

**FACTORS INFLUENCING ADOPTION OF ONLINE BANKING ON  
PERFORMANCE OF EQUITY BANK LTD IN NAKURU COUNTY, KENYA**

**JULIA WANGARI**



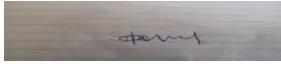
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## DECLARATION AND APPROVAL

This research project is my original work and has not been presented to any other institution of learning.

Signature



Date 24<sup>th</sup> October 2024

Julia Wangari Kiambuthi

MBA/2023/41258

This research project has been submitted for examination with my approval as the University Supervisor.



Signed...



Date Date 24<sup>th</sup> October 2024

Dr. Ruthwinnie Munene

Department: Accounting and finance

School of Business and Economics

Mount Kenya University

## DEDICATION

To my dear dad Danson Kiambuthi , my mum Cecilia Kiambuthi and my brother joel for their words of encouragement

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Mount Kenya University

## TABLE OF CONTENTS

<b>DECLARATION AND APPROVAL .....</b>	<b>ii</b>
<b>DEDICATION .....</b>	<b>iii</b>
<b>ACKNOWLEDGEMENTS .....</b>	<b>iv</b>
<b>TABLE OF CONTENTS .....</b>	<b>v</b>
<b>LIST OF TABLES .....</b>	<b>xii</b>
<b>LIST OF FIGURES .....</b>	<b>xiv</b>
<b>ABSTRACT .....</b>	<b>xv</b>
<b>LIST OF ABBREVIATIONS .....</b>	<b>xvi</b>
<b>CHAPTER ONE .....</b>	<b>1</b>
<b>INTRODUCTION .....</b>	<b>1</b>
1.1 Background to the Study .....	1
1.1.1 Global Perspective on Online Banking .....	2
1.1.2 Regional Perspective on Online Banking .....	6
1.1.3 Local Perspective on Online Banking .....	7
1.1.4 The Kenyan Banking Industry .....	8
1.1.5 Equity Bank Ltd Commercial Bank in Kenya .....	9
1.1.6 Online banking trends .....	10

1.2 Statement of the Problem .....	13
1.3 Purpose of the Study .....	14
1.4 Specific Objectives .....	14
1.5 Research Questions .....	15
1.6 Significance of the Study .....	15
1.8 Limitations of the Study .....	16
1.9 Assumptions of the Study .....	16
1.10 Delimitations of the Study.....	16
1.11 Operational Definition of Key Terms .....	18
<b>CHAPTER TWO .....</b>	<b>19</b>
<b>LITERATURE REVIEW .....</b>	<b>19</b>
2.0 Introduction .....	19
2.1 Empirical Review .....	19
2.1.1 The Concept of Online Banking .....	19
2.1.2 Informational Online Banking .....	21
2.1.3 Communicative Online Banking .....	22
2.1.4 Electronic Banking .....	23
2.1.5 Internet Banking.....	23
2.1.6 Determinants of Internet Banking Adoption .....	25

2.1.7 Perceived Ease of Use of Online Banking .....	26
2.1.8 Product Involvement Determinants.....	27
2.1.9 Perceived Risk .....	29
2.1.10 Perceived Trust .....	30
2.1.11 Challenges Online Banking .....	32
2.2 Theoretical Review .....	34
2.2.1 Innovation Diffusion Theory .....	34
2.2.3 The Theory of Planned Behavior (TPB).....	36
2.2.4 TAM Beliefs - Perceived Ease of Use and Perceived Usefulness .....	37
2.2.5 Conceptual Trust-Risk Model in Internet Banking Services (IBS) .....	38
2.4 Conceptual Framework .....	40
Figure 3.1: Conceptual Framework .....	40
2.4 Recap of Literature Review .....	41
<b>CHAPTER THREE .....</b>	<b>43</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>43</b>
3.0 Introduction .....	43
3.1 Research Design .....	43
3.2 Target Population .....	43
3.3 Sampling Design and Procedure .....	44

3.4 Data Collection Instrument .....	45
3.5 Data Collection Instruments .....	45
3.6.1 Pilot Test.....	45
3.6.2 Validity Test .....	45
3.6.3 Reliability Test.....	46
3.7 Data Collection Procedure .....	46
3.8 Data Presentation and Analysis .....	47
3.9 Ethical Consideration .....	47
<b>CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSION .....</b>	<b>49</b>
4.0 Introduction .....	49
4.1 Pilot Test Results .....	49
4.2 Response Rate .....	50
4.3 Demographic Information .....	51
4.3.1 Gender of the Respondents.....	51
4.3.2 Age of the Respondents .....	51
4.3.3 Level of Education .....	52
4.3.4 Length of Service in Equity Bank .....	53
4.4 Descriptive Statistics .....	54
4.4.1 The Ease-of-Use Influence Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya .....	54

4.4.2 The Influence of Product Involvement on Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya .....	55
Table 4.8: Level of Agreement on the Influence of Product Involvement on Adoption of Online Banking on Financial Performance in Equity Bank .....	56
4.4.3 The Influence of Perceived Risk on Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya .....	56
4.5 Diagnostic Test .....	60
4.5.1 Autocorrelation Assumption Test .....	60
4.5.2 Normality Assumptions Test .....	61
4.5.4 Homoscedasticity Test Results .....	62
4.6 Inferential Statistics .....	63
4.6.1 Correlation Analysis .....	63
4. 6.1.1 The Ease-of-Use Influence Adoption of Online Banking on Financial Performance in Equity Bank Nakuru county, Kenya .....	63
4.6.1.2 Influence of Product Involvement on Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya .....	64
4.6.1.3 The Influence of Perceived risk on adoption of online banking on financial performance in Equity bank Nakuru county, Kenya. ....	65
4.6.1.4 To Establish the Influence of the Perceived Trust on the Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya .....	66
4.6.2 Regression Analysis .....	67

<b>CHAPTER FIVE .....</b>	<b>70</b>
<b>SUMMARY, CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>70</b>
5.0 Introduction .....	70
5.1 Summary of Major Findings .....	70
5.1.1 The Ease-of-Use Influence Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya .....	70
5.1.2 The Influence of Product Involvement on Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya .....	70
5.1.3 The Influence of Perceived Risk on Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya. ....	71
5.1.4 The Influence of The Perceived Trust on The Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya. ....	71
5.2 Conclusions .....	71
5.3 Recommendations.....	72
5.4 Suggestion for Further Studies .....	72
<b>REFERENCES .....</b>	<b>73</b>
<b>APPENDICES .....</b>	<b>79</b>
Appendix I: Informed Consent Form .....	79
Appendix II: Research Questionnaire .....	81
Appendix III: List of Equity bank branches in Nakuru county, Kenya .....	89

Appendix IV: ERC ..... 90

Appendix V: Introduction Letter ..... 91

Appendix VI: NACOSTI Permit ..... 92

Appendix VII: TURNITIN REPORT..... 93



## LIST OF TABLES

Table 3. 1 Equity Bank Departments .....	44
Table 4.1: Reliability Test Results .....	49
Table 4.2: Response Rate .....	50
Table 4.3: Gender of the Respondents .....	51
Table 4.4: Age of the Respondents .....	51
Table 4.5: Education level .....	52
Table 4.6: Length of Service in Equity Bank .....	53
Table 4.7: Extent of Online Line Banking on Ease of Use on Online Banking .....	54
Table 4.9: The Influence of Perceived Risk on Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya .....	57
Table 4.10: Evaluation of Influence of the Perceived Trust on the Adoption of Online Banking on Financial Performance in Equity Bank .....	59
Table 4.11: Autocorrelation Assumption Test Results .....	60
Table 4.12: Normality Assumption Test Results .....	61
Table 4.13: Multicollinearity Assumption Test Results.....	62
Table 4.14: Homoscedasticity Test Results.....	63
Table 4.15: The Ease-of-Use Influence Adoption of Online Banking on Financial Performance in Equity Bank .....	64
Table 4.16: Product Involvement on Adoption of Online Banking on Financial Performance ....	65
Table 4.17: Perceived Risk on Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya. ....	66
Table 4.18: Perceived Trust on the Adoption of Online Banking on Financial Performance in	

Equity Bank Nakuru County, Kenya ..... 66

Table 4.19: Model Summary ..... 67

Table 4.20: ANOVA ..... 67

Table 4.21: Regression Coefficients ..... 68



**LIST OF FIGURES**

Figure 3.1: Conceptual Framework ..... 40



**ABSTRACT**

Equity Bank has implemented online banking as a way to tackle the constantly changing demands and tastes of its clients, as well as to improve customer relationship management, differentiate its products from competitors, and lower transactional and operating costs while passing the savings on to customers and improving the bank's overall performance. Online banking has, nevertheless, presented a number of challenges. The primary goal of this study was to analyze Equity Bank's (a bank located in Nakuru County, Kenya) online banking adoption rate and the variables impacting that rate. Examining the relationship between online banking usage at Equity Bank and factors including perceived risk, trust, and simplicity of use was the primary goal of the research. Additionally, it looked at how product participation affected the uptake of online banking and the difficulties that were experienced. Branch locations of Equity Bank in Nakuru County were the intended recipients. The study used a descriptive research approach and surveyed 49 people from the county's seven Equity Bank branches' retail banking and information and communication technology management teams. The data was gathered by a semi-structured survey, and SPSS was used for data modification, coding, and descriptive statistics analysis. Inferential statistics, including regression and correlation, were used to portray the results in the form of charts, graphs, percentages, and frequency tables. Indicating that ease of use impacts online banking adoption, the research found a fairly positive and statistically significant correlation between the two variables ( $r = 0.531$ ;  $p < 0.05$ ). Further, there was a moderately positive and statistically significant relationship between product engagement and the adoption of online banking at Equity Bank in Nakuru County ( $r = 0.591$ ;  $p < 0.05$ ), indicating that product involvement is also a factor in this adoption.

**LIST OF ABBREVIATIONS**

<b>A.B.M</b>	Automated Banking Machine
<b>A.M. T</b>	Automated Money Transfer
<b>A.T.M</b>	Automated Teller Machine
<b>C.B.K</b>	Central Bank of Kenya
<b>E.F.T</b>	Electronic Fund Transfer
<b>I.C.T</b>	Information Communication Technology
<b>M.I.S</b>	Money Transfer Services
<b>P.I.N</b>	Personal Identification Number
<b>P.O.S</b>	Point of Sale
<b>S.M.S</b>	Short Messages Service
<b>S.W.I.F.T</b>	Society for Worldwide Interbank Financial Telecommunication



# CHAPTER ONE

## INTRODUCTION

### 1.1 Background to the Study

The variety of financial services available through remote access—that is, outside of branches—has increased dramatically during the past ten years. Devices such as mobile phones, ATMs, POS systems, and banking correspondents, and telephone confirmations are just a few of the various channels via which these have been made available (Adeoti, 2017; Costello, 2018). These are the services that allow bank clients to use a telecommunication network to conduct most retail banking operations, including bill payment, inter-account transfers, and balance reporting, without having to leave their home or place of business (Jegade, 2019).

