iometric authentication** has emerged as a cornerstone of secure access, leveraging unique physiological characteristics such as fingerprints, facial recognition, and voice patterns to verify user identity. This technology significantly reduces the risk of unauthorized access compared to traditional password-based systems (Rees, M, 2024)

Encryption serves as a formidable defense against data breaches. By converting sensitive information into indecipherable code, banks can protect customer data from malicious actors. Advanced encryption standards are employed to ensure the highest level of security (Ogunjinmi, 2024). Fr**aud detection systems** utilize sophisticated algorithms to analyze transaction patterns and identify anomalies indicative of fraudulent activity. These systems enable banks to proactively detect and prevent fraud, safeguarding customers' funds (IABAC, 2023).

Multi-factor authentication (MFA) enhances security by necessitating multiple verification methods from users. This strategy significantly complicates unauthorized

access to accounts, making it much harder for cybercriminals to infiltrate systems (Fortinet, 2024).

2.9.1.3 Diverse Functionality

Mobile banking apps have evolved from basic transactional tools into comprehensive financial platforms that cater to a wide range of customer needs. (Shoutem, 2021). Payment services have grown beyond the simple or traditional fund transfers. Users now have the capability to easily split bills, send money internationally and domestically, make payments to businesses directly and even keep track of their business directly through their mobile phones. This changed daily financial management in a drastic way as a result of the convenience (Finanteq, 2022)

The capability to access financial markets has been made easy with integration of investment tools. Mobile banking platforms now offer quite simple ways to access stock market trading, mutual fund investments and even retirement planning among others. Budgeting tools, savings goals, and expense tracking capabilities which are financial management tools are among the added advantages of mobile banking applications. Users gain insights into their spending habits and make data-driven decisions (Latinia, 2024).

Finally, the incorporation of **AI-powered financial advice** represents a significant leap in personalized banking. These algorithms analyze user spending patterns, income, and financial goals to provide tailored recommendations on saving, investing, and debt management. All these functionalities transformed mobile banking into an indispensable tool. (Digital Blogly, 2024)

2.9.1.4 Integration with Fintech

Banks now rely on partnerships with Fintech companies to enhance their mobile banking services and offerings, allowing them to diversify their offerings e.g. personalized financial insights leveraging fintech technology and agility. These partnerships are transforming the mobile banking landscape, making it more dynamic and responsive to customer needs.

Fintech companies often possess advanced technological infrastructure that supports real-time payment processing, allowing banks to offer instant fund transfers, which is crucial for both personal and business transactions. This capability not only enhances customer satisfaction but also increases the competitiveness of banks in the market (Bain & Company, 2023). Additionally, fintechs utilize sophisticated data analytics and artificial intelligence to provide personalized financial insights. These insights help customers manage their finances more effectively by offering tailored advice on spending, saving, and investing, thereby improving customer engagement and loyalty (Banking Dive, 2024).

Moreover, fintech companies are known for their agility and innovative approaches, enabling them to quickly develop and deploy new features and services. By integrating these innovations into their existing systems, banks can stay ahead of technological trends and meet the evolving needs of their customers without the lengthy development cycles typically associated with traditional banking (The Financial Brand, 2023). Collaboration also reduces the time and cost associated with bringing new services to market as well allow banks to expand their customer reach.

2.9.1.5. Customer Experience Focus

Many banks are concentrating on enhancing the user experience in their mobile banking applications. Key elements such as intuitive design, personalized features, and

responsive customer support are prioritized to create a seamless and user-friendly banking experience. These improvements aim to ensure that users find mobile banking as straightforward and accessible as possible.

Modern mobile banking apps are designed with the user in mind, featuring interfaces that make usage simple and efficient. Adoption of a user-centric approach ensures easy access and accounts management, ease in performing transactions, and utilization of various banking services without conveniently (Raconteur, 2023).

To address individual needs and preferences enhanced features such as tailored financial advice and financial alerts can be implemented. The enhanced features leverage data analytics and artificial intelligence which provide insights and recommendations enhancing customer financial decision making. (IBM, 2023).

There's an increase in using AI- powered chatbot and liver chat support options in the applications to ensure instant support and issue resolution. This is in response to ensuring a responsive customer support which is a key factor in the customer experience journey. This ensures that customers receive timely support, improving their overall satisfaction and trust in the bank’s services (Hubtype, 2023).

The present landscape of mobile banking showcases a rapidly changing industry, where innovation and a focus on customer needs are essential. It is vital for banking professionals to keep up with these changes in order to create strategies that meet consumer demands and adhere to industry benchmarks.

2.10. Bank Communication Strategies

A communication strategy is defined as a plan designed to influence a company's key perceptions and utilize its reputation to further corporate goals while maintaining

goodwill towards the brand (Randy Ryerson, 2003). This strategy encompasses several components. Firstly, it is essential to determine the image that the communication plan will convey. Secondly, it is important to identify the target audience, the types of media to be utilized, and the specific methods and frequency of communication. Lastly, it is crucial to assess whether all audiences will receive a uniform message and share a consistent perception of the organization, ensuring that the communication remains coherent across different platforms (Randy Ryerson, 2003).

A communication strategy involves the choice of suitable objectives and the selection of the right strategy for brand awareness and attitude (Ashery, 2012). Strategic communication can imply either sharing an idea, a process or data that addresses a long term strategic goal of an institution by allowing the use of advanced telecommunications or dedicated global network (George, 2012).

According to Blanton (2012), communication strategy is critical to successful institutional performance and communications for any organization is considered to be an equivalent of blood flowing in the human body. Hence, institutions understanding important roles of communication strategies plays makes use of them in their work environment. Communication strategies guarantee coordination and organization of factors of production especially material and human elements of the organization as an effective network of change and development.

Cadman (2011) describes communication strategies as a process that begins with the sender, who encodes a message, which is then transmitted through a channel to the receiver, where it is decoded. This process can be affected by noise and feedback. It is estimated that managers spend over 80% of their day communicating with others, as effective communication is essential for executing fundamental management tasks such

as organizing, planning, controlling, coordinating, and leading. Without effective communication strategies, these processes cannot be successfully achieved.

2.11.1 Social Media

Social media has revolutionized how business process management is done within organizations. To keep pace with the rapidly growing global competitiveness, organizations are utilizing various forms of social media strategies to remain competitive and relevant. Some of the strategies include the use of websites and social media networks (Gachago, et al., 2013).

The internet age has not only changed the way organizations interact with clients, but also how they structure business processes to remain competitive and profitable. Social media networks are some of the strategies organizations adopt to achieve their objectives (Palmer & Lewis, 2009).

In the 21st century, social media networks have gained popularity and transformed the way business process management is conducted in organizations. Social media networks are defined as web-based platforms that are used for sharing information over a group who have subscribed to the network as a social group (Fauser et al., 2011).

The social networks are designed in such a way that they enable members to share information in a faster, quicker and efficient manner. Thus, organizations that subscribe to this social media networks have a higher chance of having organizational information transited to targeted groups within the social networks faster, thereby transforming how traditional organizations' information is normally shared (Cleven et al., 2012). Some of the social media networks include Facebook, Twitter, LinkedIn, Youtube, Instagram, WhatsApp and Tumblr.

2.11.2 Word of Mouth

Although word of mouth is differently defined, providing a reason for people to talk about your services and products is the idea many people agree with, therefore it simple for that conversation to happen. That is creating mutually beneficial, consumer-to-market and active consumer-to-consumer communications. It involves activities that companies or individuals or institutions take in generating trust and credibility of the product and also to generate a favourable statement from the consumers in acquiring new customers are some of the key pillars of word-of-mouth marketing, Andy Sernovitz (2006).

When recommended a product or a service by person we trust, we take resultant action because we trust his/her recommendation. Besides, it is essential in being convincing and value for money in word-of-mouth marketing for the product or the service. (Kaitati & Kaitati, 2014). To affect a product or service market strength, word of mouth marketing is the most potent way and it involves dissemination of information effortlessly with a marketing method that is most cost-effective. Besides, it is not much affected by any fluctuations in the economy or rising competition in the business.

2.11.3 Mass Media Communication

According to Merriam Webster dictionary, it refers to a mode of communication such as television, radio or newspapers designed to reach the people. It shapes people's values, beliefs, perceptions and behaviour. The banking industry has been highly affected by the entire mass media growth and developmental impacts across the globe. However, not only is trustworthiness of usage of service an important factor in deciding channels but also security.

2.12 Role of Corporate Communication

This is an aspect of public relations and it comprises of communication forms that organizations use to sustain goodwill, support and confidence among its customers. It goes without doubt that public opinion is wholly influenced by corporate communications. For example, if an organization has suffered a series of loss-making scandals and mismanagement in order to convert back to growth it should use a multiple corporate changing strategies anchored in corporate communications.

Today any wise company integrates full professional corporate communication team within its management (Seitel, 1987). Practitioners in this sector have to be privy to what the public is thinking as well as anticipate their attitudes towards the organization its products and services. Corporate communications decisions affect credibility hence the viability of any organization for the better or worse. Organizations which rely on this department win the customer's support, goodwill and confidence. Most organizations gain legitimate profits suffer at times from their own insensitivity to public's wishes and perceptions while, part of the customers misunderstand the role of business in a free, competitive world and perceives corporates suspiciously (Wilcox et al., 1992). The banking sector must come up with strategies of communicating with each of the diverse customers in order to effectively meet their goals and expectations.

2.13 Corporate Communications Strategy

According to the Oxford dictionary (1996), a strategy is a plan of action, master plan, design or approach. It also refers to all types of communications applied for companies to enhance goodwill, confidence and support from the public. Corporate communications decisions affect the credibility and viability of an organization. A corporate refers to a commercial venture which has been legally registered by

respective governing Acts of the country's constitution. Communication is an act of passing information or news from one person to another Oxford dictionary (1996)

The Bank was instituted as corporate in Kenya by Act 11 of 1978 banking Act. It has so far grown into a number of subsidiaries and branches countrywide with a number of intervention measures implemented by banks to sustain performance. Research is the systemic gathering of information for the purpose of understanding and describing a situation, checking out assumptions about public and public relations consequences according to Cultip, (1985). This defines corporate communications in its entirety.

There exist various types of strategies in passing information or communicating to customers. According to Baskil et al., 1997 effective communication is important to the performance of the organization. They are usually internal or external communication strategies. Internal strategies include; meetings, letters, bulletins, emails and Memorandums of Understanding (MoU).

2.14 Communications to External Publics

According to Jefkins (1992), companies contain different methods for communicating with their external public as follows as Public Relations tours. Sometimes the company can promote images, services, and products by conducting news conferences and speeches as well as make a visit to stakeholders. On Sponsorship, most companies spend millions to sponsor events to give the company key audience, provide a focal point of marketing, generate news coverage and make sales campaign.

On Sporting events, many companies engage in funding sporting events for recognition attraction of a large audiences. Wilcox et al., (1992) quote an official of Lexus, the luxury car division of Toyota about sponsorship of Polo championship. Companies

present products as a catch to the eyes of reporters by reaching potential consumers easily. Radio and television talk shows also provide a launching pad for new products reach a huge consumer potential. New technologies and the ICT greatly changing organization have gathered capabilities to gather, process, transfer and analyse data from their diverse customers. In the contemporary social company must work to be on the forefront of new communication technologies. These enable companies to process and deliver information from and to their consumers fast and effectively.

2.15 Strategies in Banking Communication

NewGen, (2012) a financial consultant company based in the US and India, affirms that the Banking Industry has been facing tumulus and adverse market conditions for the past few years. New challenges and risks have arisen and governments across the world are increasing regulatory oversight of the industry. Banks and Finance companies are trying to brave the storm by changing their marketing strategies and driving growth by focusing their efforts on better utilization of existing product lines, channels and geographic areas. They are also trying to inculcate a more intensive understanding of customer needs and pain areas. Given today's tough and highly competitive economic climate, it is vital to communicate effectively with consumers, provide superior service, improve efficiency, comply with stringent regulations and reduce costs. A Customer Communication Management (CCM) solution helps in achieving all these.

The Banking industry is characteristically information-intensive and customer interactions are critical, it becomes imperative that the right technology and communication tools are applied to automate processes and extract higher returns from the customer engagement process. Most financial organizations have invested significantly in multiple document creation technologies. These generally work in silos

and fail to provide customers with a holistic communication experience (NewGen, 2012).

Banks are trying to come up with ways to gain and retain their consumers SIA Partners, (2010). To corner the market, a communication relying on a general message and broadcasted exclusively on television isn't enough anymore and moreover it does not respond to customer selection criteria. This tendency, emerges internationally, can be examined on three axes.

First, different from the traditional media, banks are placing themselves on the audience milestones. Virtual universes, Social networks, and business games, are some of the potential new contact points. To gain the interest of young people the new communication tools are integrated carefully into the bankers' strategies with a very lucrative market share. Above visibility, means to straightaway interact with consumers are offered by new communication means. Great examples are Twitter or on Facebook, on which an open forum to discussion and "best tricks" can be shared the users. During the upcoming years, these initiatives are expected to expand, creating new ways of exchanging information at the same time with existing or potential consumers.

In order to restore confidence, banks are improving their ways of addressing themselves. As a matter of fact, in the ways of communicating with customers, we can note a new trend. By being more proactive and displaying more human images, Banks are coming up with ways of improving their attitude responses to consumer setbacks. This change in market positions is to create more visibility to some of the bank actors as well as underpinning more human attitudes banks can adopt while working on daily consumer issues.

Lastly, a lot of banks are trying to come up with ways to develop strong branding strategies in a more economic approach. When understanding that these establishments have not been able to create strong identities relying on certain distinctive arguments it can be seen as a paradox, moreover it can be identified easily by consumers. Placing a brand at the top of selling arguments is only feasible if it is attached to a promise of attaining suitable values matching customer's expectations. Within this framework, what is first important actions of communication employed by banks must be to reinforce and bridge banks promises. In today’s rising competitive and uncertain environment, the construction of a strong brand that is underpinned by a sound and honest customer promises can be an important competitive advantage.

