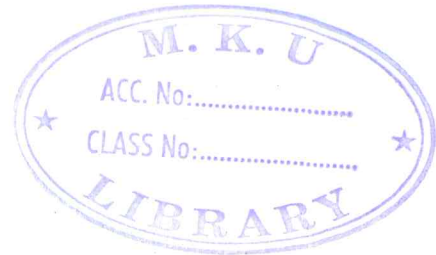


**EFFECTS OF MOBILE BANKING ON PROFITABILITY OF  
COMMERCIAL BANKS IN KENYA  
(CASE OF KENYA COMMERCIAL BANK)**



**OKILE AWINO BETHSEBA**

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## ABSTRACT

The adopting and enhancing technology in businesses is a continuing trend that even commercial banks are not left behind and the introduction of customer friendly service by the bank such as M-banking, internet Banking, Automated Teller Machines among others as a way of delivering convenience service to customer has become common in the recent year as a way of gaining competitive advantage and maintaining customer loyalty and increase share in order to improve the profitability of a company. The objective of the study were: to determine the effect of mobile banking on profitability of commercial banks in Kenya, to examine the use of m-banking and various services provided through m-banking and to establish a relationship between m-banking and profitability. The purpose of the study was to provide answers to factors against the implementation of mobile banking by commercial banks in Kenya. The study was significant to: government, customers, Commercial banks' managers, students and the existing literature. The methods used to collect data were basically through self administered questionnaires both structured and semi-structure, interviews and observation. The Data collected was analyzed qualitatively and quantitatively. The study was also backed by literature review on m-banking and banking sector in Kenya. The study findings indicated that one need to register with bank and maintain an account with both the bank and telecom company such as Safaricom. In conclusion, introduction of M-Banking has positively contributed to the profitability of commercial banks, increased convenience, customer loyalty and level of transactions and the study recommends strengthening the contribution of m-banking to profitability of the banking sector in Kenya. The study recommends that; the bank should conduct research on other possible m- banking packages, Free training and refreshing training should be provided to staff of the bank and if possible to customers and the bank should provide toll free line to enable customers who want to use the system and also in case of any problem that deserve attention of the bank.