The primary technological revolution in handling financial transactions is the online banking system. Banks have put a lot of money on electronic and telecommunications infrastructure, and consumers have recognized that online banking is simple and convenient. Electronic banking is defined as the provision of retail and small-value banking goods and services via electronic channels by the Basel Committee on Banking Supervision. Included in this category as well are digitally offered wholesale banking services and electronic payments of substantial amounts (Kumbhar, 2017).

Application software that provides users with account access and basic information about the bank's goods services and products via the bank's website without requiring human intervention or the time-consuming process of sending letters, faxes, or original signatures is referred to as online banking.

The banking sector has advanced tremendously with the introduction of agency banking, a state-of-the-art delivery mechanism designed to greatly expand entrepreneurs' access to financial services.

### **1.1.1 Global Perspective on Online Banking**

The modern concept of internet banking was first conceived and tried in the early 1980s. But it wasn't until 1995 that Presidential Savings Bank made the program available to normal clients. Other banks, like Security First Network Bank, Chase Manhattan, and Wells Fargo, swiftly embraced this concept. Many banks now just have online operations and no physical branches (Pierce, 2021). In order to provide consumers with high-quality services, the banking sector must skillfully traverse the enormous forces of globalization and international trends. People, particularly the growing population of immigrants worldwide, sought more flexible and dependable ways to access or transfer funds across long distances, beyond simply earning and saving money (Ratha et al., 2017). In today's world, individuals commonly use electronic money transfers to send and receive funds for various purposes, such as paying school fees, supporting family needs, or settling business debts. As a result, money transfer services (MTS) that are economical, dependable, and effective are crucial. An efficient MTS makes it simple and customer-satisfying to deposit money in one place and withdraw it in another, whether in an urban or rural setting. It is important to note that MTS has evolved significantly over time, progressing from the use of post offices to the advanced automated money transfer systems of today, where transactions can be completed with just a click (Ratha et al., 2017).

Online banking services involve the use of automated money transfers, primarily through bankcard-based payments, to conduct various transactions. One of the key benefits of these services is their convenience and cost-effectiveness for customers, allowing seamless money transfers to and from different accounts across multiple banks (CBK, 2018). In the United States,

the idea of money transfer services was originally presented in 1871. Due to the rapid improvements in information technology and the growing rivalry in the banking industry, automated money transfer services have become a crucial distribution channel for financial services during the past ten years (Scott et al., 2018). Mobile money transfers, internet money transfers, and automated teller machines (ATMs) are examples of common money transfer services (MTS). When three million customers started using Bank of America's online banking services in 2001, it was a first. As online banking grew exponentially over the next ten years, fully online banks began to appear. Since these digital-only banks did not have to handle the expenses of operating physical bank branches, they were able to provide better interest rates, more features, and improved services (World Bank, 2018).

The convenience and low cost of using online banking is a major plus, as it allows for seamless money transfers between multiple accounts that a person may have with different institutions. In the United States, online money transfers were first established in 1871. As a result of rapid technological advancement and cutthroat rivalry in the banking sector, online banking has emerged. Throughout the last decade, as an essential distribution route for the enhancement of financial services. Mobile money transfers, online money transfers, and automated teller machines (ATMs) are examples of common online banking services.

Online banking has proven particularly beneficial in developed, high-income countries, where immigrants are often drawn to work, such as in Western Europe (e.g., Great Britain, Germany, France) and the U.S. These nations rely on immigrant labor to supplement their workforce, and in turn, immigrants send significant portions of their income back to their home countries. This inflow of remittances strengthens their home economies by contributing to GDP growth and improving the balance of payments. The money transferred by immigrants, both directly and indirectly, positively impacts their home country's GDP and overall economic health (Zika, 2018). A case study in

Bangladesh has demonstrated that mobile phones have significantly reduced financial exclusion among the unbanked population (Ratha et al., 2017). As highlighted by Waitara and Wanjoya (2018), mobile banking offers convenience, affordability, and security, allowing users to conduct transactions anytime and anywhere across the country, thanks to the widespread ownership of mobile phones. Otieno (2018) identifies three primary functions of mobile banking: direct access to users' bank accounts, remote mobile payments, and proximity-based mobile payments. Online banking services have been especially valuable in developed, high-income countries. Immigrants from around the world are often drawn to work in these nations, such as those in Western Europe (e.g., Great Britain, Germany, France) and the U.S., which depend on immigrant labor to support their economies. Immigrants often transfer substantial sums of money earned while working overseas back to their own nations. This flow of remittances boosts the home countries' economies by increasing their total GDP and improving their balance of payments. The money transferred by immigrants, both directly and indirectly, contributes to economic growth and enhances overall economic conditions (Hinton et al., 2019).

The National Bank of Poland reports that banks make up over 73% of all financial institution assets in Poland, indicating that banks play a significant role in the country's financial system (NBP, 2017). A total of 616 financial institutions were active in 2017, with 35 being commercial banks, 553 being cooperative banks, and 28 being credit institution branches (PFSC, 2018). In this setting, "local banks" refer to cooperative banks that operate within a relatively small geographic area, usually no more than one or two counties. They focus on providing basic financial services like relationship lending and collecting soft data because of their close proximity to clients. These regional banks may be numerous, yet they only account for 7% of the banking industry's overall

assets. On the other hand, there are parts of the financial system where local banks are quite significant. On the other hand, there are parts of the financial system where local banks are quite significant.

Furthermore, they play a vital role in easing the financial burdens experienced by SMEs, solidifying their position as an integral aspect of the local banking system. However, they are up against around 20 major commercial banks that have vast branch networks throughout the country. For community banks, interest revenue is king; in 2017, it accounted for 77% of operational income. Interest margins were 4.1% in 2010 and 2.9% in 2017 owing to historically low interest rates in Poland and growing competition. As a result of falling interest margins, their return on assets (ROA) fell from 1.1% in 2010 to 0.5% in 2017 (PFSC, 2018). Capital growth is critical for cooperative banks to fulfill regulatory obligations and sustain development, even if profitability is not their main purpose. While commercial banks have been quick to embrace digital banking technology like mobile banking and the internet, local banks still rely on brick-and-mortar locations to service its clients.

They are also woefully underrepresented in terms of online visibility. The percentage of commercial banks using social media increased from 40% in 2010 to 90% in 2017. When compared to national banks, local banks have been sluggish to embrace social media, with only 25% having an active presence as of 2017. Even among social media users, most stick to only one site, most often Facebook.

### 1.1.2 Regional Perspective on Online Banking

By empowering actors like people and companies to use financial markets for well-informed saving and investment choices, financial development is vital in promoting long-term economic growth. Companies will be better able to invest in high-risk, long-term projects, which are frequently necessary for growth and innovation, thanks to this improvement. When compared to total economic activity, this indicator shows how much of a burden deposit-taking financial institutions like banks have on the private sector. It shows how well financial intermediaries are helping private companies put their savings into productive investments. An increase in domestic credit to the private sector increases access to financial services, which in turn increases productivity and helps the economy thrive.

The World Bank (2018) states that insufficient and unavailability of financial services is a major cause of the high rates of poverty among the impoverished in Africa. Access to finance is crucial for improving productivity, such as mechanizing land, adopting better agricultural practices, enhancing education, improving healthcare, starting microenterprises, and pursuing better economic opportunities. Automated money transfer systems have streamlined the once difficult procedure of money transfers in nations like Kenya, which needed both human presence and transportation. For financial services, many Africans, especially those without bank accounts, frequently have to travel great distances. One example is Zambia, where mobile money accounts have surpassed those of conventional banks where a sizable portion of users depend on money transfer services (Massoud et al., 2018).

Internet banking has been expanded to include automated money transfer services. ATMs, phone banking, and internet platforms accessed through personal computers are examples of common forms

of online banking. Due to the ease with which customers may access their accounts using usernames and passwords, One example is Zambia, where mobile money accounts have surpassed those of conventional banks. This is made possible by the growing number of people who use laptops and personal computers. Email banking is an additional type of online banking in which clients send emails to the bank to start transactions or ask questions, and the bank replies appropriately (McAndrews, 2018).

### **1.1.3 Local Perspective on Online Banking**

Kenya only recently adopted online banking, which was first made available in 2008 (CBK, 2019). I&M Bank, which was given a charter to offer E-Commerce Internet banking in the East In 2008, it was the first Kenyan bank to provide customers with the option to bank online (I&M News, 2018). Numerous other institutions have since embraced online banking, with a focus on diasporic Kenyans. At present, more than thirty banks in Kenya provide internet banking services; these banks are all members of the Kenya Exchange Service Bureau (KENEX) and the Society for Interbank Financial Telecommunication (SWIFT) (CBK, 2019).

Electronic Funds Transfers (EFT), mobile applications like M-PESA and M-KESHO, online banking platforms, ATM banking, and SWIFT are all instances of online banking services available in Kenya (Karthick, 2019). Automated money transfer services have improved Kenyan commercial banks' financial performance during the last five years, according to Levy (2017). EFT is the term for the electronic transfer of money without the need of paper documents such as drafts or checks. It is an essential part of online banking since it uses tools like telephones, electronic terminals, or computerized systems to authorize financial institutions to credit or debit accounts.

Online banking has significantly transformed daily operations in modern society. With the help of mobile phones, people may perform a variety of jobs like social networking, art, photography, information retrieval, purchasing, and many financial transactions without the need for actual wallets. This capability extends to remote areas in the developing world, enabling people to access banking services through their devices. Furthermore, this shift has contributed to the growth of digital finance and banking (Mahdi & Mehrdad, 2017).

#### **1.1.4 The Kenyan Banking Industry**

As the banking sector expands its presence in the retail market, it becomes increasingly essential to offer customers value for their deposits. Modern banking places a strong emphasis on accessibility, security, more options, and product differentiation. According to Kirui and Njiraini (2018), financial institutions' performance and long-term viability and their capacity to provide goods and services efficiently and effectively has a significant influence. The majority of Kenyan banks have improved their delivery channels via the use of electronic financial services like online and mobile banking.

It is crucial, therefore, that these developments be supported by initiatives meant to increase customer awareness and education about these new, more effective banking practices. For example, although online banking is a quick and easy way to conduct transactions, worries regarding its security have prevented it from becoming widely accepted by consumers. In Kenya, as in many other poor countries, e-banking is still in its infancy. Banks have incorporated at least one or two technology-based service channels, even though not all have embraced online banking. Inadequate infrastructure and a lack of enabling legislation have been mentioned as explanations

for why e-banking has been slow to catch on in Kenya. A key indicator of online banking adoption is the use of ATMs (Desai, 2021).

As the banking sector expands its presence in the retail market, it becomes increasingly essential to offer customers value for their deposits. The emphasis in today's banking industry is on accessibility, security, more options, and product differentiation. Financial institutions' success and long-term viability will be greatly influenced by their competency to provide services and commodities effectively and efficiently (Kirui & Njiraini, 2018).

To enhance their channels of distribution, the majority of Kenyan banks have implemented online banking, mobile banking, and other e-banking services. But it's crucial that these developments come with initiatives to raise customer awareness and educate them about these new, more effective banking practices. For example, although online banking is a quick and easy way to conduct transactions, it has not yet become widely accepted by consumers, primarily because of security concerns. E-banking is still in its infancy in Kenya, as it is in many other poor countries. Internet banking isn't available at every bank, although the vast majority of financial institutions provide some kind of technologically-based service channel. Kenya's slow e-banking uptake has been ascribed to a lack of enabling laws and insufficient infrastructure. According to Desai (2021), the use of ATMs is a crucial sign of the adoption of online banking.