Banks in Africa are increasingly recognizing the opportunity to connect with a vast number of potential customers, particularly among the rural population, which makes up over 60% of the continent's total demographic and often lacks access to banking services. The network of rural commercial bank branches remains underdeveloped. However, with more than 50% of adults in Africa owning mobile phones, mobile banking presents a viable solution for providing financial services to these underserved communities, as evidenced by successful implementations in countries like Kenya and South Africa.

The high costs associated with formal banking in Africa, including minimum deposits that can reach up to 50% of per capita GDP, along with low rates of internet and broadband subscriptions, further complicate access to banking services. In this context, mobile banking emerges as a key tool for delivering financial services to the unbanked population. Financial institutions, in collaboration with mobile phone service providers,

are developing innovative approaches to integrate these unserved groups into the formal economy through mobile technology.

The primary advantages of mobile banking include its widespread reach and its ability to transform service delivery economics by lowering transaction costs. This method of banking is particularly effective in overcoming geographical barriers, providing immediacy, security, and efficiency, which are crucial for individuals in remote areas who may not have traditional banking options available to them.

2.16. COVID-19's impact on Financial Services

The COVID-19 pandemic significantly influenced economies, with a financial crisis being a major consequence. Traditional communication dynamics changed, and consumer behaviors adapted due to infection risks. Prior to the pandemic, African economies were on a steady growth trajectory, with North Africa projected to grow by 4.4 to 4.5 percent in 2020 and 2021, and Sub-Saharan Africa expected to increase by 3.6 percent in 2020, according to the International Monetary Fund (IMF) (2020). However, the pandemic led to a negative outlook, forecasting a 1.9 percent economic contraction in Sub-Saharan Africa for 2020.

Despite ongoing improvements in financial inclusion driven by the democratization of financial services, the pandemic's restrictions, such as lockdowns and curfews, forced many businesses to close and limited consumer access. The penetration of mobile devices in Africa surged, with GSMA estimating that by 2020, 80 percent of the 800 million people in Sub-Saharan Africa owned a mobile device, largely due to advancements in mobile banking. The number of smartphones in Africa rose dramatically from 79 million in 2012 to 412 million in 2018. This shift, coupled with COVID-19 risks, encouraged users to rely on their devices for everyday activities,

including shopping and entertainment (GSMA, 2020, The Mobile Economy Sub-Saharan Africa 2020).

According to a McKinsey report from May 2020, online shopping intent surged by up to 90 percent in South Africa, primarily driven by convenience and reduced crowding. Even before the pandemic, there was a growing reliance on digital devices among African consumers, but COVID-19 accelerated this trend (World Bank, 2020). Some governments even provided stimulus grants through mobile money platforms, and central banks relaxed regulations on mobile transactions, fostering the growth of mobile banking.

McKinsey's Africa Consumer Sentiment Survey in 2020 indicated a 30 to 40 percent increase in online banking usage due to physical distancing requirements. The survey also projected that post-pandemic, 30 to 40 percent of consumers would likely continue using digital channels more frequently, while 30 percent might reduce their visits to bank branches. Banking revenues reportedly declined by 23 to 33 percent from 2019 to 2021, with returns on equity dropping by 5 to 15 percent due to increased risk costs and lower margins. Banks were expected to return to pre-crisis levels by 2022 with rapid recovery, or by 2024 with a slower rebound (McKinsey & Company, 2020, Africa Consumer Sentiment Survey). Consequently, many financial institutions sought partnerships with fintech companies to broaden their service offerings and enhance competitiveness in the market.

2.17 Theoretical Framework

Acceptance of new technologies and user adoption has been explained by proposing several theories. Diffusion of innovations (Rogers, 1995), perceived characteristics of innovations, PCI (Moore and Benbasat, 1991; Plouffe *et al.,* 2002) and Technology Adoption Model, TAM (Davis, 1989; Davis *et al.,* 1989) are some of the most established ones.

The researcher borrowed ideas from several factors that affect the corporate communication strategy and mobile banking adoption among customers of Absa bank, Kakamega branch namely, Corporate Communication Strategy, Perceived trust, Social influence, Banks corporate responsibility, Technology, Attitude towards usage, Adoption and perceived ease of usage.

The study was underpinned from Trust Enhanced Technology Acceptance Model, which according to Tomi *et al.* (2008) there exists a group of factors that will address all the aspects of mobile banking.

Due to its capability to explain technology usage, for a theoretical basis we chose the Technology Acceptance Model (TAM). In various research of information systems use, it has been put in place widely (Legris*et al.,* 2003).

2.17.1 Trust Enhanced Technology Acceptance Model

One of the most areas researched in information technology is the Technology Acceptance Model (TAM) is, particularly in information technology system adoption (Park, 2009). The theory was designed originally for users in predicting their ICT acceptance and its use in an organizational context. (Liao et al., 2009). The TAM concentrates on two specific beliefs which are, perceived usefulness (PU) and perceived ease of use (PEU) of innovation, that play a key function for behaviour of innovation

perspective acceptance. Previous empirical studies try to give out determinants and users' mechanisms on decisions of adoption based on the TAM with the conviction that the process of adoption influences successful use of particular technology systems.

The Trust Enhanced Technology Acceptance Model commonly referred to as (TAM) deals with predicting of the acceptability of an information system. It predicts tool acceptability and identifies modifications to be brought to the system so as to make it user acceptable in Absa bank, Kakamega branch.

It states that information system acceptability depends on two main factors: perceived usefulness and perceived ease of use. (TAM) Technology acceptance model is an extension of the Theory on the Reasoned Action (TRA) model, introduced by Davis in 1986. To analyze the key issues, many researchers used these models on the usage and mobile banking acceptance and a good number had positive results showing correlations between incorporated variables such as perceived usefulness and perceived ease of use.

According to TAM (Davis, 1989; Davis *et al.*, 1989), for technology acceptance the primary drivers are perceived ease of use and perceived usefulness. (Davis, 1989) "The degree to which a person believes that using a particular system would enhance his or her job performance" is perceived usefulness and "the degree to which a person believes that using a particular system would be free of effort" is perceived ease of use. A person's attitude toward system use is affected by Perceived usefulness and perceived ease of use thus further to use of the system behavioural intentions, leading to actual systems use.

(Davis, 1989; Legris *et al.,* 2003; and Venkatesh *et. al.,* 2002) Several measures have been used for the TAM factors. Effectiveness, time savings, Overall usefulness,

performance increase, increased job performance, and productivity increase are some of the measures of perceived usefulness. While clarity, flexibility, ease of learning, ease of use, and ease of control are some measures of perceived ease of use include ease of understanding,

Since the original model was introduced modifications and various additions to TAM. A new model was proposed by Davis *et al.*, (1992), Motivational Model (MM), where an additional factor was introduced and renamed one factor. The new factors are known as extrinsic motivation and intrinsic motivation. Extrinsic motivation is known as the use of a specific technology associated with an individual's personal gain and replaced perceived usefulness, while perceived enjoyment related with use of technology, differing from possible performance outcome of the use is known as intrinsic value.

Davies, (1989) perceived usefulness can be known as the level an individual believes that using specific systems will improve their performance. It is the level to which the use of a certain system will be easy.

Bong-KeunJeong and Yoon, (2013) studied the TAM model investigating mobile banking services consumer adoption. They explained the relationship existing between perceived credibility, perceived usefulness, perceived self-efficacy, perceived ease of use, influencing mobile banking adoption but the results showed that in consumer influence in adopting mobile banking services, perceived usefulness had more significance than the other variables.

Venkatesh *et al.,* (2002) An integrated TAM was introduced. Using the original TAM, It integrates the factor from motivational model, the intrinsic motivation. Pleasance of systems use, enjoyment with the system, and the fun of using a system (Venkatesh *et*

al., 2002) are some of the measures of intrinsic motivation. The integrated model is depicted in Figure 2.1.

The TAM majors on two actual beliefs which are, perceived usefulness (PU) and perceived ease of use (PEU) of innovation, have important roles from innovation acceptance behaviour perspective. (Liao et al., 2009) With the conviction that the successful use of a specific technological system is influenced by the adoption process, other studies strived in explaining mechanisms and determinants adoption decisions of users on the basis of the TAM.

According to Bertrand and Bouchard (2008) indications, the TAM dwells on attitude explanations on usage intentions of a specific service or technology which is a model that is applied widely for usage and user acceptance. Multiple analysis on the TAM showed that it is robust, valid, and a powerful model for innovation user acceptance studying. The model is for understanding and explaining external factors effects on intentions, attitudes, and internal beliefs. In their TAM application to study Kenyan M-Banking adoption according to Lun et al (2012) perceived credibility, perceived usefulness, perceived ease of use and perceived self-efficacy influenced customers' attitude towards M-banking usage.

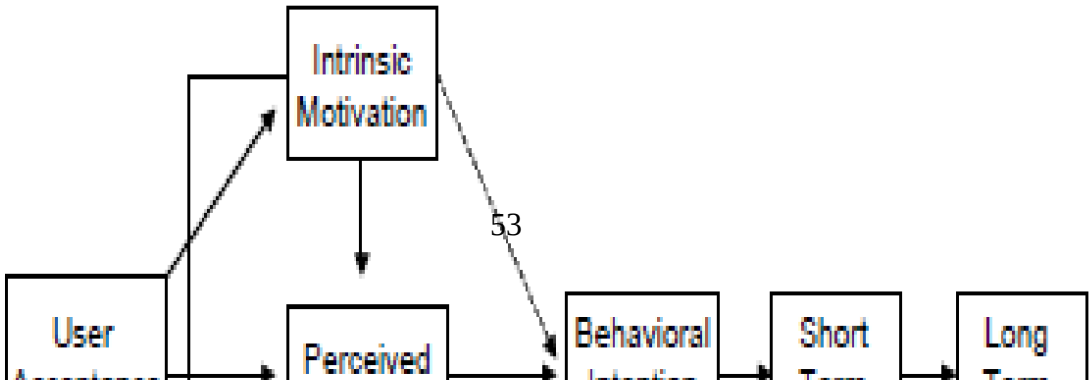


Figure 2.3: The Integrated Tam

Source: Venkatesh *et al.*, (2002)

Despite the critic by Benbasat and Barki (2007) which states that it did not serve the original purpose, many researchers still support this model usage as an excellent model explaining information systems acceptance, such as Belanger and Carter (2005) recommend integration of the Technology Adoption Model with other models like Innovation Diffusion Theory to have a deeper and accurate explanations of the variables.

2.17.2 Theory of Reasoned Actions

The Reasoned Actions Theory states that one's beliefs influence social norms and attitudes which shape behavioural intention which in turn guides a person's behaviour (Ajzen & Fishbein, 1980; Leach, Hennessy & Fishbein 1994). It is also an expansion or continuation of previous theories. Subjective norm (SN) and Attitude toward behaviour (ATB) associated with the behaviour are the two core constructs of TRA. The Past attitude of an individual toward performing that behaviour is attitude toward the behaviour (ATB). It implies that individuals think about possible outcomes and

decisions of their doings before making any move to getting associated or not in a particular behaviour.

Theory of reasoned actions provides a framework for measuring and identifying the underlying reasons for an individual to behave in certain ways or not. It is also called a general model which doesn't state directly that certain behaviours are operative for specific beliefs, it further suggests that the intention to do a certain action is determined by a person's behaviour**.** The more we understand about the norms and attitudes influencing intent, the more accurate we are with our interventions designed to influence these in the desired direction

This theory the immediate determinant of action looks at intentions of individuals to behave in a given way or not, as the person's evaluation and beliefs of outcomes of behaviour is determined by attitude therefore individuals strongly believing that particular behaviour performance results to positive outcomes, will have positive attitudes towards that behaviour and vice versa.

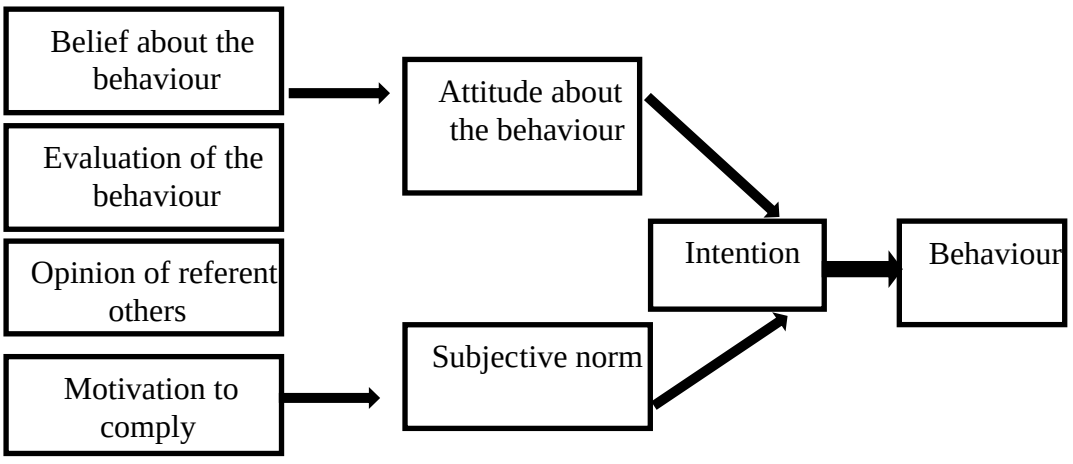


Figure 2.4: Theory of Reasoned Action

Source: Fishben and Aizen (1975/1980)

2.17.3 Innovation Diffusion Theory

The theory inventor Rogers (1995), defines innovation as an act, idea, or instrument new to a group of individuals or a person while Diffusion is the process where through certain channels of communication new technology is transferred in time among the targeted individuals to use new Information System.

Adopting a product in a social system, behaviour or new ideas doesn't happen simultaneously. It is the process which some individuals adopt an innovation quicker than others. Characteristics of those adopting an innovation much quicker differ from those who adopt the innovation later. It contains five features of innovation which are observability, relative advantage, complexity, trialability and compatibility.