### **1.1.5 Equity Bank Ltd Commercial Bank in Kenya**

The bank initially began as a building society in 1984 in Murang'a, primarily focusing on the mortgage sector. However, it experienced rapid growth and transitioned into a commercial bank in 2004. In its early years, the bank targeted the Murang'a Tea Zones, an area without cooperative SACCOS offering banking services, which significantly contributed to its early success. Initially

catering to small-scale farmers, the bank has since grown into a major player in both corporate and investment banking (Mwangi & Njuguna, 2018).

As of December 2020, Equity Bank had 279 ATMs, making it one of Kenya's most creative banks. According to research, just 22 of Kenya's 41 banks have their own automated teller machines. Kenya Commercial Bank (KCB) and Barclays Bank are in second and third place, respectively, with 19.92% and 14.7% of all ATMs in the nation. Technology has been incorporated into the banking sector to improve service delivery, ICT (information and communication technology) has come a long way.

E-banking is the practice of allowing clients to do financial transactions online without having to go to a physical branch. Credit and debit cards, Internet banking, ATMs, SMS banking, self-service PC banking, phone banking, interactive television, branchless banking, mobile phone banking, and electronic financial transfers are all included in this. (Njuguna and Mwangi, 2018).

Several Eastern and Central African states are now under the supervision of the commercial bank's subsidiaries, which are traded on the Rwanda Stock Exchange, the Uganda Securities Exchange, and the Nairobi Securities Exchange. According to Ngumi (2019), the bank has the largest customer base with over eight million accounts, which is more than half of all bank accounts in Kenya. The banking sector has been marked by intense competition, prompting commercial banks to develop various innovative products to stay competitive. Equity Bank pioneered the agency banking model, which has proven highly successful for the institution. This model has since been adopted by other commercial banks in Kenya. Equity Bank extended the agency model into Rwanda and Tanzania as a result of its success. At the moment, the bank has five branches in Tanzania, eight in Rwanda, and 152 in Kenya. It also has many ATMs in the area and more than 7,720 agents throughout Kenya (Nyangosi & Arora, 2017).

### **1.1.6 Online banking trends**

Recent developments in technology, shifts in customer preferences, and fiercer competition are all altering the face of online banking. Recent developments in technology, shifts in customer preferences, and fiercer competition are all altering the face of online banking. The rapid expansion of online banking is one of the most striking developments. Consumers' increasing confidence with using online platforms for their banking requirements is reflected in the fact that over 75% of banks now provide e-banking choices in developed areas like Scandinavia, Singapore, Spain, and Switzerland. As of 2001, over 44% of national banks in the US have transactional websites, indicating a significant concentration of online banking among bigger institutions (Mwangi & Njuguna, 2018).

As the number of people with internet access keeps growing, this points to a trend towards more widespread use of digital services. Another noteworthy development is the rise of online-only banks, sometimes known as virtual banks. Online channels are the only means of service delivery for these organizations, since they do not have a conventional branch network. About 30 online banks have recently emerged in the United States, marking a departure from traditional banking methods. Customers are increasingly opting to handle their banking operations online, rather than visiting physical branches. With the proliferation of smartphones, m-banking, or mobile banking, is also becoming more popular. One way that mobile banking is improving accessibility and convenience is by letting clients do financial transactions straight from their phones. Banks may take advantage of this trend by providing more tailored services, increasing client loyalty, and testing out new income sources including subscriptions, third-party referrals, and transactions. According to Desai (2021), Security is still a major issue in the ever-growing world of online

banking. Secure Sockets Layer (SSL) and Secure Electronic Transaction (SET) protocols are being prioritized by banks as solid security solutions to safeguard client data and develop confidence.

Banks must prioritize the improvement of their security frameworks in order to address the persistent security concerns that prevent e-banking from being widely used in places such as Asia. Additionally, the B2B e-commerce sector is going through a period of explosive expansion. Businesses are looking for ways to automate payments in order to save money and better manage their cash flow since the number of online transactions is expected to rise significantly (Desai, 2021).

There has been tremendous expansion in the B2B e-commerce sector as well. In order to better manage their cash flow and save expenses, businesses are looking at automated payment systems in anticipation of a dramatic rise in online transactions. Financial institutions are realizing the significance of comprehending and catering to changing consumer preferences, which is driving a shift toward consumer-centric tactics. In an effort to win over clients who are wary of digital platforms, banks are concentrating on making online banking easier and websites more user-friendly.

In addition, as financial institutions improve their online offerings, the integration of various channels is becoming more important. Customer engagement and happiness may be enhanced by making internet banking, in-branch banking, and contact center interactions as smooth as possible. Banks need to make sure their consumers can easily move between different channels so they can have a consistent experience no matter what they pick. Finally, cutting-edge technological developments like AI, blockchain, and big data analytics are influencing how online banking will evolve in the future (Desai, 2021). These innovations have the potential to boost operational efficiency, service quality for customers, and data analysis for smarter decisions. Banks will have

to reevaluate their management practices and organizational structures in light of these developments if they want to take advantage of these advancements.

## **1.2 Statement of the Problem**

Big changes may be on the horizon for the banking and finance industries as a result of online banking. The banking industry has been paying a lot of attention to online banking. A wider curiosity with the use of the Internet in business operations is reflected in the increased interest in online banking. In order to address competitive forces, improve customer relationship management (CRM), satisfy the changing demands and tastes of its clientele, and promote product differentiation, Equity Bank has adopted internet banking as a strategic instrument. This shift also aims to reduce transaction and operational costs, passing the savings on to customers. By leveraging online banking, Equity Bank can reach a wider customer base without the need to expand its physical branches, while also driving product innovation (Nyangosi & Arora, 2017).

Convenience and effectiveness are frequently the primary factors that influence consumers' decisions to use online banking. By managing their accounts online, clients can escape the lines and time constraints that come with regular banking hours. Many banks also encourage their clients to use online banking by providing higher rates and reduced costs for loans and deposits, which are made feasible by cost savings from digital services. Features like instant access to account information, faster transactions, and greater control over account management are particularly appealing to customers (Ogbuji et al., 2022).

However, despite these advantages, several barriers hinder the widespread adoption of online banking. Key challenges include a lack of computer skills and access to the internet, as well as concerns over security. Many customers still value personalized services from their bankers, and

it is estimated that around 30% of bank customers are unaware of whether their bank even offers online services (Ogbuji et al., 2022). Computer illiteracy, insufficient technological infrastructure, unreliable power supply, and the lack of appropriate legislation governing electronic transactions also present significant obstacles. The widespread use of paper currency rather than "virtual" cash has also slowed the growth of internet banking.

Several studies have explored the challenges associated with electronic banking in Kenya. For instance, Sana et al. (2017) focused on how commercial banks utilize ICT for marketing purposes, while Rose (2019) investigated the difficulties commercial banks encounter when putting electronic banking plans into practice. However, not much research has been done specifically on Equity Bank. There is a knowledge gap on the elements impacting Equity Bank's adoption of online banking services and the tactical steps required to overcome the obstacles faced. This gap motivated the researcher to investigate these factors and propose strategies to improve the bank's online banking services.

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

The research team at Equity Bank Ltd. in Nakuru County, Kenya, set out to determine what variables affected the bank's performance after customers started using online banking.

### **1.4 Specific Objectives**

- i. To establish if the ease-of-use influence adoption of online banking on financial performance in Equity bank Nakuru county, Kenya
- ii. To determine the influence of product involvement on adoption of online banking on financial performance in Equity bank Nakuru county, Kenya
- iii. To find out the influence

of perceived risk on adoption of online banking on financial performance in Equity bank Nakuru county, Kenya.

- iv. To establish the influence of the perceived trust on the adoption of online banking on financial performance in Equity bank Nakuru county, Kenya.

### **1.5 Research Questions**

- i. How does the ease of use of online banking influence its adoption on financial performance in Equity bank Nakuru county, Kenya?
- ii. What is the influence of product involvement on adoption of online banking on financial performance in Equity bank Nakuru county, Kenya?
- iii. How does the perceived risk influence adoption of online banking on financial performance in Equity bank, Nakuru county Kenya?
- iv. What is the influence of perceived trust on adoption of online banking on financial performance in Equity bank, Nakuru county Kenya?

### **1.6 Significance of the Study**

As a whole, Equity Bank's management team, the results about the difficulties encountered in providing online banking services in the banking sector would be quite significant. Bank managers may be able to improve the convenience and utility of online banking services and cultivate positive client relationships by implementing the study's recommendations, which will help them stay competitive in the banking industry. The results of this research add much to what is already known about internet banking. For other banks seeking to comprehend the factors influencing online banking, this document will serve as a valuable reference, offering insights into various

concepts that can be used for performance comparisons and online banking adoption. Additionally, researchers and academics will find the results useful, as they might potentially be used as a resource for scholarly pursuits and future research.

### **1.7 Scope of the Study**

The branches of Equity Bank Ltd in Nakuru County, Kenya, were the subject of this research, which aimed to gather data on the impact of many aspects, including the convenience of accessing internet services, its usefulness to clients, how consumers' views of trust and risk affect online banking, and the general difficulties encountered by Equity Bank in reaching its target market via online banking.

### **1.8 Limitations of the Study**

A weakness of the research was that not all participants refused to give the information that was asked for. The study involved all the three equity Branches in Nakuru county and managers were the main participants. Their availability was not easy since they are mostly involved in busy schedules.

### **1.9 Assumptions of the Study**

An issue with this research was that some participants were hesitant to reveal

All surveys were presumed to be completed and submitted on time for the study. Additionally, the study anticipated that the chosen sample would reflect the target population accurately and would honestly supply the pertinent data needed for the investigation. information that was sought.

### **1.10 Delimitations of the Study**

The research narrowed its attention to four factors product participation, simplicity of use, security, and privacy that impact internet banking. perceived risk and perceived risks whereas there are other factors that also influence online banking but were not be discussed in this study. The study only focused on Equity bank branches in Nakuru county exempting other Equity banks branches outside Nakuru county and other commercial banks.



### 1.11 Operational Definition of Key Terms

Automated Money Transfer Service:	Performing a variety of transactions using electronic or bank card-based payment methods.
Automated Teller Machine (ATM):	Computerized telecommunications device situated in a public area that enables customers of an organization's computer system to access customer accounts and perform financial transactions independently of a human teller or cashier.
Electronic Payment:	any financial transactions involving cash that are carried out electronically.
M-PESA service:	Using mobile phone technology, Safaricom offers a savings and money transfer service.
Electronic Fund Transfer:	Money transfers that take place outside of the usual transaction channels—such as checks, drafts, or other paper instruments—and may be accomplished using phone, online, or any other automated mechanism that authorizes a bank to deduct or deposit funds from an account.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2..0 Introduction**

This chapter provides a literature overview on online banking, both theoretical and empirical. It provides a thorough analysis of online financial services and describes the theories and concepts associated with online banking. The chapter also covers the main elements affecting Equity Bank's deployment of internet banking.

#### **2.1 Empirical Review**

##### **2.1.1 The Concept of Online Banking**

Any country that wants to raise living standards for its people and compete in the global market must have a strong and sustainable economy in today's fast-paced world. Major shifts are occurring in the nature of monetary transactions as a result of the proliferation of mobile services and the Internet.

In response, banking service providers have continuously adapted to these changes, meeting consumer demands with new offerings. The foundation of banks' new strategic focus revolves around the development of alternative distribution channels. Customers of participating banks may access their accounts and learn more about the bank's goods and services using "Internet banking" systems accessible through personal computers (PCs) or other smart devices.

Internet banking may provide a wide range of goods and services, including retail and fiduciary products for individual customers as well as wholesale items for corporate clients. In the end, the goods and services offered by Internet banking frequently resemble those offered by other banking

distribution channels. Some examples of wholesale products and services include bill presentation and payment, cash management, wire transfers, and Automated Clearinghouse (ACH) transactions. As an Internet Service Provider (ISP), Internet banking services may also involve offering Internet access (Gichungu & Oloko, 2018).

The newest way that financial services are delivered is through online banking.

Because it includes a variety of services that let bank customers use computers, televisions, or mobile phones to seek information and conduct the majority of retail banking operations, the definition of e-banking varies between scholars. Initiating, managing, and regulating financial transactions are all made easier with e-banking, according to Burr (1996). A variety of channels fall under the umbrella term "online banking," including (a) the web, (b) telephone, (c) television, (d) mobile, and (e) personal computers (sometimes called "offline banking"). Internet banking services are widely used, and electronic channels account for a large percentage of payment transactions. Although self-service banking has grown quickly, the percentage of payments made online has not increased much further due to poor Internet connection (Giddens, 2018). Since the customers need to pay their bills on a regular basis and want to do so with the least amount of work, many customers start using online banking. Additionally, individuals use online banking to monitor their financial situation, check their account balances, and verify incoming payments from other sources. Analyzing the different types of online banking products can enhance the understanding of the online banking concept. Presently, three fundamental types of online banking are commonly utilized in the marketplace

### **2.1.2 Informational Online Banking**

The fundamental level of online banking is information. The bank often keeps marketing data about its goods and services on a separate server. Since informational systems usually don't connect to the bank's internal network, the danger involved is minimal. The bank itself may handle this degree of internet banking, or it may be contracted out. The server or website may be vulnerable to unauthorized changes, despite the low danger to the bank. In order to stop any unauthorized changes to the bank's server or website, it is crucial to put in place sufficient controls (IBM, 2016).

The importance of information in online banking cannot be overstated, since it impacts several facets of the banking experience for both clients and institutions. It improves operational efficiency, strengthens financial decision-making, strengthens consumer involvement, and supports transaction security. Information plays a crucial role in online banking by increasing security and decreasing the likelihood of fraud. In order to verify customers' identities and identify fraudulent activity, financial institutions utilize information about their transactions, habits, and personal data. Encryption, biometrics, and multi-factor authentication rely on correct and current information to safeguard accounts against cyberattacks and unwanted access (IBM, 2016). Information not only helps banks with security, but it also lets them provide a more customized experience for their customers. Online banking systems may personalize their offerings to each user by studying their tastes, spending habits, and financial objectives. Users are more inclined to keep using services that are in line with their financial aspirations and way of life, therefore this customization helps to develop customer happiness and loyalty. Customer access to real-time financial data monitoring is another critical component (IBM, 2016). Users may see real-time data

on their account balances, recent transactions, and general financial health on online banking services.

### **2.1.3 Communicative Online Banking**

The goal of Communicative Online Banking is to put the client first by making digital banking systems more interactive and engaging. It surpasses conventional banking in that it incorporates real-time communication technologies such as chatbots and live chat, customized alerts, and interactive dashboards to provide quick assistance and individualized financial information. Financial institutions also use social media to interact with their clients and get their opinions on how to better serve them (Yakubu, 2019).

In order to strengthen ties and encourage a more proactive approach to financial management, they also provide educational tools to assist clients make educated financial choices. This kind of online banking system makes it easier for the customer and the bank's systems to communicate to some extent. Static file updates (such as name and address changes), email inquiries, loan applications, and account inquiries are a few examples of the functionalities that can be included in this interaction. These servers carry greater hazards than informational systems because they might be connected to the bank's internal networks. Establishing suitable controls is therefore essential to stop, track, and notify management of any efforts by unauthorized parties to gain access to the bank's computer systems and internal networks. In this setting, it also becomes much more crucial to deploy viral controls (Giddens, 2018).

Through the promotion of real-time, tailored interactions between banks and their clients, communicative banking is vital in elevating the online banking experience. Banking institutions may better respond to client questions and concerns with the use of instant messaging, chatbots,

and live chat (Yakubu, 2019). Banking institutions may better respond to client questions and concerns with the use of instant messaging, chatbots, and live chat. Customers are more satisfied and loyal as a result. Communicative banking also allows banks to tailor alerts, insights, and suggestions to each customer's unique financial habits, empowering them to make more informed choices. It also makes it easy for clients to be informed and in control of their money by facilitating ongoing participation via social media, feedback systems, and instructional materials.

#### **2.1.4 Electronic Banking**

Modern financial services are offered via e-banking, which stands for internet banking. Because there are many different services that e-banking offers that let customers access information as well as do most retail banking activities online, television, or mobile device, different scholars have different definitions of what e-banking is (Yakubu, 2019). According to Burr (2016), electronic banking allows both the bank and its customers to start, monitor, and control monetary transactions via an electronic link. The word "electronic banking" covers a wide range of mediums, from traditional methods like brick-and-mortar bank branches to more modern alternatives like internet and phone banking.

#### **2.1.5 Internet Banking**

As previously mentioned, the Bank of Scotland and In the early 1980s, the Nottingham Building Society pioneered the provision of online banking services. The fast development of electronic services and information technology led to banks introducing online banking in the early 1990s. Internet banking has grown quickly, especially in industrialized nations like the USA, where banks have adopted it more easily due to easy internet connection and the broad availability of computers (Zeithaml, 2020).

Online banking services appear to be gaining traction more slowly in poorer nations. Nevertheless, despite a number of obstacles, banks in these areas have begun to provide internet banking services more frequently in recent years. According to Zeithaml (2020), full-service online banking has been effectively offered by a number of Turkey's top banks since 1997. By 2016, 27 of 47 institutions, or 58%, had adopted online banking. When it came to online banking, over 58% of all Turkish banks were members of the Institutions Association (Hume, 2018).

Harris (2020) investigated in an econometric analysis the elements that influence banks' choices to implement online banking. The results showed that urban banks with larger, younger, and more efficient branches—which have greater fixed asset and physical premises costs—a tend to embrace internet banking more often. Because of the expansion of the internet, banks can now conduct banking operations in a new era without having to make large investments in physical branches. Furthermore, Hume (2018) carried out an extensive investigation that demonstrated a favorable correlation between a bank's market share and its choice to provide online banking services. Large, well-established banks are largely responsible for this tendency since they feel compelled to provide their clients the newest financial services and products in order to increase their alternatives and improve client retention. Customers' opinions and adoption of online banking services have also been the subject of numerous empirical research. Joseph and Stone (2018), for example, looked at how consumers view technology's impact on the provision of banking services. Their results showed that higher customer satisfaction with the services that matter most to them is correlated with high ratings for the ability to deliver services through technology (Hume, 2018). Thus, the availability of internet banking services is crucial for banks in promoting customer satisfaction and retention.

However, merely having internet banking services available does not ensure that customers would be more satisfied. One of the main factors luring clients to these services is their usability.

Customers who are not hampered by a lack of IT skills report higher levels of satisfaction since they can use internet banking services more easily, according to a related study by Giddens (2018).

The nature and extent of customers' interactions with online banking have a substantial impact on their perceptions of the quality of the services they receive, according to Fen's (2017) empirical research.

Numerous empirical studies have found a favorable relationship between clients' views on the quality of bank services and the accessibility of online banking (Chorafa, 2019). Therefore, we anticipate that banks that place a high priority on customer satisfaction in their service quality will have a higher online banking adoption rate. However, other elements, like the cost of offering internet banking services and technological developments, might also have an impact on how widely these services are used.

According to Chorafa (2019), technological advancements and the opinions of bank management and consumers both have an impact on the uptake of online banking. We may anticipate a rise in the number of consumers using the internet for their financial requirements if technical developments make banking services more accessible and user-friendly.

#### **2.1.6 Determinants of Internet Banking Adoption**

Prior studies have indicated that trust and perceptions of risk are important factors that influence the uptake of online banking. Because there is a higher risk of potential losses from online banking transactions than there is in traditional locations, it is imperative to foster better consumer trust in

virtual environments. Under addition, the degree of danger connected to particular dimensions may rise under particular situations.

Perceived risk is an important determinant in the adoption of internet banking, according to study, nothing has been done to identify the risk dimensions in this context. Other factors that affect how many customers use online banking services include perceived ease of use, product involvement, and infrastructure and technology-related barriers. (Abor, 2018).

### **2.1.7 Perceived Ease of Use of Online Banking**

Trust must be there for there to be any apparent ease of use, according to Wu and Chen (2015). Since first-time users have a positive opinion of the online vendor due to the service's apparent simplicity of use, this quality has a positive impact on trust. Koufaris and Hampton-Sousa's (2022) research indicates that trust is directly impacted by perceived ease of use. Perceived simplicity of use increases trust because it conveys the idea that online vendors are attempting to establish a rapport with their customers (Gefen et al., 2018). Factors including transaction engagement, search engine optimization, broken links, and navigation have all been connected to changes in online trust (Nielsen et al., 2020).

The attitude hypothesis states that people are more likely to buy or use a product or service if they have a favorable impression of it. It is anticipated that actions taken in relation to an object will reflect one's general attitude toward it (Ajzen and Fishbein, 2018). Our hypothesis is that the majority of the time, a consumer's attitude about online banking explains their actual banking behavior. Stated differently, consumers' attitudes about internet banking should categorize them as non-users, light users, or heavy users.

### **2.1.8 Product Involvement Determinants**

Product involvement is the degree to which a product, service, or item is personally relevant to a customer based on their basic requirements, values, and interests (Zaichkowsky, 2019). In terms of banking services, an individual will be exposed to these products if they read consumer reviews or the news to learn more about financial services, compare products often when considering a financial product, watch financial commercials, or discuss financial products with friends. Differentiating between the concepts of utility and product involvement is crucial. The product itself, whether purchased online or in-store, is the subject of involvement, whilst the perceived advantages of using the internet as a platform for financial services buying, such as its speed and convenience in comparison to traditional retail settings, are the subject of usefulness. Product participation is the acknowledgement that people's identities and relationships to the environment around them may be shaped by the relative prominence of particular product categories. The importance of product involvement is emphasized by researchers who study customer behavior. Product involvement has been shown persuade consumers to choose one product over another within the same category, the timing of a product's adoption, the amount of information consumers seek about it, and brand loyalty. According to studies, the product engagement variable is also a useful tool for marketers and advertisers over the long run because it tends to be steady and consistent when compared to many other aspects (Havitz and Howard, 2019).

There hasn't been much research on this problem with regard to youth, whereas earlier studies focused mostly on product involvement among adults. According to a recent study on children's

product participation, kids only pay attention to sales promotions when the products are thought to be pertinent to their experiences (Muratore, 2023).