Relative Advantage: "the degree which an innovation is seen/perceived as being better than its precursor".

Complexity: "the degree to which an innovation is seen/perceived as being difficult to use".

Observability: The level which an individual can view others using the system within the company.

Compatibility: "the degree to which an innovation is seen/perceived as consistent with the existing needs, values, and past experiences of potential adopters".

Triability: "the tangibility of the results of using the innovation, including their observability and communicability".

These variables relate entirely with each other in the Information system context even though they may look different and unrelated to each.

The notion of the perceived usefulness in Technology acceptance model is similar to relative advantage construct in IDT, the perceived ease of use in the technology acceptance model is captured in the complexity construct in IDT. Although there are different variables, (Moore and Bensbat (1991). For explaining the adoption of

technologies Rogers' diffusion of innovations theory is the appropriate theory, Medlin, (2001) and Parisot, (1995).

While establishing innovation occurance, Rogers (1995) asserts that diffusion of innovation has four stages: Stage one is invention in that diffusion via the social system has consequences and takes time. Information flows through networks at this stage. Opinion leaders play roles in them and the nature of networks determine the likelihood of innovation adoption.

The main theory anchoring this study is the Technology Acceptance Model (TAM). TAM is chosen due to its robust framework for predicting and explaining technology adoption based on perceived usefulness and perceived ease of use. The Trust Enhanced TAM extends this model by incorporating the element of trust, making it particularly relevant for mobile banking adoption in a banking context.

The Theory of Reasoned Actions (TRA) interrelates with TAM by providing a foundational understanding of how beliefs and attitudes influence behavioral intentions, which is central to the concept of perceived usefulness and perceived ease of use in TAM. The Innovation Diffusion Theory complements TAM by explaining how innovations are communicated and adopted over time, emphasizing the role of social influence and the communication channels used, which are critical in the adoption of mobile banking.

The theoretical framework provided by TAM, TRA, and Innovation Diffusion Theory helps to define the concepts, variables, and relationships explored in the study, ensuring that the research is grounded in established knowledge. These theories guide the formulation of study objectives by suggesting expected relationships between variables,

such as the influence of perceived usefulness, perceived ease of use, and trust on mobile banking adoption. They also shape the research questions by highlighting key areas of inquiry, such as how banks communication strategies impact the adoption of mobile banking among different user groups.

By integrating these theories, the study provides a comprehensive understanding of mobile banking adoption, considering individual beliefs, social influences, and the banks communication strategies that facilitate the diffusion of innovation.

2.18 Conceptual Framework

For this study, the following is the conceptual framework relying on the surveyed literature and was formulated to help the researcher to understand the corporate communication strategy adopted by banks in regard to mobile banking and to examine whether the theory formulated is valid or not, a testable hypothesis is developed.

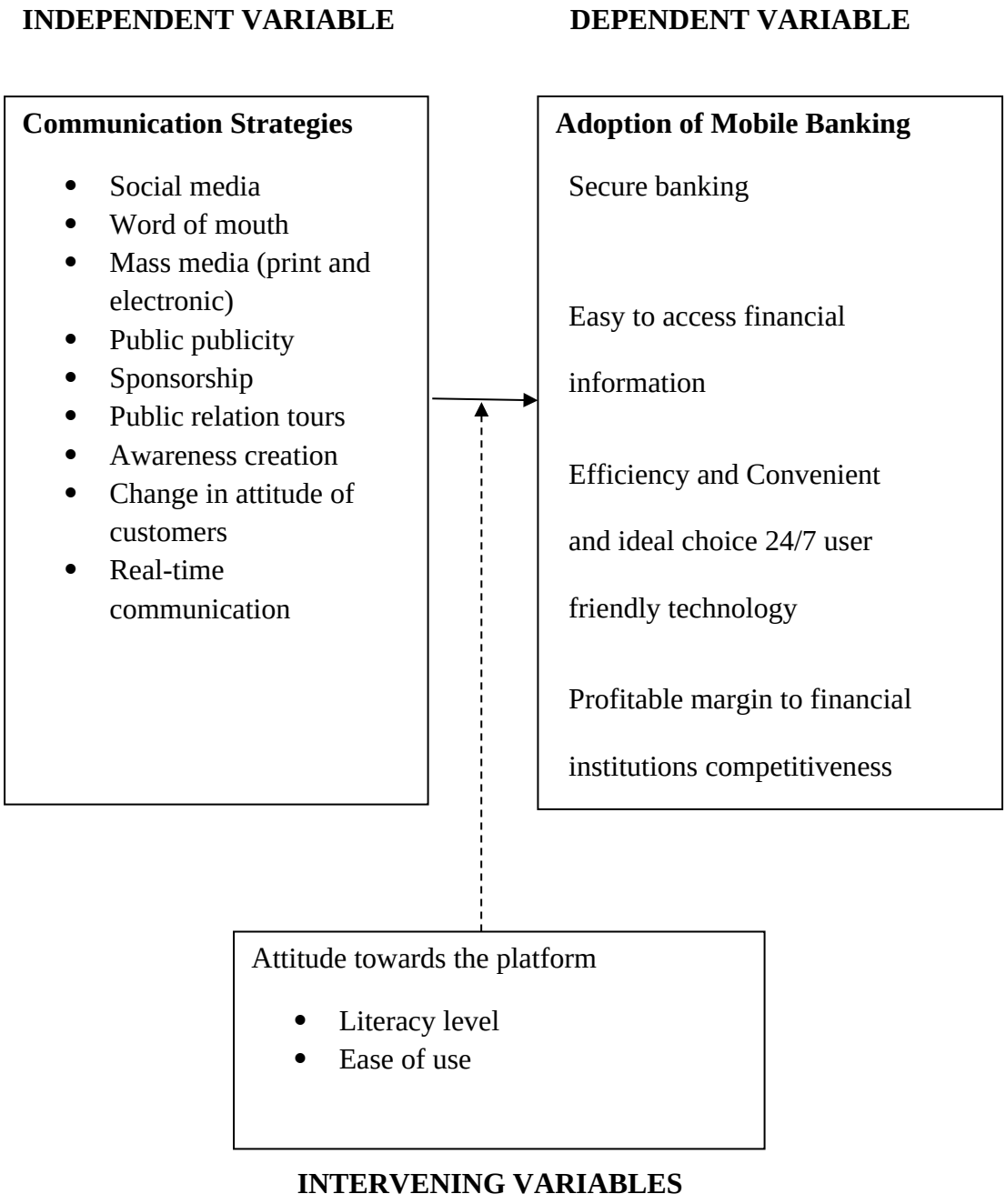


Figure 2.5: Conceptual Framework

Source: Researcher, (2024)

Based on current theories of new technology acceptance and adoption, the conceptual framework hypothesizes various communication strategies and their relationship with mobile banking adoption. The communication strategies include social media, word of mouth, mass media, awareness creation, and real-time communication. These strategies are expected to influence the adoption of mobile banking, which is measured through

factors such as security, easy accessibility, efficiency, convenience, and user-friendly technology.

The adoption of mobile banking is mediated by intervening variables such as the acceptability and attitude of customers towards the technology. These intervening variables play a crucial role in determining how effectively the communication strategies translate into actual adoption of mobile banking services.

2.19 Chapter Summary

The framework identifies specific communication strategies (social media, word of mouth, mass media, awareness creation, real-time communication) that are used to promote mobile banking adoption. It hypothesizes a direct relationship between the identified communication strategies and mobile banking adoption, considering factors like security, accessibility, efficiency, convenience, and user-friendliness.

The framework considers customer acceptability and attitude as intervening variables that mediate the relationship between communication strategies and mobile banking adoption. These factors influence how customers perceive and adopt mobile banking.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This section describes the used research methodology in the study. It presents the research design, Pilot study target population, sample and sampling procedures, instrumentation, data collection procedure and data analysis techniques that were used to analyse data collected.

3.1 Research Design

The study employed a mixed research approach which utilized both quantitative and qualitative methods of data analysis and collection. According to Sugandha (2017), such research designs assist in giving answers to who, when, what, where, and how a certain research problem is associated; a descriptive study cannot significantly ascertain answers to why. It is utilised to get current status data about the phenomena and describing what is there with regard to conditions in or situation variables.

3.2 Research Area and Population of Study

This study was conducted in Absa Bank Kakamega branch, located in Kakamega Town. It is a standard branch and serves approximately 3,000 customers. It had 3 branches ATM's and two offsite ATM's. It had a staff of approximately 17 people (Absa Bank Financial Reports, 2014). The target population included 3,000 customers both internal and external who used the services of the bank and 17 staff members. Absa Bank Kakamega Branch was an ideal choice due to its proximity to the researcher, with its diverse customer segments. It also provides easy accessibility to the respondents whom the researcher had already attained a rapport and built trust. The branch is easily

accessible to a large population(both rural and urban) due to its strategic location ensuring the collection of data from a broad demographic. The diversity of customer segments allows for a comprehensive analysis of adoption of mobile banking across different dynamics including individuals, businesses and premium customers.

3.3 Sampling Procedure and Sample Size

3.3.1 Sampling Procedure

It is a procedure where sections of elements of a given population, picked as the representatives of the whole population is a description of Sampling according to Cooper *et al.,* (2003). By choosing some population elements, conclusions on the whole population is extracted, that is the primary purpose of sampling.

Simple Random sampling design was utilised to pick required samples among customers of Absa Bank. Simple random sampling was employed to be certain that all sample size subjects equal chances to be elected. Between 9am to 4pm any customer that walked into the banking hall was interviewed.Upon entering the banking hall, customers were approached by research assistants who were stationed near the entrance. The research assistants were trained to provide a brief introduction about the study and its purpose. This introduction included information about the importance of the study, the confidentiality of responses, and the voluntary nature of participation. Customers who expressed interest in participating were given a detailed explanation of the research process. They were assured of the confidentiality and anonymity of their responses. Informed consent was obtained from each participant before proceeding with the interview or survey. The data collection was conducted using structured questionnaires and interviews. Research assistants administered the questionnaires and conducted interviews on-site, ensuring that participants could complete the process

during their visit to the bank. This approach minimized disruption to the participants' schedules and increased response rate. Research assistants were available to provide any necessary support or clarification while participants completed the questionnaires or during the interview process. This ensured that all participants fully understood the questions and could provide accurate responses.

Staff members were sampled purposively for the interview schedule tool. The researchers deliberately selected the 17 staff members from each department to be interviewed.

In designing the sample, several demographic characteristics were considered to ensure a representative and comprehensive sample of the population. These characteristics included age, gender, occupation, education level, and income level. By including these factors, the study aimed to capture a diverse spectrum of respondents, providing a comprehensive understanding of the factors influencing mobile banking adoption.

The age distribution of respondents (18-30, 31-40, 41-50, and 51-60) was selected to capture a comprehensive and representative sample of the population using mobile banking services. These specific age groups were chosen to:

- **Reflect Diverse User Experiences:** Ensure that the sample includes perspectives from young tech-savvy users to mature individuals with different challenges and usage patterns.
- **Ensure Representativeness:** Align the sample with population demographics in the study area to draw accurate and generalizable conclusions.
- **Address Research Objectives:** Evaluate how different age groups influence mobile banking adoption and the effectiveness of communication strategies.

- **Capture Age-Related Trends:** Identify specific trends and patterns in mobile banking adoption across different life stages, valuable for tailoring communication strategies.

3.3.2 Sample Size

A sample is a representative of an entire given population (Kothari, 2008). A sample size of 341 customers and 17 staff members was adopted for the study. The reason is that it is not practical to assess all individuals in a population. “if a simple process has been correctly followed then the sample size of 150-200 can be considered acceptable and reflect the whole population”, according to Struwig & Stead, (2001) This validates the sampling size choice. A general rule states that the sample size should be 100 or greater (Hair and Anderson, 1998).

Table 3.1: Population Distribution

Category	**Target Population**
Prestige Customers	272
Business Customers	523
Standard Customers	2205
Bank Staff Members	17
Total	**3017**

Source: Absa bank Kakamega

3.3.3. Sample Size Determination

When studying an entire population is not possible but the population is known, using a purposive sampling technique a smaller sample is taken. With the required accuracy degree, (Stephanie, 2013) Slovin's formula enabled the researchers to sample the population. Slovin's formula was utilised to calculate the sample size. A confidence level of 95% was used as suggested by Kothari (2004) with regard to the level of accuracy, meaning there were 95chances in 100 (or .95 in 1) the sample findings represented the populations true condition. Slovin's formula calculates as follows:

$n= N/(1+Ne^2)$ Stephanie (2013)

n= Number of samples or sample size

N= Total population

e= Marginal Error

Where N is 3017

The population size of this research was 3000 customers and 17 staffs. Customers sample size was calculated based on Stephanie formula. A sampling error of 5% was ideal for sample determination, and then the sample size was:

n = 3000/1+3000(0.05*0.05)

n = 3000/ 1+3017*0.0025

n = 3000/1+7.5425

n = 3000/8.5425

n = 341

Therefore, the sample size in total was customers (341) and all the staff 17 totalling to 358 respondents.

3.4 Data Collection Instruments and Techniques

3.4.1 Questionnaires

Questionnaires were used for primary data collection from both customers and staff members. Such a tool refers to questions, accompanied with options of possible alternatives for respondents to select answers that described their situation best (Owens, 2002). Questionnaires were considered because they were an immediate usable form therefore easily analysed, consumed less time for both the participants and the researcher and also reached a huge sample. Self-administered questionnaires were distributed to respondents in the Bank between 9am and 4pm to gather primary data. These were ‘walk in’ bank customers.