According to another study, product participation has a large and favorable impact on how effective commercials are. A product has a good impact on children's attitudes when they believe it to be relevant and meaningful, which indicates a high level of involvement. However, the effect on their attitudes is significantly less pronounced when a product is perceived as irrelevant, which indicates little involvement (Te'eni-Harari et al., 2019).

These results highlight how crucial product participation is to comprehending how youth react to marketing and advertising stimuli. But there is still a crucial question: What factors affect young people's level of product involvement? More research into this topic is what this study is all about. Product participation is a major factor that influences how often people use online banking services and a crucial antecedent of consumers' opinions about online banking (Eriksson et al., 2015). Engaging with financial services requires consumers to invest considerable time and effort to understand the features of various financial products. Consumers who exhibit high involvement in financial services are more inclined to conduct extensive online information searches. This suggests that product involvement serves as a catalyst for seeking information online.

According to Laaksonen (2019), creating strategies for financial services that are both relevant and effective requires an awareness of consumer involvement. The importance of investigating customer involvement in the particular context of online banking services is emphasized in this article. Prior research has demonstrated that more involved customers typically make more thoughtful decisions and analyze information more thoroughly (Mittal and Lee, 2018). Put differently, customers who have a profound interest in financial services are also more likely to be

strongly inclined to look up relevant information online. As a result, more participation results in more content processing on banking websites.

Additionally, studies have shown that user interaction can improve perceived both practicality and simplicity. When people find a system helpful, they are more inclined to utilize it if they sense personal importance and relevance in it (Jackson et al., 2017). With regard to perceived ease of use, McKechnie et al. (2016) pointed out that customers who use financial services frequently find them easier to use than those who don't. Numerous financial services demand constant attention and interest, necessitating continuing research and consultation on the part of consumers (Pallister et al., 2017). Banking websites make it easier to make financial decisions by offering up-to-date, transparent, and rapid information (Bradley and Stewart, 2022).

For highly involved consumers, the availability of online information enhances the perceived usefulness of online banking services.

### **2.1.9 Perceived Risk**

According to Pavlou's (2022) theory, buyers' uncertainty about the results of their purchases is the root cause of perceived risk. The purpose of this research is to provide light on how risk influences purchasing decisions by defining different aspects of perceived risk associated with online banking services and examining how it affects online banking adoption. The risk of identity theft or fraud due to the disclosure of sensitive information, which could result in monetary losses, is frequently linked by consumers to security issues. Customers are therefore more inclined to make purchases when they believe that their personal information and credit card are protected. Adoption of internet banking has been shown to be significantly predicted by perceived security risk in prior studies (Daniel, 2019).

Customers' concerns about the disclosure of their names, addresses, phone numbers, and email addresses to direct marketers inside and outside the bank constitute privacy risk. According to research by Gerrard and Cunningham (2018), customers fear that their banks might give their customer profiles to other businesses, which could result in unsolicited marketing campaigns. These concerns about the possible disclosure of private data add to the unfavorable opinion of online banking services (Howcroft et al., 2022).

Concerns that goods and services could not function as planned are known as performance risk. Based on their understanding and cognitive abilities in a particular product domain, consumers evaluate performance risk. Customers' confidence is eventually weakened by the inability to effectively assess service qualities due to the asymmetry of online banking information and the lack of face-to-face interaction (Ba, 2021). Time loss risk is a reflection of worries that using online banking services could take too long, particularly when handling incorrect transactions or downloading data (Jayawardhena and Foley, 2020).

The possibility of unfavorable responses from the consumer's social network is known as social risk. According to Littler and Melanthiou (2016), the favorable or negative opinions that family, friends, or peers have about online banking may have an impact on the social standing of those who utilize it. The choice of purchasing channels is greatly influenced by several forms of perceived shopping risk, which in turn serve as obstacles to carrying out online banking transactions (Howcroft et al., 2022; Littler and Melanthiou, 2016).

### **2.1.10 Perceived Trust**

Establishing and maintaining reliable partnerships is crucial in the financial services sector. This is mainly because many products are complex and bank advisers and customers are physically separated (Kassim and Abdulla, 2016). The confidence that one side has in the dependability of their trade partner is what defines trust. Prior studies have recognized trust as a multifaceted concept with three essential components: competence, compassion, and honesty (Sirdeshmukh et al., 2022). When a business is honest, the customer can be sure that it is sincere and dedicated to keeping its word. Benevolence is the conviction that a business acts with no opportunistic aim, values the welfare of its customers, and pursues mutual gain. Competence relates to the perceived skills and abilities of the other party. In today's landscape, many organizations rely heavily on the competencies that customers perceive, especially in high-risk contexts like online transactions.

According to research on online banking, trust is essential for promoting the use of online banking services (Kassim and Abdulla, 2016). Because internet transactions are inherently uncertain, trust is essential because without it, customers would be reluctant to use these services (Gerrard and Cunningham, 2018). According to Grabner-Krauter and Kaluscha (2018), trust becomes particularly crucial in unpredictable and dangerous situations when online transactions are characterized by anonymity, a lack of control, and the possibility of opportunism. Trust in the transaction partner might reduce perceived risk, according to research. Jarvenpaa and Todd (2017), for example, discovered that trust acts as a mechanism to lower consumers' perceived risk when they shop online.

According to recent research on online banking, trust reduces perceived risk and urges more people to use internet banking. According to Yousafzai et al. (2018), consumers' transaction-specific doubts and the dangers related to possible opportunistic bank conduct are reduced when they have faith in electronic banking and the infrastructure that supports it. When people trust others, they anticipate predictable behavior from them, which streamlines interactions and creates a more satisfying experience.

### **2.1.11 Challenges Online Banking**

Online banking's success is deeply intertwined with various technological infrastructures, particularly telecommunications, which are essential for connecting different regions and stakeholders both domestically and internationally. Without a robust basic infrastructure, the potential benefits of electronic banking and e-commerce can quickly transform into significant disadvantages (Japhet & Usman, 2020). In many developing countries, the low levels of personal computer (PC) penetration and high costs of internet access create substantial barriers to widespread adoption. A large segment of the population, particularly those in low-income and rural areas, often lacks the financial means to access essential telecommunications services (OECD, 2018).

The absence of computers at both the individual and organizational levels further restricts internet access and participation in online banking and e-commerce. Additionally, language barriers present another significant hurdle. One socio-cultural barrier that might limit people's access to information and internet platforms is language, particularly in regions where literacy rates are low. Many individuals in developing countries are illiterate or have limited education, making it difficult for them to comprehend information presented in more formal languages commonly used

online. Consequently, these individuals may remain unaware of how technology, such as the internet and online trading, could enhance their quality of life and income opportunities.

Historically, electronic banking has existed through automatic teller machines (ATMs) and telephone transactions, but the advent of the internet has revolutionized it into a more efficient and accessible delivery channel for banking services. No matter the customer's location, online banking provides quick, easy, and 24/7 access. It enables banks to provide services at much reduced prices and with greater efficiency. For instance, a typical customer transaction may cost over \$1 at a brick-and-mortar bank, \$0.60 when done over the phone, and just around \$0.02 when done online. Electronic banking also facilitates product and service comparisons, which in turn increases competition among banks and opens up new markets for them to serve. This advancement might give nations with weak financial systems a chance to advance past more conventional stages of growth, enabling clients to more easily access services from foreign banks and make use of quickly evolving wireless communication networks.

However, this technological advancement also brings with it various risks—such as governance, legal, operational, and reputational challenges—that can mirror those found in traditional banking. To preserve public confidence, national regulators are responding by modifying their rules to achieve three key goals: fostering market discipline, protecting consumer rights, and guaranteeing the stability and safety of the financial system. Policymakers are also increasingly cognizant of the broader effects that macroeconomic policies can have on capital movements in the digital banking landscape.

The emergence of online banking has made offering banking services that much more comfortable. It has provided speed and convenience to the customers. Long gone are those days where customers

had to drive to the banks and stay in the queue just to check their account balance or make deposits. Today, the same work can be done in the comfort of their home with just a few clicks. It comes as no surprise that 51% of US adults participate in online banking. Although it simplifies trading and provides convenience to both banks and consumers, there are some distinct challenges and issues in this sector. The issues can range from technical factors to habitual factors.

Banks aspiring to drive the adoption rates of banking should be well aware of such problems of banking

An increasing number of banks now provide customers with the option to conduct a variety of financial transactions online, including seeing account balances, interest rates, and currency rates, thanks to the rising popularity of online banking. Nevertheless, trustworthy data on online banking is few, and comparing different countries is challenging because of varying definitions. In spite of this, more than three quarters of banks provide online banking; countries with especially high rates of adoption include Austria, Korea, the Scandinavian countries, Singapore, Spain, and Switzerland. The biggest percentage of internet users is in the Scandinavian nations, where up to one-third of bank clients utilize e-banking, particularly in Finland and Sweden.

Given the importance of information and knowledge transmission in the digital age, language is a key factor to consider. The English language is widely used in most Western nations that are at the forefront of technological development. Japhet and Usman (2020) point out that English is the language most often used to construct IT and e-commerce systems, as well as the main language of the web.

## **2.2 Theoretical Review**

A number of variables were thought to significantly impact the uptake of online banking services according to each of the chosen theories.

### **2.2.1 Innovation Diffusion Theory**

The first theory that is taken into consideration is the Innovation Diffusion 'theory' (IDT), which explains why individuals use technology to do a conventional work in a novel manner. Roger's (1983) theory is developed. There are a number of important criteria that determine whether an invention will be widely adopted. These include the product or service's complexity, trialability, reliability (how well the product works with other items already on the market), relative advantage (how much better a new product is than competing options), and observability, which refers to the ease with which one may deduce a system's internal operations from its exterior outputs (Sharmilla, 2015).

### **2.2.2 The Decomposed Theory of Planned Behavior**

Taylor and Todd developed the theory in 1995. The idea states that people's intentions to embrace a technology are influenced by three main factors: attitude, subjective norm, and perceived behavioral control. Attitude toward behavior and perceived behavioral control were highlighted as significant factors in Agboola's (2016) study. When it comes to the adoption of information technology (IT) systems or services, his approach incorporates five fundamental ideas: In the Theory of Reasoned Action (TRA), behavioral attitudes, subjective standards, intention to use, and actual use all play a role. While TPB acknowledges the existence of behavioral control, it views it as an illusion. Both intentions and perceived behavioral control affect actual use, with the latter

having an effect on the former. By including control features, the model improves the TPB's functionality.

Researchers have used the TPB extensively to estimate usage levels and model how different new information technologies would be accepted in enterprises. In the case of spreadsheets, for example, Mathieson (1991) foresaw user objectives. employing TPB and the Technology Acceptance Model together. Furthermore, according to Taylor and Todd's (1995) analysis of the TPB, the desire to embrace and utilize technology is influenced by attitude, subjective norms, and perceived behavioral control.