The questionnaire designed for this study incorporated a variety of question types to comprehensively gather data on mobile banking adoption and communication strategies. It included multiple-choice questions to provide predefined options and ease of analysis, yes/no questions for straightforward binary responses, and open-ended questions to capture detailed and nuanced insights from respondents. This balanced approach, facilitateded both quantitative and qualitative analysis, thus aligning with the study's research objectives. The combination of these question types allowed for a thorough examination of user experiences, perceptions, and the effectiveness of different communication strategies employed by Absa Bank.

Using both structured and unstructured questions was essential to obtain a comprehensive understanding of mobile banking adoption. Structured questions, like multiple-choice and yes/no questions, provided standardized, easily quantifiable data, ensuring consistency in results. Unstructured questions, such as open-ended ones, allowed respondents to express their thoughts and experiences in their own words, offering deeper insights into the nuanced factors influencing mobile banking adoption.

This approach provided a robust and holistic analysis, capturing key trends and the underlying reasons behind respondents' behaviours and attitudes.

3.4.2 Interview Schedules

In-depth interview schedules were specifically fine-tuned and administered left to the 17 bank staff present. The interviews were carried out among senior bank staff members present. The researcher targeted around 3-4 of the top management team in the Bank. Interviews were carried out between 10am and 12am when everyone is the Bank or any other time as directed by the respondents.

3.4.3 Secondary Data Review

Past data gathered for different purposes is secondary data which is quite of assistance in literature review to shed light on the gaps existing in the literature available. Secondary data can include information gathered previously and is being considered to be used again for new questions, which the gathered data was not intended originally according to Vartanian (2011). Therefore, secondary data for this research largely constitutes developed theories by authors such as TRA by Fishbein &Ajzen (1975) and TAM by Davis (1989) and information from several information system models.

3.5 Reliability and Validity of Research Instruments for quantitative data

3.5.1 Reliability

A research instrument’s ability to measure features of interest over time is reliability. Reliability is among the most important and fundamental domains in the assessment of any measuring methodology for data-collection in a good research. (Ahmed & Ishtiaq 2021; Mugenda & Mugenda, 2003). It is, after repeated trials a research instrument degree to yield consistent data or results. Test technique re-tested that will be used to test reliability of research instruments. Research instruments pilot testing will be done at Kenya Commercial Bank with Bungoma not being a part of the sample. To examine

response consistency between the two tests the process will be repeated after two weeks. To determine Cronbach's reliability coefficient, the questionnaires tool reliability will be computed, for the questionnaires to be considered reliable in collecting data for the variables a score of 0.80 or so is an indication.

3.5.2 Validity

The extent to which it estimates what it is to be measured an instrument's validity. According to Mugenda and Mugenda, (2013) validity is the meaningfulness and accuracy of inferences, according to the results of the research. It is the degree of results gotten from analysis of data representing variables of the study. Validity in research pertains to the precision and relevance of the data collected. A valid study indicates that the chosen methodology and measurement techniques effectively gather results that are consistent with the research aims (Souza et al., 2017).

Instruments used in the study are assessed for content validity, which measures how well the questions reflect the specific objectives of the research. The validation process involved expert evaluations, particularly from the University Supervisor, though additional insights from experienced researchers and peers could enhance this process. To further reinforce the validity of the findings, the researcher employed various methods and data sources.

According to Russell Bernard (2006), research validity shows the accuracy and trustworthiness of the outcome therefore it plays an important role. Selection of the wrong people's views can also affect the research work. In order to minimise the threats, bank staff were selected for interviews. This is because of their awareness concerning mobile banking mechanisms and it impact on customers.

3.5.3 Trustworthiness for Qualitative Data

Trustworthiness which involves credibility, transferability, dependability and confirmability (Amankwaa, 2016). According to Eryilmaz (2022), trustworthiness is one of the essential components of rigor in qualitative research. This study ensured transparency giving different customers perceptions on mobile banking. The researcher used various data collections techniques- questionnaires and in depth interviews to corroborate the research, thus ensuring credibility of the work. Proximity of the researcher to the respondents, having worked and interacted with them for a long period of time allowed the researcher to gain trust from the respondents, who in turn were able to share their unreserved experiences insights and beliefs which helped collect accurate data. This study ensured that there was trustworthiness which was crucial in establishing the credibility and reliability of qualitative findings, also important for informing critical bank policy decisions and improving the provision of services in mobile banking.

3.6 Data Collection Procedures

Prior to the data collection process, the researcher acquired various permits to aid in the authorization of the research process. The researcher also obtained a permit and a letter from the National Commission for Science, Technology and Innovation, which was presented to Absa Bank, the County Commissioner and County Education Officer, and Kakamega County before beginning the study. The researcher then self-administered the questionnaires and interviewed the key informants in the Bank separately through the help of research assistants that are trained.

3.7 Data Analysis

Data was analyzed according to objectives. The researcher conducted both quantitative and qualitative analysis.

3.7.1 Quantitative Data Analysis

Quantitative data was analyzed using descriptive statistics and the results presented in frequencies, percentages, tables and figures. This is because tables easily show the comparison among variables and can easily show patterns that exist among the variables. To ensure it was free from inconsistencies and incompleteness, the researcher edited the collected raw data. To come up with categories and codes responses, a coding scheme was then developed after which the data was encoded manually and set for analysis using the Statistical Package for Social Science version 23.0.

3.7.2 Qualitative Data Analysis

In tandem with Lester et al., (2020), the researcher transcribed the data earlier collected from the in-depth interviews conducted among Absa Bank staff. The data was coded and thereafter, the researcher studied the coded data to come up with key views and opinions as per the study objectives. Recurring themes were then used to explain observations, attitudes and perceptions emerging from their responses to the to the research questions asked. Thereafter the results were presented thematically.

3.8 Ethical Considerations

The researcher obtained a letter of authorization from the University to seek a permit to from the National Commission for Science Technology and Innovation, which will be presented to the Absa Bank Branch Manager, County Commissioner and County Education Officer, Kakamega County. Informed consent was gotten from every respondent before embarking on the study as a detailed and complete explanation about

the study was done by the researcher. The collected information was confidential which was utilized for purposes of only the study and respondents were aware of voluntary participation. If the respondents refused to take part or pulled out of the study no threats or victimization was used.

The researcher made sure that three ethical principles are observed which include justice, respect, and beneficence. During the research period dignity of the participants, respect and protection of autonomy rights was guaranteed. The aim of the research was honest, fair, and transparent while researcher presented the findings objectively and honestly.

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION AND DISCUSSION

4.1 Overview

The chapter shows results in mobile banking adoption of customers in Absa bank (Kakamega branch). The chapter covers the demographic characteristics of the respondents, the strategies employed by the Absa bank (Kakamega branch) to implement mobile banking, the relationship between the bank's communication strategy and the mobile banking adoption of customers (Kakamega branch) and the factors customer influence perception on mobile banking adoption in Absa bank

(Kakamega branch). The presentation of data was done according to the objectives of the study. The return rate was 100% since all the customers who walked into the bank between 9am and 4pm filled the questionnaires and returned them to the researcher.

4.2 Demographic Characteristics of Respondents

The demography of the study is essential to understand the participants involved in the study. Therefore, the study provided the findings on the participant's demography - gender, age and education level. Below are the results.

Table 4.1: Demographic Characteristics of the Respondents

Demographic Characteristics of the respondents		
What is your gender		
Gender	**Frequency**	**Percent**
Male	177	52.0
Female	164	48.0
What is your age bracket		
Ages	**Frequency**	**Percent**
18-30	100	29.5
31-40	147	43.0
41-50	85	25.0
51-60	9	2.5
What is your education level		
Education	**Frequency**	**Per cent**

Certificate	43	12.6
Diploma	60	17.7
Bachelor's Degree	161	47.2
Master's Degree	51	14.9
PhD	26	7.6

Table 4.1 findings show that, there were more male respondents by gender 177 (52%) as compared to the female respondents 164 (48%). The findings by age, showed that the major respondents 100 (29.5%) age between 18-30 years; followed by age bracket 31-40, 41-50 and 51-60 that was 147 (43%), 85 (25%) and 9 (2.5%) respectively. The findings on education level showed that majority of respondents 161 (47.2%) were Bachelor's degree holders, followed by Diploma holders 60 (17.7%), Master's degree holders 51 (14.9%), Certificates holders 43 (12.6%) and finally Philosophical degree holders 26 (7.6%).

Gender was tested to assess the main account holders of Absa bank – Kakamega branch. Age is a critical measure to examine the ease of subscription to mobile banking of which its technology has an age inclination. The age of customers/users of technology has an important effect on their behaviour. It has been observed that the age variable has been adopted a common defining line of probability of Education level for respondents was tested as an important contributor to mobile banking technology adoption of the customers of Absa bank – Kakamega branch. Presentation Based on Gender Response Rate Based on Gender.

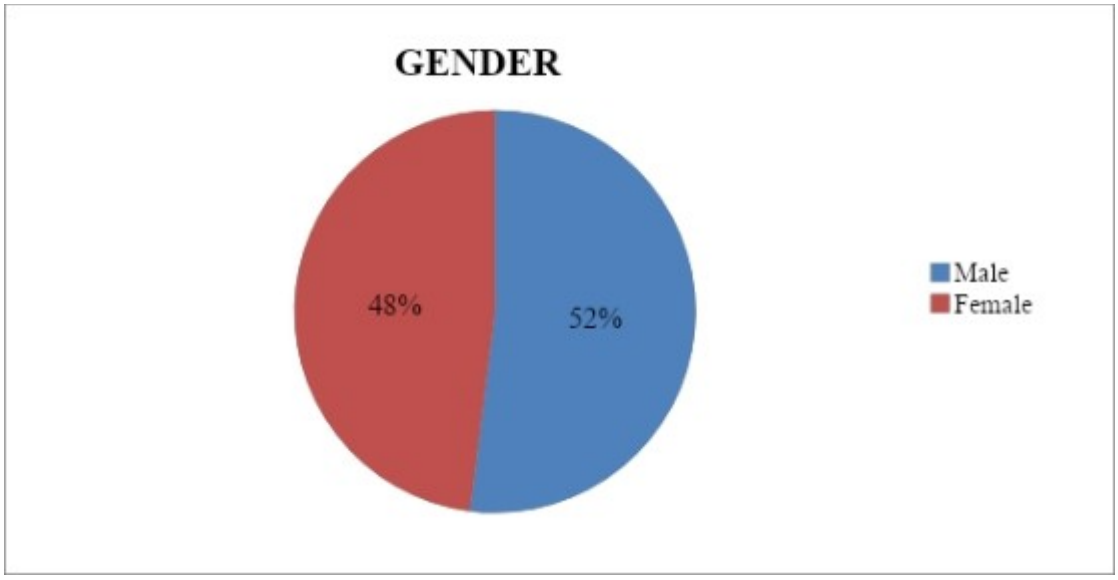


Figure 4.1: Respondents' Gender

Source: Researcher

52.0% of the respondents noted they were male while 48.0% noted they were female based on the findings, therefore a large number of the respondents were male.

Respondents Age

The results shown in Figure 4.2 below are age brackets acquired by asking respondents to choose their belonging bracket the researcher provided.

Figure 4.2: Respondents age

The findings indicated that 29.6% of the respondents were between 18-30 years, 43.0% were between age 31and 40 years, 25.0% were between age 41 and 50 years and 2.5% were between age 51 and 60 years. None of the respondents noted they were above 61 years. We can conclude with the above findings that many of the respondents were among the economically active population between 31and 40 years.

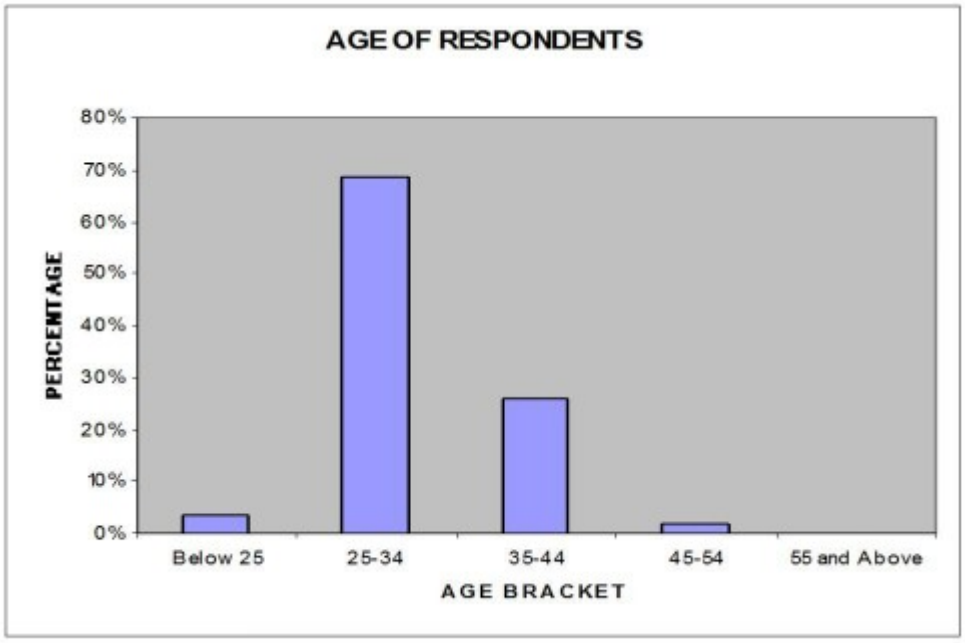


Figure 4.2: Respondents age

Respondent's Educational level

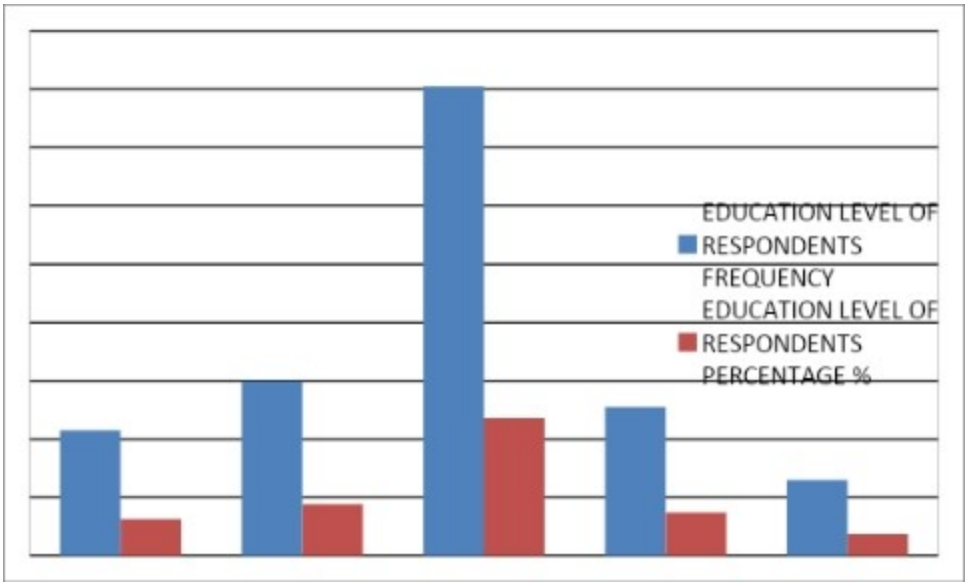


Figure 4.3: Respondent's Educational level

Source: Research

From the findings, 43 respondents representing 12.6% indicated they have had High School education, 60 respondents representing 2.4% noted they had Diploma education, 161 respondents representing 53.6% noted they had Undergraduate

(Bachelor ‘s degree) education while 51 of respondents representing 14.9% noted they had Postgraduate education degree. Therefore, we can conclude that a large number of the respondents were educated.