### **2.2.3 The Theory of Planned Behavior (TPB)**

The Theory of Planned Behavior (TPB) states that prospective actions are influenced by one's attitude as well as their subjective standards. In order to deal with situations where individuals may lack complete behavioral control, it adds a component known as Perceived Behavioral Control (PBC) (Abor, 2018). PBC and intention have been linked in a number of empirical investigations. The term "perceived behavioral control" describes a person's confidence in their capacity to exercise control, which is impacted by how well they believe the control component works to either encourage or inhibit the action. Perceived facility acts as a weighting of importance, the perceived challenges in carrying out the activity are represented by control beliefs.

In the 1985 chapter "From Intentions to Actions:" Icek Ajzen first presented the Theory of Planned Behavior (TPB). A Behavioural Theory of Premeditation. Martin Fishbein and Ajzen's 1980 Theory of Reasoned Action (TRA) serves as the foundation for the TPB. TRA is based on a number of theories, including theories of learning, expectancy-value, attribution, and consistency, including theories of balance (Heider), congruity (Osgood and Tannenbaum), and dissonance (Festinger). If a person views a conduct favorably and thinks that influential others anticipate it

from them, TRA says that it is a subjective norm, They are more likely to really conduct the activity if their desire to do so is strong. According to TRA, there is a strong correlation between one's attitude and subjective norms, as well as between one's behavioral intention and their subsequent actions. Behavioural intention, however, does not always result in action, according to study. By including the idea of "perceived behavioral control" into the TPB, Ajzen improved TRA, acknowledging that when people have little control over their behaviors, behavioral intention is not enough to dictate conduct. The capacity to anticipate real conduct is enhanced by this enhancement.

The degree Perceived behavioral control refers to the extent to which a person believes they can execute a certain activity. It is unique to the conduct or objective at hand since it includes the person's assessment of their capacity to perform the behavior. Depending on the circumstances and the type of activity involved, this view may change. According to the TPB, when people believe they can carry out a behavior successfully, they are more likely to intend to do so.

Empirical studies have demonstrated a connection between control beliefs and perceived behavioral control (PBC). In the context of Internet banking, control beliefs relate to understanding how to conduct transactions online, while perceived facility addresses external constraints such as time, money, and resources. All of these things matter because they affect how hard (or easy) people think the activity is to execute (Abor, 2018).

#### **2.2.4 TAM Beliefs - Perceived Ease of Use and Perceived Usefulness**

The broad use of online banking might be predicted by using Davis's 1989 Technology Acceptance Model (TAM), which aims to describe the broad use of IT in many fields (Agboola, 2016). The TAM states that a user's views about a new information system have an impact on their intention to

embrace it. According to Agboola (2016), Two fundamental beliefs—perceived utility and perceived ease of use—largely dictate an information system's acceptance.

Efficacy may be described as "the degree to which a consumer believes that using a system will enhance his or her performance" (Davis, 1989). It concerns productivity in terms of time savings, job effectiveness, and the system's overall importance for the user's duties. Conversely, perceived ease of use refers to how much a customer thinks it will take little effort to utilize the system, including a combination of mental and physical effort, as well as how simple it is to learn how to use it (Agboola, 2016).

Furthermore, perceived utility is strongly influenced by perceived simplicity of use. According to Ajzen (1991), actual behavior is the discernible reaction to a given target in a given circumstance. As stated by Ajzen (2019), when someone has an intention, it means they are getting ready to do something. The acceptance of online banking as a real practice is the main topic of this essay. Perceived ease of use is a key factor in the acceptance of remote banking, according to previous studies, either directly or indirectly through its effects on perceived usefulness, strongly influences actual usage and intention to utilize internet and mobile banking services.

For online banking services to gain traction, they must prioritize user-friendliness and clarity; users are more inclined to embrace a service that is seen as easier to use than alternatives. Furthermore, it has been discovered that consumers' decisions to keep using online brokerage services and their use of internet banking are directly impacted by perceived utility. Customers prefer online banking because they think it makes their banking operations more efficient and helps them complete financial transactions (Chorafas, 2019).

### **2.2.5 Conceptual Trust-Risk Model in Internet Banking Services (IBS)**

Two key forms of trust are involved when it comes to using the internet for banking: confidence in both the technology and the institution (Stewart, 1999). Customers frequently depend on their allegiance to a well-known and reliable brand or service provider while shopping online, particularly when there is little to no direct communication between buyers and sellers (Huang et al., 2004). Customers' faith in the bank is probably going to be a major element because online banking is provided by a financial institution rather than an individual.

Trust in banks serves as a precursor to perceived risk; account holders are less likely to expose themselves to vulnerability in situations where they lack confidence in the bank's reliability. This idea is supported by Gichungu and Oloko (2018), who assert that reduced risk is associated with trust in the bank within the context of online banking. Furthermore, the general level of confidence in a bank influences the degree to which people have faith in its ability to provide Internet Banking Services (IBS). The internet channel used to deliver financial services then reflects this confidence in the bank's ability, thus solidifying the bank's IBS pledges. To reduce their risk perceptions, customers must have faith in the bank's ability to provide IBS, though, as the internet is a public area over which banks have no control.

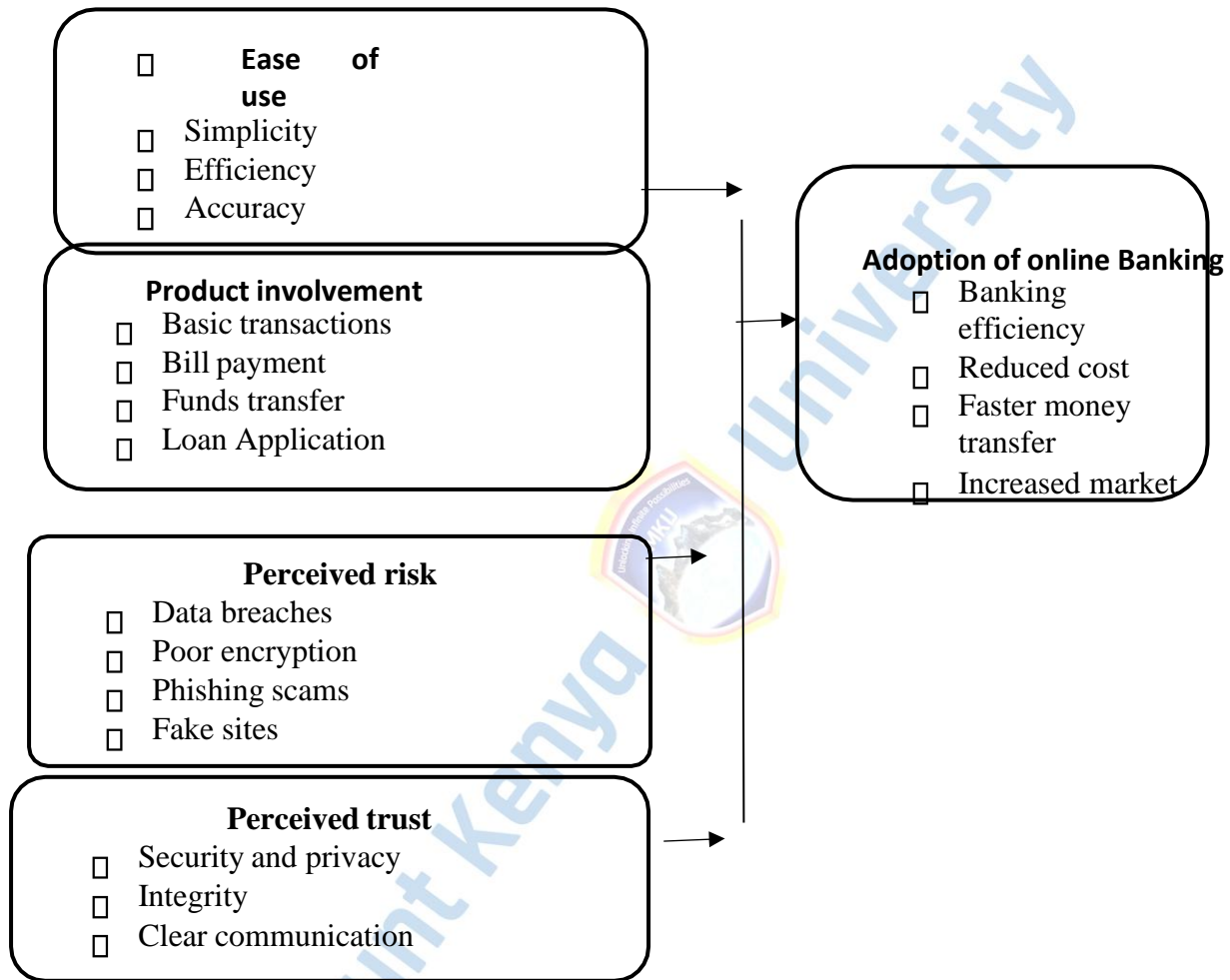
Gichungu and Oloko (2018) assert that increasing consumer confidence in the electronic banking system depends critically on bank trust. Consumer trust in banks is therefore expected to have a negative link with perceived risk regarding the IBS system and a positive correlation with their trust in the bank's ability to provide IBS. Mayer et al. (1995) found that clients are more inclined to use these services when their confidence in banks exceeds their projected dangers. The adoption of online banking has been found to be significantly correlated with trust in the electronic channel

(Dommeyer, 2020).

## 2.4 Conceptual Framework

**Independent variable**

**Dependent**



**Figure 3.1: Conceptual Framework**

(source researcher 2024)

The following image shows a framework that explains what influences people to use online banking. A customer's impression of the online banking system's simplicity and friendliness is a major component in the system's uptake. A system that is easy to navigate can enhance user adoption.

**Product Involvement:** This factor pertains to the level of engagement and interest consumers have in online banking products. Higher involvement can lead to greater acceptance.

**Perceived Risk:** This encompasses the concerns and uncertainties consumers may have regarding the safety and reliability of online banking services. Lower perceived risks are associated with higher adoption rates.

**Trust:** Trust in the bank and its electronic systems is crucial for encouraging consumers to adopt online banking. A higher level of trust can significantly reduce perceived risks and promote usage. These factors collectively shape consumers' attitudes and intentions towards adopting internet banking services..

## **2.4 Recap of Literature Review**

A variety of barriers classified as linked to clients, infrastructure, banks, and government impede the amount of online banking usage. Government policy frameworks are lacking, and infrastructure is either unavailable or unreliable, the absence of financial services and conveniences (such credit cards), the apparent simplicity, safety, and reliability and the potential users' ignorance of the e-commerce industry's enormously beneficial potential are all examples of this. Factors like education level, the availability of IT skills, and the extent to which personal computers and phones are ingrained in society all hinder the adoption of e-commerce. Because it makes a positive first

impression, perceived simplicity of use boosts trust of the online seller when the service is first adopted.

According to the literature, people believe that businesses are investing in their relationships with customers when they find online services to be easier to use. The purpose of this study is to determine whether or not this perspective affects how Equity Bank clients use the online services. It has been noted that trust in the transaction partner affects how risky users view using online banking services. Customers' perceived danger when they shop online is decreased through the use of trust. The research team at Equity Bank set out to find out how reliable their online banking services are. Additionally, it will assess how well the services are working for the intended Kenyan market.