The researcher computed Chi-Square goodness-of-fit to determine whether age, gender and education level of customers influenced mobile banking technology adoption.

The study findings are in confluence with Ondiege (2010) who observed that there exists a colossal opportunity in Africa to increase affordable and cost effective financial service solution through mobile banking thereby tapping into a large population of customers who have been excluded for decades from formal financial services, this will reduce financial transaction cost leading to doing business

Table 4.2: Chi-Square Goodness-Of-Fit for Gender, Age and Education Level

Test Statistics

Variables	Chi-Square	Df	Asymp. Sig.
what is your gender	.551[a]	1	.458
What is your age bracket	120.809[b]	3	.000
What is your education level	174.281[c]	4	.000

a. 0 cells (0.0%) anticipated frequencies fewer than 5 while the least expected cell frequency is 170.5.

b. 0 cells (0.0%) anticipated frequencies fewer than 5 while the least expected cell frequency is 89.0.

c. 0 cells (0.0%) anticipated frequencies fewer than 5 while the least expected cell frequency is 71.2.

The customers (n=341) were sampled to determine whether gender, age or education level influenced their adoption of mobile banking technology. A chi-square test of goodness-of-fit was performed. The null hypothesis for gender was retained, however, the null hypothesis for age and education level was rejected. The customers’ gender had

averagely equally distributed in the population, χ^2 (1, N = 341) = .55, *p* = .458. Gender did not influence the mobile banking technology uptake. However, age group and education level for the customers was distributed unevenly in the population, χ^2 (3, N = 339) = 120.81, p < .001 and χ^2 (4, N = 339) = 174.28, p < .001. The research, therefore, determined that age and education level of the customers of Absa bank – Kakamega branch - influenced mobile banking technology adoption. Age and education level of customers is strongly significant to mobile banking technology adoption for Absa bank -Kakamega branch.

The findings that gender does influence adoption of mobile banking were inconsistent with previous research findings. Although there is few research based on gender impact on adoption of mobile banking, males were more inclined to adopt the technology than females according to the findings of Wan et al (2005), supporting Pipers et al (2001) revealed that males were more supportive of mobile baking adoption than females. (Amin et al 2006) It has been revealed that females are concerned more about issues concerning security than males who tend to pay attention more to effectiveness. In further studies, Ainin et al (2007) figured out that males are most anticipated to technological innovation adoption in banks than females.

More men, than women take more time on mobile phones according to a survey done in the UK (NST, 2002). In contrast, according to Wan et al (2005), gender has the least dimension of usefulness for segmentation of the market as the difference between male and female users in mobile banking was slight.

Younger consumers are greatly anticipated to adopt innovations which are similar to prior studies. This study revealed that mobile banking is adopted mostly by customers

of age between 18-40 years. This is more likely true because mobile banking needs mobile devices which are mostly bought by the young consumers having more income to dispose. Attaining better understanding of age difference is important because goes hand in hand with usage of new information technologies and user acceptance as suggest by Venkatesh and Morris (2000). Early adopters of new products are mostly young in most technological markets. A finish study (Matilla et al, 2003) reported that a mobile banking user who is middle aged tends to be relatively wealthy and highly educated.

Findings on education level reveal that most bank customers were individuals with education levels at least from Bachelors degree which relates with other studies that have been done. (Black et al 2001) The high background educational of most consumers is explained by needing to master complexity of conduction financial transaction through mobile channels. Education is a social factor motivating individuals in adopting IT according to Hill et al 1998.

They also reveal that an individual's education level is a major factor impacting on organizational behaviour in terms of new technology adoption. Less educated clients who are old are opposed to innovations of banking more than other social system members, Harma and Dubey (2009) reported. Mobile banking Potential users will have secondary school education and above (Alafeef et al, 2011)

4.3 Knowledge of Mobile Banking Platform for Absa Bank

The knowledge of mobile banking by the customers is crucial such that it enhances the adoption of the technology. The researcher determines the knowledge of mobile banking technology by customer of Absa Bank – Kakamega branch and determining the adoption rate of the mobile banking platform. Table 4.3 illustrated the study findings.

Table 4.3: Knowledge Level and Subscription to Mobile Banking – Absa Bank

Knowledge of Mobile Banking		
Are you a customer of Absa bank		
Customer	*Frequency*	*Per cent*
Yes	255	74.7
No	86	25.3
Are you aware of the Mobile Banking systems put in place by Absa Bank		
Knowledge M-Banking	*Frequency*	*Per cent*
Yes	272	79.8
No	69	20.2
Are you subscribe to the same Mobile Banking platform		
Subscription	*Frequency*	*Per cent*
Yes	194	57.0
No	147	43.0

The findings from Table 4 reveals that the major respondents 255 (74.7%) were customers while 86 (25.3%) were visitors transacting within the bank. The findings also revealed that major respondents 272 (79.8%) had mobile banking knowledge while 69 (20.2%) lacked mobile banking technology knowledge. The subscription of mobile banking received positive results with 294 (57%) of respondents being active subscribers to mobile banking platform while 147 (43%) of respondents yet to subscribe to the mobile banking platform.

These findings concur with the previous Juniper Research in 2009, it depicted that international mobile money transfer is anticipated to invite wide spread innovations, regulations developing and mobile transfer services policies. The research pointed out that mobile money market will have an impact on the banking sector considerably and revolutionize the perception of people.

This research indicates that adoption of mobile banking is expected to grow tremendously. The researcher computed a Chi-Square goodness-of-fit to determine whether customers' knowledge level influenced their subscription to a mobile banking platform. Table 4.4 illustrated the findings.

Table 4.4: Customers Knowledge Level of Mobile Banking and Subscription Status

Test Statistics

Variables	Chi-Square	df	Asymp. Sig.
Are you aware of the Mobile Banking systems put in place by Absa Bank	126.247[a]	1	.000
Are you subscribe to the same Mobile Banking platform	7.022[a]	1	.008

a. 0 cells (0.0%) anticipated frequencies fewer than 5. The lowest cell expected frequency is 178.0.

The customers (n=341) were sampled to find out if the knowledge level of customers to mobile banking technology and subscription to the mobile banking platform had an influence on the adoption of the technology. A chi-square goodness-of-fit test was done.

The null hypothesis for the knowledge level and the subscription were rejected. The customers' knowledge level and subscription variables were distributed unevenly in the population, χ^2 (1, N = 341) = 126.25, p < .001 and χ^2 (1, N = 341) = 7.02, p < .001. The research, therefore, determined that the knowledge level of mobile banking and the subscription to it influenced the adoption of the technology.

The mobile banking brings significant benefits to customers as they are secure, easy to access finances, does not necessarily require an internet connection, increases efficiency, readily available round the clock all year round, it is convenient and time-saving (Chandra, 2014).Mobile banking adoption platform in Kenya has contributed to increased savings and easy access to services as stipulated by Mintz-Roth (2018).

From this finding the ideas important to daily financial services provided through mobile phones as a whole is raised by the sheer momentum behind mobile phones take-up. This is not just in Africa but in the rest of the world which will further impact mobile banking adoption and thus lower the cost of offering formal financial services. It will also increase the accessibility of such services.

4.4 Communication Strategies on Mobile Banking Adoption (Objective 1)

The researcher sought to determine the strategies being used to enhance mobile banking platform subscription by customers of Absa bank – Kakamega branch. Key in any banking organization is communication where it enhances connection with the customers and visitors to the bank.

Table 4.5 illustrated the findings as shown.

Table 4.5: Communication Strategies Adopted for the Promotion of Mobile Banking

Strategies in Adoption	Agree or Strongly Agree	Disagree or Strongly Disagree
The bank communicated M-Banking platform through social media such as Twitter, Facebook and WhatsApp	71.8%	28.2%
We learnt of M-Banking through a word of mouth from the bank's staff	84.4%	15.6%
M-Banking services were communicated to us through mass media platform (print and electronic media)	68.9%	31.1%
M-Banking platform was 5communicated through product publicity marketed by the bank	74.1%	25.9%
It was through a sponsorship program initiated by Absa Bank	37.8%	62.2%
We got in touch with M-Banking through Public Relations (PR) tours initiated by Absa Bank	30.3%	69.7%

N=341

The results revealed that major respondents were in agreement with the four main strategies used for mobile banking adoption facilitated adoption: word of mouth 84.4%, (288) marketing 74.1% (253), social media (Twitter, Facebook and WhatsApp) 71.8% (245) and mass media (print and electronic) 68.9% (235). However, the sponsorship program 37.8% (126) and public relation 30.3% (103) by Absa bank were the least favourable methods.

The researcher calculated the Kruskal-Wallis H test to determine differences between communication strategies in use to promote mobile banking technology adoption regarding membership to the bank. Table 4.6 illustrated the inferential statistics.

Table 4.6: Kruskal-Wallis H Test for Communication Strategies for the Adoption of Mobile Banking.

Test Statistics[a,b]

Variable	Kruskal-Wallis H	Df	Asymp. Sig.
The bank communicated M-Banking platform through social media such as Twitter, Facebook and WhatsApp	.932	1	.334
We learnt of M-Banking through a word of mouth from the bank's staff	24.679	1	.000
M-Banking services were communicated to us through mass media platform (print and electronic media)	3.909	1	.048
M-Banking platform was communicated through product publicity marketed by the bank	.068	1	.794
It was through a sponsorship program initiated by Absa Bank	3.956	1	.047
We got in touch with M-Banking through Public Relations (PR) tours initiated by Absa Bank	4.883	1	.027

a. Kruskal Wallis Test

b. Grouping Variable: Are you a customer of Absa bank

The results statistically revealed there weren't any differences significant between bank communication of mobile banking platform through social media like Twitter,

Facebook and WhatsApp and communication through product publicity marketing by the bank according to the bank membership: H (1) = .93, p = .33, H(1) = .07, p=.80 respectively. The null hypotheses were therefore retained. However, statistically there were significant differences between learning by word of mouth from the bank's staff, communication through mass media platform (print and electronic media), sponsorship program initiated by the bank and through the public relations tours initiated by the bank; H(1) = 24.68, p< .001, H(1) = 3.91, p< .05, H(1) = 3.956, p< .05 and H(1) = 4.88, p< .05.

The researcher performed a Mann Whitney U post hoc tests to test comparisons for the statistically significant results as illustrated in Figure 4.4.

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of We learnt of M-Banking through a word of mouth from the bank's staff is the same across categories of Are you a customer of barclays bank.	Independent-Samples Mann-Whitney U Test	.000	Reject the null hypothesis.
2	The distribution of M-Banking services were communicated to us through mass media plpatform (print and electronic media) is the same across categories of Are you a customer of barclays bank.	Independent-Samples Mann-Whitney U Test	.048	Reject the null hypothesis.
3	The distribution of It was through a sponsorship program initiated by Barclays Bank is the same across categories of Are you a customer of barclays bank.	Independent-Samples Mann-Whitney U Test	.047	Reject the null hypothesis.
4	The distribution of We got in touch with M-Banking through Public Relations (PR) tours initiated by Barclays Bank is the same across categories of Are you a customer of barclays bank.	Independent-Samples Mann-Whitney U Test	.027	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

Figure 4.4: Hypothesis Test Summary

The Mann Whitney U post hoc test was computed to compare if there were differences in the distribution of independents variables to the grouping variable. Significance levels were less than .05, therefore, null hypotheses were rejected.

The mobile banking services are purely mobile phone dependent and employ different technologies therein. The study, therefore, determined that the use of word of mouth as a marketing strategy is the most potent. Effortless dissemination of information with the marketing method that is cost-effective enhances a product or service market strength through word of mouth (Kaitati & Kaitati, 2014).

Social media networks were some of the strategies the bank (Absa– Kakamega branch) adopted to achieve their objectives. Palmer and Lewis (2009) noted in their research that social media was a very strong platform that is critical to passing important information to a larger group of people such as the mobile banking platform.

The interviews conducted corroborated the findings, which showed that mass media advertisement was one of the most effective methods of reaching more people and promote the adoption and subscription to the mobile banking platform. An employee of the Absa bank said, “to reach a wider group of customers to subscribe to mobile banking platform, the bank has been advertising on mass media and also through product publicity.” In addition, new customers or existing customers wishing to open a new account with the Absa bank are required to fill the mobile banking form so as to be incorporated into the platform. The new strategy is promoting the adoption of mobile banking technology. (Krugel, 2007) Mobile banking as a channel for the leveraging mobile network and its reach in delivering consumer bank services is an extension of current infrastructure payment of banks to mobile phones.