When providing internet banking services, a bank may run into issues with computer illiteracy, internet connectivity issues, customers' lack of confidence in security, customers' ignorance of the services offered, and inadequate infrastructure. These issues will be looked into in the study, and the results will provide suitable intervention strategies that may be used to lessen the effects of these issues at Equity Bank of Kenya.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

Methods utilized in the study's research design were the primary emphasis of this section. The research design, the target population, the sample design, the data collecting processes, and the data analysis are the subheadings that organized it.

### **3.1 Research Design**

This study used a descriptive research approach. Examining the challenges that Equity Bank is facing in introducing online banking was the main objective of this research. To give the researcher a thorough grasp of the study and to accurately and methodically describe the traits and behaviors of phenomena, a descriptive design was chosen. It is believed that the descriptive design is the most appropriate, as stated by Mugenda & Mugenda (2018) when a thorough examination of a single set of respondents is required since it offers targeted and in-depth understanding of phenomena that could otherwise be ambiguous. In order to define the phenomena in question, this research collected and analyzed quantitative and qualitative data.

### **3.2 Target Population**

The branches of Equity Bank in Nakuru County, Kenya, were the intended subjects of the research. This research provided a list of every branch of Equity Bank in Nakuru County, Kenya.

### **3.3 Sampling Design and Procedure**

A purposeful selection process was used to choose the responders from each Equity Branch. Purposive sampling—also known as judgment sampling, according to Sheppard (2016)—involves deliberately choosing informants based on their individual characteristics. Because it is a nonrandom approach, no set number of informants or underlying concepts are needed. In summary, using their expertise or knowledge, the researcher decides what information is needed and then looks for sources who are ready and able to provide it. The study involved a total of 7 respondents

from each department in the 7 equity bank branches in Nakuru County, Kenya as shown. As shown in table 3.1

**Table 3. 1 Equity Bank Departments**

<b>Department</b>	<b>Respondents</b>
Customer service supervisor	7
Account opening supervisor	7
Payment supervisor	7
Operation manager	7
Cash officer	7
Credit manager	7
Bank assurance officer	7
<b>Total</b>	<b>49</b>

*Source (Equity bank Nakuru County branches - Operations department , 2024)*

### **3.4 Data Collection Instrument**

A self-administered questionnaire was used to gather the data. The survey consisted of four pieces. In the survey, both closed-and open-ended questions were used . The researcher found it easier to obtain both quantitative and qualitative information from the respondents as a result. The respondents received the questionnaires via a drop-and-pick method.

### **3.5 Data Collection Instruments**

Since the researcher would be interested in the views, opinions, perceptions, and sentiments surrounding online banking services at Equity Bank in Nakuru County, a questionnaire was utilized as an instrument to collect data for the study. Since questionnaires are dependable and convenient for the study's requirements, they were used.

#### **3.6.1 Pilot Test**

Piloting was undertaken in Equity bank in Nyahururu Town. Cooper & Schindler (2016) state that the goals of piloting are to identify implementation and design flaws as well as to act as a stand-in for data collecting so that a probability sample may be obtained. The study was able to meet its goals and enhance the quality of the data it collects by combining the two. Surveys, tests, and other research instruments had their reliability and validity improved based on the findings of the pilot study.

#### **3.6.2 Validity Test**

It is imperative to verify the authenticity of research instruments prior to initiating the data gathering procedure (Drost, 2017). Mugenda and Mugenda (2019) provide advice on the necessity of proving the validity of research tools in order to attain the desired outcomes. In order to ensure that the tools are reliable, and that reasonable conclusions and opinions may be derived from them, the researcher made sure this would be done. By providing direction and confirming that the study objectives are met by the research instruments, the supervisors contributed to the assurance of content validity. During the pilot project, the questions were reviewed to remove any misunderstandings. The pilot's results were used to enhance research tools' test validity, reliability, and questionnaires.

### **3.6.3 Reliability Test**

The researcher used Cronbach's alpha to check whether the questionnaire's answers were stable and consistent. A resultant score is connected with results obtained from other research instrument items (Sekaran 2016). Following proper completion, questionnaire responses was loaded into the statistical package for the social sciences (SPSS) program and checked for findings' credibility. To ensure that the results are accurate, the same questionnaires were e sent out again after three weeks.

### **3.7 Data Collection Procedure**

The researcher began the inquiry after receiving an introduction letter from Mount Kenya University. Once it is complete, the researcher submitted an application for study permission to NACOSTI. Two papers were sent to the management of Equity Bank outlining the study plan, which provided the researcher access to the workforce. The next step was to tell the participants of the study's goals in order to get their approval to proceed.

### **3.8 Data Presentation and Analysis**

An analysis was performed on the data sets using SPSS Version 25.0, the Statistical Package for the Social Sciences. Coding was done each item on the questionnaire and reference all completed surveys to make data input easier. For every quantitative variable, descriptive statistics like percentages, means, and standard deviations were produced after data cleaning, which entails verifying for input mistakes. Tables displayed the outcomes. Conceptual content analysis on the qualitative data collected from the open-ended questions and then wrote up our results. In order to find out how the independent and dependent variables were related, multiple regression analysis

was used to examine the inferential data. The multiple regression model was presented by the following equation:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where: -

Y= Adoption of online banking  $\beta_0$ =constant  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$  and

$\beta_4$  = regression coefficients  $X_1$ = Ease of use

$X_2$ = Product involved  $X_3$ = Perceived risk  $X_4$ = Perceived

Trust  $\varepsilon$ =Error Term

### 3.9 Ethical Consideration

By obtaining clearance from both the Mount Kenya University ethical review committee and research license from NACOSTI, the researcher committed to meeting the requirements for ethical consideration of study. Furthermore, prior to commencing any research, consent from the participants was obtained by explaining the aim of the investigation and guaranteeing the privacy of their answers. The names of the respondents was anonymous or kept private. By doing this, the responders' anxieties was allayed and were shielded from potential psychological damage.

## CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSION

### 4.0 Introduction

The study's results, including the participants' socio-demographic information and response rate, were detailed in the section that followed. A descriptive analysis was provided for each research objective, offering insights into the key variables under investigation and their respective distributions within the study population. This section serves to contextualize the research findings and lay the foundation for the subsequent discussions and interpretations presented in the study.

### 4.1 Pilot Test Results

To ensure the research instrument was accurate and reliable, a pilot study was carried out at Equity Bank with a sample size of ten participants. Five participants were randomly chosen to make up the sample. Statistical Package for the Social Sciences (SPSS) was used for data analysis. Using Cronbach's Alpha, we evaluated the instruments' dependability. You can see the results in Table

**Table 4.1: Reliability Test Results**

<b>Variable</b>	<b>N</b>	<b>Cronbach's Alpha Value</b>
Ease of use influence adoption of online banking	5	.765
Product involvement on adoption of online banking	5	.703
Perceived risk on adoption of online banking	5	.718
Perceived trust on the adoption of online banking	5	.720

*(Source field data, 2024)*

A Cronbach's Alpha Test was then performed after the questionnaires had been coded. Table 4.1 shows that the Cronbach's Alpha threshold values for all four variables were higher than 0.7.

These were the Cronbach Alpha scores from the pilot study: 0.765, 0.703, 0.718, 0.720, and 0.744.

This suggests the validity of the equipment.

## 4.2 Response Rate

Fowler (2014) states that the number of participants in the sample as a whole divided by the number of people who correctly answered structured questionnaires yields the response rate. To gather information, the study sent out 49 questionnaires. However, 41 questionnaires were accurately filled out and sent back. This meant that 80% of the time, the answer was effective. We also made sure the respondents knew their information would be kept private. A response rate of 60% is considered excellent for analysis, according to Trex (2018), while a response rate of 70% or more is considered exceptional. This indicates that the optimal response rate for data analysis was 80%.

**Table 4.2: Response Rate**

Sampled Returned	No. of No. of	Questionnaires	Response Rate (%)	respondents
49	41		80	

*(Source field data, 2024)*

## 4.3 Demographic Information

### 4.3.1 Gender of the Respondents

The researcher's objective was to determine the percentage of male and female participants. In

Table 4.3, you can see the outcomes.

**Table 4.3: Gender of the Respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Male	21	51
Female	20	49
<b>Total</b>	<b>41</b>	<b>100</b>

*(Source field data, 2024)*

Twenty of the responders were female, making up 49% of the total, while twenty-one were male, making up 51%. The majority of replies seemed to be male, according to this.

#### 4.3.2 Age of the Respondents

Finding out how the participants' ages were distributed was one of the primary goals of the researcher.

Table 4.4 displays the outcomes.

**Table 4.4: Age of the Respondents**

<b>Age</b>	<b>Frequency</b>	<b>Percentage (%)</b>	<b>Source field data, 2024</b>
18-25 Years	1	2.44	
26-32 Years	20	48.78	
33-39 Years	9	21.95	
40- 46years	11	26.83	
<b>Total</b>	<b>41</b>	<b>100.0</b>	

The findings showed that 1 respondent (2.44%) was between the ages of 18 and 25, 20 respondents (48.78%) were between the ages of 26 and 32, 9 respondents (21.95%) were between the ages of 33 and 39, and 11 respondents (26.73%) were between the ages of 40 and 46. This indicates that

the age bracket of 33–39 comprises the bulk of the study's participants, who were investigating the repayment rates of youth groups with regard to government-sponsored loans.

### 4.3.3 Level of Education

The youth fund organization's respondents' educational backgrounds were the focus of the researcher's inquiry. Table 4.5 displays the results.

**Table 4.5: Education level**

Education Level	Frequency	Percentage (%)
KCPE level	00	00
KCSE level	00	00
Certificate level	00	00
Diploma	6	14.6
Bachelor	33	80.5
Post graduate	2	4.9
<b>Total</b>	<b>41</b>	<b>100.0</b>

*(Source field data, 2024)*

The results indicated that exactly zero percent of the people who took the survey had completed the elementary education curriculum in Kenya. Those who had KCSE (Kenya Certificate of Secondary Education) level qualification comprised 00 (00%) while those who were certificate holders comprised 00 (00%). Those who had attained diploma were 6(14.6%) and those with bachelor degree comprised of 33 (80.5%). There were two (4.9%) people in the minority who had

earned a postgraduate degree. These results suggest that most respondents have a decent degree, which helped them comprehend and complete the questionnaire.

#### 4.3.4 Length of Service in Equity Bank

The results of the researcher's inquiry on the average duration of employment at Equity Bank are shown in table 4.6.

**Table 4.6: Length of Service in Equity Bank**

<b>Length in Years</b>	<b>Frequency</b>	<b>Percentage (%)</b>
0-2 Years	6	14.6
3-5 Years	5	12.2
6-8 Years	12	29.9
Above 8 Years	18	43.9
<b>Total</b>	<b>41</b>	<b>100.0</b>

(Source *field data*, 2024)

The findings show that 6 respondents (14.6%) had been employed at Equity Bank for 0-2 years, 5 respondents (12.2%) for 3-5 years, 12 respondents (29.9%) for 6-8 years, and 18 respondents (43.9%) for over 8 years. This indicates that most participants in the study had more than 8 years of experience working at Equity Bank. As a result, the majority of these respondents possess extensive knowledge and experience regarding the operations of the bank.

#### 4.4 Descriptive Statistics

The study interrogated factors influencing adoption of online banking on performance of equity bank ltd in Nakuru county, Kenya. The results were analyzed using the mean and standard deviation.