The banker interviewed observed that to enhance the adoption of mobile banking platform, customers are being reached by phone (calling or SMS) and educated on the importance of subscribing to the platform. Moreover, it was established that the bank staffs are encouraged to promote the mobile banking platform through a face to face marketing strategy (word of mouth) while transacting with the customers. The banker had this to say:

> *"The department of sales in the bank could use the services of sales representatives to enhance and encourage customers and potential customers to adopt mobile banking platform outside the banking halls,"*

According to a study done by Aghdaie & Faghani (2012) on mobile banking service, quality and customer satisfaction responsiveness, tangibility, empathy, and reliability are positively correlated with satisfaction of a customer while there is no relation on assurance. The study focused on satisfaction of customers and mobile banking quality service like previous studies. It was based on factors of service quality while ignoring other factors influencing customer satisfaction. It also ignored expectations created by mobile banking introduction.

The current study determined that the major customers were concerned about mobile banking charges; they were quite steep as compared to normal Automated Teller Machine (ATM) transactions. Therefore, mobile banking technology is making it a little bit harder to have a fast adoption rate. When interviewed about this, one banker said,

> *" by reducing mobile banking transaction charges - by normalizing it with ATM charges, it might enhance adoption to mobile banking platform."*

Therefore, affordability and credibility of the platform is the only alternative to increase the adoption of mobile banking platform.

Badru (2015), who carried out a study on 'An Analysis of Adopting Mobile Banking in Kenya', suggested that because of cost efficiency and ease of use, mobile banking gained more customer recognition. To access banking services, one does not need to walk a long distance or wait with this new mode of banking., Its adoption and diffusion in emerging markets is mainly dependent on consumers' thoughts about benefits of mobile banking, how easy it will be to use and expected outcomes. Fast use and penetration of mobile banking will result once countries that are developing can control and manage consistency and efficiency of the service. With reference to the experience it helps in increasing economic positions of rural areas in Africa and where there is need for such services in Kenya. It is a promising and innovative service aiding necessities every day.

The text messaging service has had positive feedback from the customers as the main strategy of easily reaching the customers and enhance information-sharing. The SMS platform has better chances of educating and thus increasing mobile banking adoption platform. This corroborates with a study by Hossain & Hossain (2015) on mobile banking and customer satisfaction in Dhaka City, Bangladesh, it was found that responsiveness and reliability are key customer satisfaction determinants. It showed that when a customer buys the service every time, they want the same service and quality.

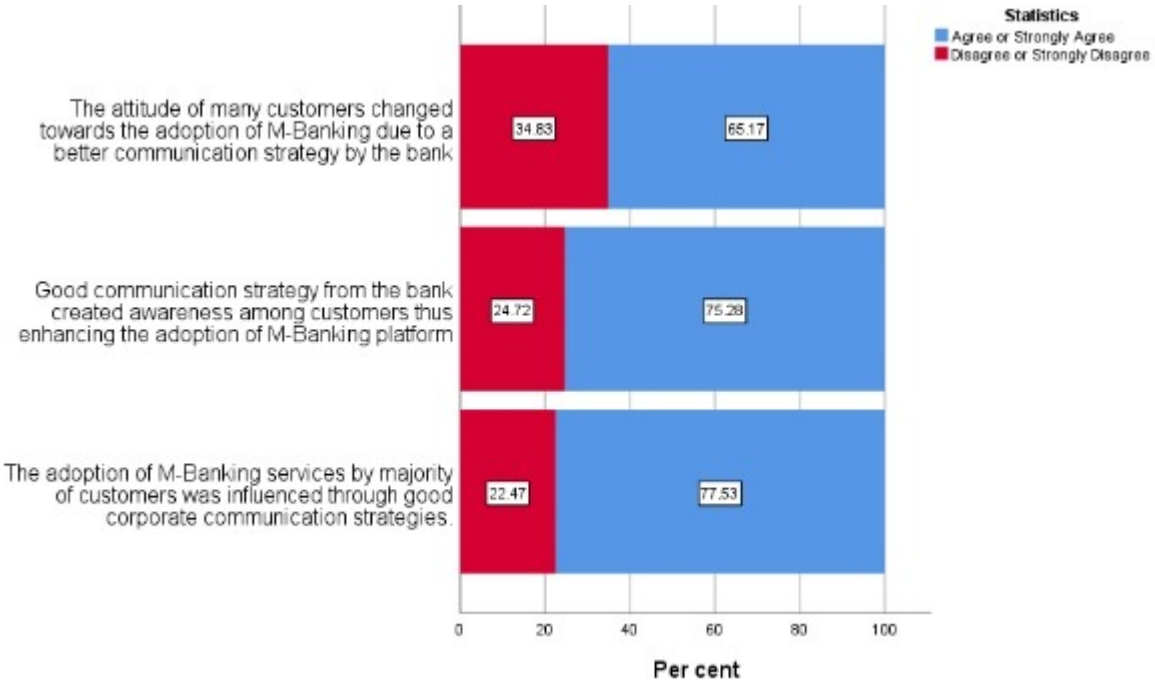
The Hossain & Hossain study was limited to Bangladesh's mobile banking sector compared to the current research which focuses on the mobile banking sector in Kenya. The Bangladesh study also failed to produce the comparison between customer loyalty and quality of the service. Another study by Suleiman (2010) on E-customer satisfaction in the E-tailing industry, Turkey, it was found out that information quality,

e-shopping cost-store design, shipping policy, e-customer service positively influences satisfaction of e-customers.

The results of the current study on communication strategies employed by Absa bank to improve mobile banking adoption concur with Egwaikhide and Chete (2007) prediction that from the telecommunication industry is where banking industry competition will come from, in the future. Mobile phone banking technology is embraced more by mobile telephone services providers around the world are penetrating the realm of financial services.

4.5 Relationship between Bank's Communication Strategy and Adoption of M-Banking. (Objective 2)

Relationship between the Absa bank and its customers is the epitome of the prosperity of it together with its customers. Therefore, the researcher sought to assess the relationship between the bank's communication strategies and the adoption therein for mobile banking services. Figure 4.5 illustrated the findings.



N=341l

Figure 4.5: Relationship between Communication Strategies in M-Banking Adoption

Figure 4.5 showed that good communication strategies influenced mobile banking adoption platforms by enhancing the good corporate relationship with customers 77.5% (264), creating awareness 75.3% (257) and finally elevating the attitude of the customers 65.2% (222). The study established from the results in Figure 4.2 that there existed a cordial corporate relationship between the Absa bank - Kakamega branch - and its customers, thus, promoting mobile banking adoption platform.

The researcher calculated the Kruskal-Wallis H test to determine differences between relationships that exist with communication strategies on mobile banking technology adoption according to the membership to the bank. Table 4.7 illustrated the inferential statistics.

Table 4.7: Kruskal-Wallis H Test for a Relationship between Communication Strategies on the Adoption of Mobile Banking Platform

Test Statistics[a,b]

Variables	Kruskal-Wallis H	df	Asymp. Sig.
The adoption of M-Banking services by the majority of customers was influenced through good corporate communication strategies.	5.137	1	.023
Good communication strategy from the bank created awareness among customers thus enhancing the adoption of M-Banking platform	29.552	1	.000
The attitude of many customers changed towards the adoption of M-Banking due to a better communication strategy by the bank	19.773	1	.000

a. Kruskal Wallis Test

b. Grouping Variable: Are you aware of the Mobile Banking systems put in place by Absa

Bank

The results revealed there were significant differences between mobile banking adoption services by majority of customers were influenced through good corporate communication strategies: $H(1) = 5.14$, $p < .05$; good communication strategy from the bank created awareness among customers thus enhancing the adoption of mobile banking platform: $H(1) = 29.55$, $p < .001$; and the attitude of many customers changed towards the adoption of M-Banking due to a better communication strategy by the bank: $H(1) = 19.77$, $p < .001$.

Mann Whitney post hoc test was computed to find out whether to retain or reject null hypotheses.

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of The adoption of M-Banking services by majority of customers was influenced through good corporate communication strategies. is the same across categories of Are you aware of the Mobile Banking systems put inplace by Barclays Bank.	Independent-Samples Mann-Whitney U Test	.023	Reject the null hypothesis.
2	The distribution of Good communication strategy from the bank created awareness among customers thus enhancing the adoption of M-Banking platform is the same across categories of Are you aware of the Mobile Banking systems put inplace by Barclays Bank.	Independent-Samples Mann-Whitney U Test	.000	Reject the null hypothesis.
3	The distribution of The attitude of many customers changed towards the adoption of M-Banking due to a better communication strategy by the bank is the same across categories of Are you aware of the Mobile Banking systems put inplace by Barclays Bank.	Independent-Samples Mann-Whitney U Test	.000	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

Figure 4.6: Mann Whitney U Post Hoc Test

Mann Whitney U post hoc test showed that the three variables tested, the null hypothesis was rejected.

The findings of the current study indicated that major consumers using mobile banking were youthful as compared to elderly customers with little or no education acumen who found it hard to adopt and use it. The researcher further observed that the youthful customers had positive feedback on mobile banking as they were digitally compliant as compared to old customers.

According to Blanton (2012), a communication strategy is critical to successful institutional performance and communications for any organization is considered to be an equivalent of blood flowing in the human body. When asked whether customers are inducted into mobile banking, one banker said,

> *"The adoption of mobile banking technology advanced to customers after also understanding the knowledge acumen and adaptability to improve it. The customer should not be compelled to adopt the mobile banking platform, instead teach them the advantages of mobile banking."*

Another banker said

> *"communication strategies used in our bank have promoted transactions through the mobile banking platforms."*

Therefore, the success of the adoption of the technology was attributed to the existing good relationship and communication between the bank and its customers as well as the department of sales and marketing. This finding goes beyond the results of a study by Kahandawa & Wijayanayake (2014) on the Impact of Mobile Banking Services on Customer Satisfaction which revealed that customer satisfaction is affected by ease of use and usefulness. These factors are the ones that financial institutions can work on to

improve. It, however, did not have findings on what customers mainly needed from the service. Further, in comparison to different studies it focused on influencing factors of satisfaction of customers and on a model that is established. Asher (2012) posits that communication strategy involves the choice of suitable objectives and the selection of the right strategy for brand awareness and attitude. Although the Kahandawa & Wijayanayake study revealed that customer satisfaction is influenced by current customers' needs, it did not go into detail in identifying the expectations and needs of customers.

The current study, based on the mobile banking effect goes beyond the features of e-banking regarding satisfaction and expectations of customers. It reveals that banks should increase mobile banking awareness to fulfil expectations. This study is contrary to an earlier study by Bharti (2016) on the impact of the dimensions of adoption of mobile banking on user satisfaction, which discovered that virtual environment, effective distinctiveness, immense efficacy, improved timely updates, innovative enhanced personalization and professed security were not related to the satisfaction associated to mobile banking. On the other hand accessibility support was a key factor associated directly with satisfaction of the user related to mobile banking.

The customers of Absa Bank – Kakamega branch revealed that the relationship between them and the bank was amicable. However, there were few communicative issues that affected the absorption of the mobile banking platform by some customers such as rudeness and poor communication. This concurs with Kasyoki, (2012) who carried out a study on mobile banking adoption and found that some customers could not be reached by mobile phones due to the lack of smartphones. In addition he revealed that some staff have a poor relationship with customers and are unable to enhance one- on-one marketing of the technology to willing customers. The study also found a perceived

risk of hacking and compromise of security measures that had an effect on the adoption of mobile banking.

The study concluded that there were inadequacies in the creation of awareness on mobile banking adoption. Absa bank – Kakamega branch, the current study found that technology was too advanced for a majority of senior or old account holders compared to the youth who are techno savvy. Further, there have been instances of security concerns vis-a-viz hacking.

Similarly, Masrek et al, (2012) in a study on Mobile Banking Utilizations, loyalty and Satisfaction in Malaysia revealed that banks risk losing customers in ICT advancement if they do not embrace implementation of mobile banking. This conclusion goes beyond a study by Tiwari et al., 2006) on mobile banking as business strategy in Germany revealed that mobile technologies impact on consumer's behaviour and bank implications. The study sought to find out about opportunities banks use to create revenues by offering value-added innovation mobile financial services as well as retaining their base of technology –savvy customers.

4.6 Factors Influencing Customer Perception towards Mobile Banking Platform Adoption (Objective 3)

Mobile banking technology perception by customers is crucial for adoption of the same technology. The researcher sought to examine the factors influencing customer perception towards mobile banking platform adoption. Table 4.8 illustrated the findings.

Table 4.8: Perception of Customers on the Adoption of M-Banking Platform

Perception of Adoption of Mobile Banking Platform	Agree or Strongly Agree	Disagree or Strongly Disagree
Mobile banking is secure than conventional banking methods	65.2%	34.8%
Mobile banking enables easily access to financial information for customers even past working hours	92.4%	7.6%
Mobile banking services are convenient and competitive thus influencing its adoption by customers	80.3%	19.7%
It is easy, ideal and convenient selection for financial services access for many mobile phone owners in the rural areas.	89.9%	10.1%
The technology involved is user-friendly and time-saving	87.4%	12.6%

N=341

The results in Table 4.9 showed the perception of most respondents was in agreement with the mobile banking adoption platform. The customer's perception on ease of access to financial information beyond working hours represented 92.4% (315), provides easy access and convenient by mobile phone owners in rural areas represented 89.9% (307), the user-friendly technology represented 87.4% (298), efficient and competitive services represented 80.3% (274) and the mobile banking is more secure compared to conventional way represented 65.2% (222).

Kruskal-Wallis H test was computed by the researcher to find out the differences between customers' perception on mobile banking adoption and the knowledge of mobile banking technology (Table 4.9).

Table 4.9: Kruskal-Wallis H Test of Perception of Customers on the Adoption of Mobile Banking Technology

Test Statistics [a,b]

Variable	Kruskal-Wallis H	df	Asymp. Sig.
Mobile banking is secure than banking the conventional way	3.832	1	.050
Mobile banking enables customers to access information on finance easily even past working hours	7.386	1	.007
Mobile banking services are competitive and convenient thus influencing its adoption by customers	2.923	1	.087
In the rural areas, most owners of mobile phones find it easy, convenient and ideal choice for accessing financial services.	10.125	1	.001
The technology involved is user-friendly and time-saving	13.023	1	.000

a. Kruskal Wallis Test

b. Grouping Variable: Are you aware of the Mobile Banking systems put in place by Absa Bank

The results showed that there were four variables, which were statistically significant difference between mobile banking was more secure than the conventional way of banking: $H(1) = 3.832$, $p = .050$; mobile banking enabled customers to easy financial information access despite the working hours $H(1) = 7.386$, $p < .05$; it was the proper choice for financial service access for many mobile phone owners living in the rural areas $H(1) = 10.125$, $p = .001$ and the technology involved was user-friendly and time-

saving $H(1) = 13.023$, $p < .001$. However, there was one variable that showed no statistically significant difference between mobile banking services being efficient and competitive thus influencing its adoption by customers $H(1) = 2.923$, $p > .05$

The researcher computed Mann Whitney U post hoc test to determine if to reject or retain null hypotheses. Figure 4.7 illustrated the findings.

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of Mobile banking enables customers to easily access financial information even beyond the working hours is the same across categories of Are you aware of the Mobile Banking systems put inplace by Barclays Bank.	Independent-Samples Mann-Whitney U Test	.007	Reject the null hypothesis.
2	The distribution of It is easy, convenient and an ideal choice for accessing financial services for most mobile phone owners in the rural areas. is the same across categories of Are you aware of the Mobile Banking systems put inplace by Barclays Bank.	Independent-Samples Mann-Whitney U Test	.001	Reject the null hypothesis.
3	The distribution of The technology involved is user friendly and time saving is the same across categories of Are you aware of the Mobile Banking systems put inplace by Barclays Bank.	Independent-Samples Mann-Whitney U Test	.000	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

Figure 4.7: Mann Whitney U Post Hoc Test

The post hoc test showed that the null hypotheses were rejected. However, the null hypothesis for $H(1) = 3.832$, $p = .050$ was retained by the test.

The current study found that understanding the attitude and perception of the customer in the banking sector is important for the banking sector. Attitude leads to the perceived outcome of the adoption of mobile banking. Positive perception is useful for increasing mobile banking adoption platform by the customers. There are two perceived factors that can either positively promote or affect mobile banking adoption.

The study also found out that mobile banking adoption is influenced by its accessibility, flexibility, availability, efficiency, convenience and reliability. This finding is similar to another study by Bor (2014) on **'**Factors Affecting the Growth of Mobile Banking Strategic Alliances in Kenya,' which revealed that companies needed to improve on work discipline focus for growth of strategic alliance in the mobile banking services culture, job orientation, result oriented staff, professional focus of interest and employee orientation management commitment fostering favourable corporate culture influencing growth of strategic alliances among companies.

Participants in the current study said that the mobile banking platform is essential especially for the Absa Bank customers in the remote areas of Kakamega County. Emphasis needs to be placed on the creation of awareness on the mobile banking strategies that could promote perception adjustments towards more customers subscribing to it.

When asked about word of mouth as strategy for promoting mobile banking uptake, one banker said,

> *"One on one marketing is critical for mobile banking to take root with the help of bank staffs. The mobile banking platform is easy to use thus the customers who are illiterate can be taught by the bank's sales representatives on ways to use them to enhance its adoption. The platform lacks time limitations as compared to the conventional banking hours therefore, it should be encouraged for convenience and accessibility."*

The current study found out that negative perception leading to slow adoption rate of the mobile banking platform emanated from network failures, failure to transact more than one transaction at a time, illiteracy, security issues and high cost of the transaction. A

study was conducted by Ranjbarian et al, (2012) on Factors affecting Customers' E-Satisfaction in Iran. The study which was conducted to explain what comes up when appealing to more customers to make transactions and purchases online, revealed that consumer satisfaction in online banking is dependent on the quality of consumer website judgments.

According to a key informant stated,

> *"the cost of the transaction (M- Pesa charges) discourages the adoption."*

The mobile banking platform over time had experienced increased cases of fraudsters thus making it insecure to subscribe to by some customers. Factors Affecting Jordanian Consumers Mobile Banking Adoption Services (Khraim et al, 2011): The Jordanian Consumer Case Study.

The study was aimed towards identifying factors affecting mobile banking adoption in Jordan. The information collected in the study data was collected using a questionnaire that has out of 450 distributed questionnaires, 22 questions, 301 returned (66.0%) of population in the study was in Hashemite Kingdom of Jordan.

The quantitative data was analyzed using statistical methods by SPSS according to the chosen method. To know the respondents' demographics and general features providing descriptions of respondents research approach statistical descriptive was used.

This study builds on another study by Saoji & Goel (2013) which was conducted to understand satisfaction of customers and responses to mobile banking in India. According to the study, some of the factors determining mobile banking satisfaction of customers in India were security, efficiency, problem handling, cost effectiveness,

fulfillment and accuracy which resulted in increased uptake of mobile banking. The current study added a new dimension that all six factors: trial ability, self-efficacy, risk, complexity compatibility and relative advantage statistically were important in mobile banking influence in that the potential factors influencing the mobile user's intentions in adoption of mobile banking services.

The current study concluded that there exist shared variances in terms of acceptance towards improvement of the mobile banking by banks through a number of platforms both on the internet and mobile devices. It has become a strategic resource to achieve higher efficiency. This backed by an earlier study carried out by Al Jabri & Sohail (2012) in Saudi Arabia to examine multiple factors that affect adoption of mobile banking using diffusion of innovation as a baseline theory revealed that relative advantage, computability, and observability have a good effect on adoption of mobile banking. Additionally, the study found that mobile banking industry users have different requirements, namely, current lifestyle, past experiences, and ideas in fulfilling expectations of the customer.

According to a study by Jannat & Ahmed (2015) on factors influencing customer satisfaction of mobile banking services for second - generation banks, the factors with the most influence in adoption of mobile banking are good corporate communication, attitude, ease of use, responsiveness, system availability, and awareness. A model determining significance of the study was not developed in the study. Similarly another study conducted on mobile banking receptiveness in Eastern Malaysia, (Hanudin Amin et al, 2012) extends the technology acceptance model (TAM) applicability to mobile banking uptake of local Sabah people. The study revealed that perceived self-efficacy, perceived enjoyment and perceived mobile banking adoption are important. The study

was done to investigate factors determining bank customers perception from the local people of Sabah to mobile banking including “perceived ease of use” and “perceived usefulness”. The current study was also underpinned by the technology acceptance model (TAM).

Mobile banking received a positive evaluation, with 46% of users rating it favorably. Usage patterns showed that 43% utilized mobile banking weekly, while 25% accessed it daily and 17% did so every two weeks. A significant number of respondents expressed willingness to recommend mobile banking to others. The study's findings indicated that, aside from checking account balances, viewing mini-statements, and accessing account history, many customers were largely unaware of the additional services offered by commercial banks. This is highlighted by the fact that 13% of respondents reported lacking information about these services, and 17% considered mobile banking to be expensive. Consequently, banks should enhance awareness and promote their mobile banking services more effectively.

The study aim was establishing mobile banking impacts on commercial banks in Kenya According to Sheila Coderias (2017). The study was guided by factors such as mobile banking in Kenya, establishing how in banking, transaction costs reduction is influenced by mobile banking, and establishing mobile banking effects on financial accessibility.

A descriptive research design was employed by the study. The study targeted a population consisting of 200 MBA students from United States International University – Africa (USIU-A) in a number of various disciplines including: Strategic Management, Finance, Global Social Sustainable Enterprises (GSSE), Marketing and Human

Resource Management. Mainly working students with financial services access i.e. bank accounts. A sample size on 70 students was gotten from the target population.

Use of questionnaires was the main method of data collection having been a much effective and easier method the researcher used. The response rate was 86%, meaning the number of successfully filled respondents who returned and finished the questionnaires as required by the researcher was 60 when 10 did not give an effective response.

Most respondents agreed strongly where they indicated the ease of use of mobile banking, that transactions consume less time and are quicker than transactions made OTC, the fact that people can transact anywhere and anytime are some of the factors greatly influencing mobile banking.

Findings on understanding influences of mobile banking on transaction costs reduction, from the location their bank accounts were opened many of the respondents neither worked nor lived within walking distance. All the respondents stated that since transactions on other ATMs was expensive, majority indicated that their bank offered alternate channels and the domicile branch had at least an ATM present.

It was an equal tie regarding if the respondents got mobile banking to be a cheaper alternative than the transactions carried out OTC and internet transactions. Half of the respondents noted no while the other half of indicated yes. Majority respondents noted they did not work or live within walking distance from their home branch hence they are able to transact more effectively because mobile banking assisted with the distance.
While paying for utilities like Electricity, instead of conventional queueing, customers were able to perform such functions easily. Most services offered by mobile banking

increased access to finance and the fact that flexible to use services enable the rise of financial accessibility therefore the study concluded that financial accessibility greatly improved.

Ultimately, majority of the users were satisfied with mobile banking. A large number of the users were concerned about fraud threats related with mobile banking; the study recommended that banks should improve security of different mobile applications and USSD codes. Customers found privacy as an issue in mobile banking. Banks should urge the I.T. teams and software developers to ensure various measures and protocols are placed to enable users feel safe and secure.

The study finally concluded that banks should work towards reducing mobile banking prices or coming up with regulated standard prices where banks abide by or follow to ensures fairness and avoid biasness when selecting mobile banking services. From this study perspective it is imperative to note the perception of mobile banking from anchor on awareness and convenience is based on a 50/50 basis.

According to Michael Kiragu (2017), a study was conducted to investigate if electronic banking impacts on profitability of Kenyan Banks as well as electronic banking impacts on financial performances of these institutions. It was revealed that profits increased after introducing electronic banking in the banks related to the study. The study revealed that increased costs have both negative and positive effects on the banks financial performance. This has led to diversifying banks resources and reducing fees subscription for POS banking, mobile banking as well as Internet banking as measures in bringing down increased costs. The researcher's findings were not directly related to this study even though it touched in perception of knowledge on mobile banking usage.

A research conducted by Daniel Munyilu Musango in 2018 explored the connection between mobile banking services and financial inclusion in Nairobi City County, Kenya. The study aimed to achieve several specific objectives: to evaluate how mobile payments for goods and services relate to financial inclusion, to analyze the impact of mobile money transfers on financial inclusion, to assess the effects of mobile credit availability on financial inclusion, and to investigate whether the management of mobile accounts influences the level of financial inclusion in the region.

Because of its appropriateness in presentation certain affairs of state and relationship description between mobile money services and financial inclusion, the study adopted descriptive statistics. Management level staff from 16 select commercial banks in Nairobi City County as the target population of the study. The study concluded that financial inclusions were highly correlated with the variables.

The study concludes that money transacted via mobile phones had gone up in commercial banks meaning mobile banking in rural areas has improved access level to commercial banks financial services.

The bank, through mobile money transfer applications managed to reach out to more clients than its introduction, customer numbers utilising mobile transfer services within the bank increased mobile transfer services had attracted more unbanked customers to the bank and mobile money transfer services had attracted low income customers.

The study concluded that customer queues have been reduced by introduction of pay bill services, increased the cash reserve ratios of Banks and raised the cash deposit ratios. Most customers, through pay bill numbers settled their bills due to pay bill services provision therefore the outreach of the banks had expanded. The study

concluded that customers in remote areas with enabled mobile phones opened accounts with commercial banks and linked mobile phone payments. Customers were attracted to the bank due to the fat that the commercial banks provided detailed statements on the customer's mobile payment transactions, and bank account more. Many more customers were attracted to the bank with reduced fees charged on mo
bile money transfer transactions and minimal charges on maintenance in mobile phone-based accounts attracted more consumers. The research basically touched on the mobile technology influence to customers towards adoption of mobile bank platform.

A study conducted by Hani Mohammed (2019) examined the impact of mobile banking on the financial performance of commercial banks. The research aimed to achieve several objectives, including assessing how mobile banking risks affect the financial performance of these banks, exploring the implications of mobile banking access on their financial outcomes in Kenya, and investigating the influence of mobile banking loans on their financial performance.

The research utilized a mixed-method approach, combining both descriptive and qualitative designs. The target population consisted of all 43 commercial banks licensed by the Central Bank of Kenya (CBK), with the sample frame including senior employees responsible for mobile banking units. A total of 14 banks were selected for the study through simple random sampling, and both primary and secondary data sources were utilized in the analysis.

Mobile banking has had positive significant effects on commercial banks financial performance as revealed by the results. Mobile banking was expected to continue growing with more utilisation of different types of mobile services. Mobile banking allows customers to accomplish tasks therefore provides greater convenience for them

as it is “on the go.” However, there was need for eliminating current barriers and setbacks hindering easy customer mobile banking access.

The study concluded that as commercial bank increased its coverage on mobile banking, banks gained more consumers to their banking platforms thereby improving financial performance with awareness enhanced among consumers. Additionally training customers on mobile banking applications, reduced mobile banking risks and threats.

The findings indicated that commercial banks financial performance had a moderate strong relation with mobile loans such as transactions through bank lending apps. Strengthening digital lending in the bank’s loan portfolio is the next strategic source of competitive performance since a lot of customers embraces digital loans offered by banks, providing opportunities for banks.

The results indicated that mobile banking is associated with various risks. These risks were divided into two categories: internal risks primarily arising from the bank's employees and external threats posed by attackers targeting the banking systems, including consumers. Consequently, the study concluded that while mobile banking has improved the financial performance of commercial banks, the risks linked to technological advancements and the internet present significant challenges to the growth of mobile banking.

Further Issues Emerging from the Respondents

Respondents were requested to include other issues deeming fundamental apart from the ones discussed. While a lot of issues pointed out were linked closely to the provided

issues for rating, certain issues prominently featured and warrant attention began to manifest.

Initially, the concept of mobile phone banking was developed to serve the unbanked poor, aiming to attract previously overlooked client segments (Porteous, 2006). Over time, even established banks recognized the potential and began to participate as agents and providers of mobile banking services. This shift reflects a realization among traditional banks of the adage, “if you can’t beat them, join them.”

It is as required to balance a reasonable human interface with technology. These findings coincide with that of Lyman et al. (2008) asserting that education and low income attach a high premium to interpersonal and relationships interaction. Even though electronic devices are faster and convenient, 73% of infrequent M-banking users and non-users prefer financial dealings that are face to face.

Efficiency of service and reliability assurance. Concerns pertaining to customer convenience and efficiency are raised Transformational M-Banking. Float management especially cash adequacy reserves financing withdrawals are troubling Agents. An economy that is cashless built entirely on phone credits where transactions can be made through the mobile would eases currency flow and rid of system inefficiency. Another aspect that requires perfective attention is network streaming ensuring stability and extinguish down times that service failure occasionally.

Consumer protection adequacy. privacy loss, service loss and even consumer protection appropriate against fraud risks for growth of m-banking is extremely critical. When involved agents reach maximum, risks proliferate further. Since clients with little

financial literacy are first time consumers in a large number of transformational M-Banking, the risks become even higher. By joining mobile banking activities through known meticulously regulated players and agents, these risks can be mitigated. Guidelines regarding complaint redress mechanisms, privacy protection and as the uptake of M-Banking goes to scale network security are fundamental.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.

5.1 Overview

The chapter shows the summary, conclusions and recommendations on mobile banking adoption among customers in Absa bank (Kakamega branch). It covers the demographic characteristics of the respondents, the strategies employed by Absa bank on mobile banking adoption, relationships between the bank's communication strategy and customer mobile banking adoption and the factors influencing customer perception towards mobile banking adoption in Absa bank. The descriptive research design was uttilised to get information from Absa bank customers. The target population was made up of 3,000 customers and 17 staff members.

5.3 Summary of the Results

This subsection summarised the results objective-wise to give a quick snapshot of the results.

5.3.1 Knowledge of Mobile Banking Platform for Absa Bank Customers

As established from the study, major respondents were customers of Absa bank – Kakamega branch. Moreover, the majority of customers of the bank had knowledge of the mobile banking platform. Subscription to mobile banking platform received positive commendation, which had about two-thirds of the customers subscribed to the platform. Therefore, mobile banking was determined that it was a secure, convenient and easy to access which is limited by distance.

5.3.2 Communication Strategies in Mobile Banking Adoption

The most effective communication strategies used for mobile banking adoption were established to be word of mouth for marketing, the social media (Twitter, Facebook and WhatsApp) and the mass media (print and electronic). Communication strategies such as sponsorship programs and public relation were revealed to have little effect on mobile banking adoption. The services are purely mobile phone dependent and employ different technologies therein.

5.3.3 Relationship between Bank's Communication Strategy and Adoption of M-Banking

The study showed that good communication strategies influenced the adoption of mobile banking platform by enhancing the good corporate relationship with customers, creating awareness for mobile banking and elevating the attitude of the customers transacting at the bank.

5.3.4 Factors Influencing Perception of Customers towards the Adoption of Mobile Banking Platform

The perception of most of the respondents showed that mobile banking platform adoption by the customers was influenced by its ease of use, accessibility and convenience. The mobile banking platform is user-friendly, in addition, to it being more secure compared to conventional way.

5.4 Research Conclusions

The researcher made a number of conclusions from the study of mobile banking adoption platform by the customers of Absa bank - Kakamega branch. The age and education level of customers strongly influences mobile banking technology adoption for Absa.

bank -Kakamega branch. The following are the conclusions as per individual specific objectives;

The customers' knowledge level of mobile banking influenced the adoption of and subscription to the mobile banking technology, communication trough the word of mouth as a marketing strategy was the most potent, which promoted the mobile banking adoption platform. In addition to the word of mouth, social media networks also contributed a lot to the adoption to mobile banking, there researcher established that there existed a cordial corporate relationship between the Absa Bank - Kakamega branch - and its customers, thus, promoting the mobile banking adoption platform.

Good communication strategies have promoted mobile banking adoption platforms, mobile banking perception by customers is positive and had influenced the majority of customers to subscribe to the platform. The platform was established as being more accessible, flexible, reliable and convenient.

The customers had a positive perception on mobile banking technology because of its efficiency and convenience especially with those customers residing in rural to remote areas of Kakamega County.

The adoption of mobile banking, particularly in the money transfer sector, has become a leading market trend. Research indicates a significant shift from traditional money transfer methods, such as postal deliveries and commercial banks, towards mobile banking services.

The widespread acceptance of mobile banking is influenced by various factors, primarily related to accessibility and technological advancements. Its success is largely

attributed to the prevalence of mobile phones across all economic classes. With continuous technological innovations, mobile banking has established itself as a modern solution that is expected to further dominate the financial services sector.

5.5 Recommendations

The researcher recommendations were listed as follows:

The mobile banking platform should be promoted beyond customers to capture the interest and subscription of non-account holders to the platform. This will help the bank to expand its customer base by the bank.

The bank should ease the customers into the technology rather than forcing it onto them. The different strategies should be used such educating the old population on how to use them.

The mobile banking platform should be made cheaper as a conventional transaction. This will attract more customers to it.

Since innovation is very important for banks sustainability and survival, they should further embrace innovativeness.

Banks need to invest in training of their staff regularly to improve employee skills and state of the art technology.

The bank should always conduct benchmarking on best practice and find out customer requirements.

To satisfy and attract customers, processes that are cost effective, new products and services must be created.

Enough resources must be set aside for development and research to enhance delivery of services.

To attract customers, banks needs to be more innovative.

There is need for convenience for customers wishing to spend less and are keen to acquire the highest possible satisfaction.

Commercial banks need to diversify their services because consumers are appealed by personalized and convenient banking services.

5.6 Area for further research

The study confined itself to Absa Bank limited Kakamega branch which is only one player in the banking industry. This study should be replicated in other players in the banking industry and the results compared to establish if there is consistency on the challenges inherent in communication methods in improving adoption of mobile banking and s implementations to tackle them.

Further still, there is need for investigation on how best government policy makers can facilitate policy framework that foster financial inclusion in the fast-evolving mobile banking field.

The communication sector is always seeking country inclusion and financial deepening hence the study recommends other studies to be conducted in Kenya to find out if online banking existence has improved deepening finances among population which is unbanked in Kenya mostly in the rural areas.

In other industries or sectors that adopted innovations, the study can be replicated not in Kenya only but in other countries within the region of Africa.

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APPENDICES

APPENDIX 1: INFORMED CONSENT FORM

DETERMINING COMMUNICATION STRATEGIES EMPLOYED BY ABSA BANK KAKAMEGA BRANCH TO IMPROVE MOBILE BANKING ADOPTION

INVESTIGATOR: Donnah Mudeizi Mulindi (Masters student, MMUST)

BACKGROUND AND PURPOSE OF STUDY

The study titled as indicated above is being conducted for academic purposes by Ms Mulindi who is a Masters student in the department of Journalism and Mass Communication at Masinde Muliro University of Science and Technology. This study assesses mobile banking adoption among customers and staff of Absa bank Kakamega Branch by looking into communication strategies the bank uses in mobile banking adoption, relationships between bank's communication strategy and adoption of M-

Banking, factors influencing customer perception towards adopting a mobile banking platform.

Good communication strategies promote mobile banking adoption platforms, positively improves customers perception and had influences them to subscribe to the platform. customers had a positive perception on mobile banking technology because of its efficiency, accessibility, flexibility and convenience especially with those customers residing in rural to remote areas of Kakamega County.

The findings of this study will guide towards attainment of higher uptake of mobile banking at Absa bank Kakamega branch.

CONFIDENTIALITY AND RISK: To enhance confidentiality and alleviate any risk accompanied with your identity as the bearer of the information. I would use pseudonym or avoid indicating names at all during data presentation. I will also not discuss any information that could make you feel uncomfortable or threatened.

WITHDRAWAL OF PARTICIPATION: You can decide to withdraw at any time during the interview or questioning process that you no longer wish to participate and this will not cost you any prejudice.

COST BENEFITS OF PARTICIPATING IN THE STUDY: the study has no direct cost except for missing the 15minutes of your work time. In relation to benefits, your contribution will help in bringing greater attention to this issue.

REQUEST FOR MORE INFORMATION

You can ask for more information about this study by contacting:

Donnah Mulindi on phone no: 0722603112, Email: mdoshina@yahoo.com

Or

The director, directorate of postgraduate studies, Masinde Muliro University of Science and Technology P.O Box, 190-50200, Kakamega. Or Email……

SIGNATURE

I confirm that the purpose of this study, study procedures, risks as well as benefits of this study have been explained to me and all my questions have been answered and I have hereby agreed or disagreed to participate in the study.

---------- ----------

Respondent's sign Date

---------- ----------

Research assistant's sign Date

APPENDIX 2: QUESTIONNAIRE

Demographic Characteristics of Respondent

Are you a customer of Absa Bank, Kakamega Branch?

Yes { } No { }

Kindly indicate your Gender.

Male { } Female { }

What is your age bracket?

18-30 { }

31-40 { }

41-50 { }

51-60 { }

Over 60 years { }

What is your highest level of education?

Certificate { }

Diploma { }

Bachelor's Degree { }

Master's Degree { }

Ph.D. { }

Are you aware of the Mobile Banking system put in place by Absa Bank?

Yes { } No { }

Are you subscribed to the same Mobile Banking platform?

Yes { } No { }

Analysis of Objectives of the Study

SECTION B

Key

SA Strongly Agree

A Agree

DA Disagree

SDA Strongly Disagree

Communication Strategies in the adoption of Mobile Banking	**SA**	**A**	**DA**	**SDA**
The bank communicated M-Banking platform through social media such as twitter, facebook and WhatsApp.				
We learnt of M-Banking through a word of mouth from the bank's staff				
M-Banking services were communicated to us through mass media platform (print and electronic media)				

M-Banking platform was communicated through product publicity marketed by the Bank				
It was through a sponsorship program initiated by Absa Bank				
We got in touch with M-Banking through Public Relations (PR) tours initiated by Absa Bank				

QUESTION 2

In your own opinion, which other strategies did the bank apply in making sure that Mobile Banking platform is adopted by customers? Please elaborate.

……

……

……

Relationship between Bank's Communication Strategy and the adoption of M-Banking	**SA**	**A**	**DA**	**SDA**
The adoption of M-Banking services by the majority of customers was influenced through good corporate communication strategies.				
Good communication strategy from the bank created awareness among customers thus enhancing M-Banking adoption platform				
The attitude of many customers changed towards the M-Banking adoption due to a better communication strategy by the bank.				

QUESTION 3

In your own opinion, what is the relationship between the communication strategies employed and the adoption of the Mobile Banking platform by Barclay's customers? Please explain.

……

……

Influencing factors on customer perception towards the adoption of M-Banking platform	**SA**	**A**	**DA**	**SDA**
Mobile banking is more secure than the conventional way of banking				
Mobile banking enables customers to easily access financial information beyond working hours				
Mobile banking services are competitive and efficient thus influencing its adoption by customers				
For most mobile phone owners, it is easy and convenient for financial services access in the rural areas.				
The technology involved is user-friendly and time-saving				

QUESTION 4

In your opinion, which other factors influence customer perception towards the Mobile Banking adoption? Please explain.

……

……

……

……

……

APPENDIX 3: INTERVIEW SCHEDULE

SECTION A

1. Which position do you hold in the bank?
2. Are you aware of the M-Banking platform in place at Absa Bank?
3. Kindly elaborate on corporate communication strategies employed in enhancing the Mobile Banking adoption in the bank.
4. Is there any relationship between corporate communication strategies and adoption of M-Banking services here at Absa Bank?
5. What are some of the factors influencing the perception of customers towards the M-banking adoption platform?
6. What are the benefits of adopting the M-Banking platform by Absa Bank customers?
7. What are the challenges facing the bank in adopting M-Banking platform by customers?

SECTION B: ADDITIONAL QUESTIONS

Please answer the following by ticking the most appropriate choice:

1. Do you find mobile banking usage more convenient than branch-based services?

   Yes { }No { }

2. Do you find mobile banking offered by your bank more expensive than other mobile banking services?

   Yes { }No { }

3. Are you comfortable transacting through mobile banking compared to dealing with physical cash?

   Yes { }No { }

4. At the time you signed up or the service, did your mobile phone support mobile banking? If yes please proceed to question 6. If no please proceed to question 5.

   Yes { }No { }

5. Did you need to buy a phone supporting the service?

   Yes { }No { }

6. Does your income affect your mobile banking usage?

   Yes { }No { }

7. Is your bank‘s mobile banking service available on more than one network?

   Yes { }No { }

8. Do you find mobile banking to be more reliable than branch based services?

   Yes { }No { }

9. Do you find using mobile banking to perform transactions more secure than transacting at the branch?

   Yes { }No { }

10. Are there any concerns of security that was raised concerning your bank‘s mobile banking services?

    Yes { }No { }

APPENDIX 4: NACOSTI RESEARCH PERMIT

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **320600**

Date of Issue: **10/December/2020**

RESEARCH LICENSE

This is to Certify that Miss.. DONNAH MUDEIZI MULINDI of Masinde Muliro University of Science and Technology, has been licensed to conduct research in Kakamega on the topic: COMMUNICATION STRATEGIES FOR ADOPTION OF MOBILE BANKING AMONG BARCLAYS BANK CUSTOMERS,KAKAMEGA BRANCH for the period ending : 10/December/2021.

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