##### 4.4.1 The Ease-of-Use Influence Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya

An online banking user-friendliness scale from 1 to 5 was used to collect data; 1 meant no effect, 2 meant little, 3 meant moderate, 4 meant large, and 5 meant extremely great. Table 4.5.1 displays the mean values, which represent the respondents' degree of agreement.

**Table 4.7: Extent of Online Line Banking on Ease of Use on Online Banking**

Statements	5	4	3	2	1	Mean	Std
	%	%	%	%	%		
Simplicity	30	39	19	10	2	4.46	0.81
Efficiency	34	48	13	4	1	3.57	0.64
Accuracy	31	38	17	12	2	4.17	0.88
Customization	53	36	16	9	4	4.38	0.81
Accessibility.	30	34	23	7	6	3.34	1.48

*(Source field data 2024)*

Online banking had a very significant influence on the majority of respondents (30%), according to the report, while 39% agreed it had a great impact. Additionally, 19% moderately agreed, 10% agreed

to a low extent, and 2% reported no impact, as a consequence of which the standard deviation was 0.81 and the mean was 4.46. Simplicity, according to 34% of respondents, also substantially encouraged the adoption of online banking, with 48% agreeing to a great extent, 13% moderately agreeing, 4% agreeing to a low extent, and 1% indicating no impact. A standard deviation of 0.64 and a mean of 3.57 were recorded in this area.

In addition, 31% of those who took the survey said that internet banking made transactions much easier, with 38% agreeing to a great extent, 17% moderately agreeing, 12% agreeing to a low extent, and 2% stating no impact. The standard deviation for this factor was 0.88 and the mean was 4.17. Similarly, 35% believed that efficiency was a key factor in embracing online banking, with 36% agreeing to a great extent, 16% moderately agreeing, 9% agreeing to a low extent, and 4% reporting no impact. A standard deviation of 0.81 and a mean of 4.38 were the results of this section of the investigation.

Lastly, the results showed that 30% felt that poor accessibility contributed to the adoption of online banking, with 34% agreeing to a great extent, 23% moderately agreeing, 7% agreeing to a low extent, and 6% indicating no impact, leading to an average of 3.34 with a standard deviation of 1.48. Overall, the findings suggest that the borrowed amount influences the repayment performance of youth groups in the Youth Fund.

#### 4.4.2 The Influence of Product Involvement on Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya

In this survey, we asked participants to rate their level of agreement with the following statement: "Product participation impacts online banking uptake and how it affects Equity Bank's financial performance. The results are displayed in Table 4.5.2.

**Table 4.8: Level of Agreement on the Influence of Product Involvement on Adoption of Online Banking on Financial Performance in Equity Bank**

Level of Agreement	Frequency(n)	%
High degree	9	22
Moderate	26	67
Low	6	11
<b>Total</b>	<b>41</b>	<b>100</b>

(Source field data, 2024)

The majority of respondents agreed to a modest degree, according to the data that they were aware that product involvement enhanced adoption of online banking at 26(67%), those who agreed at a high degree at 9(22%) while those who agreed at low degree comprised of 6(11%). This implied that the most respondents agreed that they were aware that product involvement increased adoption of online banking on financial performance in Equity bank.

#### 4.4.3 The Influence of Perceived Risk on Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya

The purpose of this survey was to gauge the extent to which respondents felt that perceived risk affected Equity Bank's financial performance and the rate of adoption of internet banking, based on a scale from 1 to 5, where 1 signified no effect, 2 low impact, and 3 moderate impact A score

of 4 indicated a moderate effect, while a score of 5 suggested a profound one. Table 4.8 displays the outcomes.

**Table 4.9: The Influence of Perceived Risk on Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya**

	5	4	3	2	1	Mean	Std
Statements	%	%	%	%	%		
Poor infrastructure maintenance.	39	31	18	8	4	4.49	0.97
Power failures	38	44	13	4	1	3.57	0.64
Competition among other banks	31	38	17	10	4	4.72	0.88
Lack of finances	53	35	15	9	5	4.38	0.81
Lack of usefulness in current customers	31	34	23	8	5	3.34	1.48
Legal formalities							
Education level of the leaders	32	34	25	6	3	4.37	0.92

(Source Field Data 2024)

The consequences of inadequate infrastructure upkeep, according to the study's results revealed that a majority of respondents (39%) felt the impact was very significant, while 31% believed it was significant to a great extent. Additionally, 18% moderately agreed, 8% agreed to a low extent, and 4% reported no impact, as a consequence of which the mean is 4.49 and the standard deviation is 0.97.

Concerning the impact of power failures, 38% of respondents agreed it was very significant, with 44% agreeing to a great extent. With 13% in the moderate agreement camp, 4% in the low agreement camp, and 1% indicating no influence, the mean was 3.57 and the standard deviation was 0.64.

Regarding competition among other banks, 31% of respondents considered the impact to be very significant, while 38% agreed it was significant to a great extent. Seventeen percent moderately agreed, 10% agreed to a low extent, and 4% reported no impact, produced a mean score of 4.72 with a standard deviation of 0.88. For the impact of lack of finances, 36% of respondents felt the impact was very significant, while 35% agreed it was significant to a great extent. Fifteen percent moderately agreed, 9% agreed to a low extent, and 5% reported no impact, arriving at an average of 4.38 with a standard deviation of 0.81.

In terms of the lack of usefulness for current customers, 31% of respondents indicated the impact was very significant, while 34% agreed it was significant to a great extent. Twenty-three percent moderately agreed, 8% agreed to a low extent, and 5% reported no impact, resulting in a mean of 3.34 and a standard deviation of 1.48.

Results on the effect of formalities in the judicial system shown that the 32% of respondents felt the impact was very significant, while 34% agreed it was significant to a great extent. Twenty-five percent moderately agreed, 6% agreed to a low extent, and 3% reported no impact, leading to a mean of 4.37 and a standard deviation of 0.92.

Regarding the influence of the education level of leaders, 32% of respondents believed the impact was very significant, while 39% agreed it was significant to a great extent. Eighteen percent moderately agreed, 9% agreed to a low extent, and 2% reported no impact. It yielded 4.76 as the mean and 0.71 as the standard deviation.

Finally, participants were requested to evaluate the impact of trust on the uptake and profitability of online banking at Equity Bank in Nakuru County, Kenya. In Table 4.10, the results are shown up.

**Table 4.10: Evaluation of Influence of the Perceived Trust on the Adoption of Online Banking on Financial Performance in Equity Bank**

<b>Evaluation of Perceived Trust</b>	<b>Frequency(n)</b>	<b>%</b>
Very good	3	6
Good	5	12
Fair	14	35
Poor	19	47
<b>Total</b>	<b>171</b>	<b>100</b>

*(Source field data, 2024)*

The results indicated that majority at 19(47%) showed that it was poor. This was followed by those who indicated that it was very good. The minority 3(6%) indicated that it was very good. These results showed The equity bank's financial performance was positively affected by the rising usage of internet banking due to the perceived confidence.

## 4.5 Diagnostic Test

### 4.5.1 Autocorrelation Assumption Test

The results of the test of autocorrelation assumption are presented in Table 4.11

**Table 4.11: Autocorrelation Assumption Test Results**

Variable	Durbin-Watson
Ease of use influence	1.632
Product involvement	2.435
Perceived risk	2.448
Perceived trust	1.390

(Source, field 2024)

Table 4.11 displays the data demonstrating that the Durbin-Watson statistic for usability influence was 1.632. For product involvement, the Durbin-Watson value was 2.435. Additionally, the Durbin-Watson statistic for perceived risk was 2.448, while for perceived trust, it was 1.390. These findings indicate that the study variables exhibited independence of errors, as they fall within the Durbin-Watson threshold of 0 to 4. There is no autocorrelation when the Durbin-Watson test returns a statistic between 0 and 2.5, which ranges from 0 to 4. Finally, because of their confirmed validity and reliability, the data collection instruments were approved for use in the main research. The instruments were also deemed good by five respondents (12%).

### 4.5.2 Normality Assumptions Test

The data was checked for normalcy using a normality test in the research. In Table 27, you can see the results of this test for normalcy.

**Table 4.12: Normality Assumption Test Results**

Variable	Kolmogorov- Smirnov	Sig
Ease of use influence	.362	.523
Product involvement	.370	.741
Perceived risk	.245	.860
Perceived trust	.252	.609

*(Source, field 2024)*

Since all of the significance values from the Kolmogorov-Smirnov test were more than 0.05, the results of the normality assumption test suggested that the data were regularly distributed.

Specifically, the significance value for Ease of Use influence was  $(p = 0.523 > 0.05)$ , for Product Involvement it was  $(p = 0.741 > 0.05)$ , for Perceived Risk it was  $(p = 0.860 > 0.05)$ , and for Perceived Trust it was  $(p = 0.609 > 0.05)$ . The data followed a normal distribution as all p-values above the significance threshold of 0.05.

### 4.5.3 Multicollinearity Test

Multicollinearity occurs when there is a strong relationship between many independent variables. Determining the distinct contribution of each independent variable to the results can be challenging when multicollinearity exists in a regression model. Table 4.13 presents the findings of the investigation.

**Table 4.13: Multicollinearity Assumption Test Results**

<b>Variables</b>	<b>Tolerance</b>	<b>VIF</b>
Ease of use influence	.528	1.722
Product involvement	.511	1.774
Perceived risk	.613	1.535
Perceived trust	.764	1.402

*(Source, field 2024)*

Results show that the value of the tolerance and variance inflation factors for (tolerance=0.528 and VIF=1.722), (Product involvement =0.511 and VIF=1.774), The tolerance for perceived risk was 0.608 and the VIF was 1.595, while the tolerance for perceived trust was 0.764 and the VIF was 1.402. The results show that the data did not exhibit multicollinearity as none of the four variables had tolerance values lower than 0.10 and none of the VIF values were more than 10.

#### **4.5.4 Homoscedasticity Test Results**

Homoscedasticity describes the relationship between independent and dependent variables when the dispersion of the dispersion is constant across all values of the independent variables. Constant residual terms across observations are expressed. On the other hand, heteroscedasticity problems result from unequal errors. Inaccurate confidence intervals and ineffective parameter estimates are caused by heteroscedasticity. The error term should not vary significantly as the value of the dependent variable changes. In Table 4.14, we can see that the homoscedasticity test yielded a pvalue greater than 0.05.

**Table 4.14: Homoscedasticity Test Results**

Model	Unstandardized		Standardized t	Sig.	
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	.036	.209	.153	.819	
Ease of use influence	.020	.054	.048	-.169	.857
1 Product involvement	.056	.059	.272	1.013	.350
Perceived risk	.039	.034	.073	.220	.853
Perceived trust	.030	.045	.097	-.370	.744

Table 4.14 presents the results, which indicate that the p-values for perceived risk, product engagement, perceived ease of use, and perceived trust were 0.857, 0.350, 0.853, and 0.744, respectively. Since each of these numbers is more than 0.05, it can be concluded that there was no heteroscedasticity issue and that the data was homoscedastic. The findings assisted the investigator in verifying the suitability of the linear regression analysis.

#### 4.6 Inferential Statistics

##### 4.6.1 Correlation Analysis 4. 6.1.1 The Ease-of-Use Influence Adoption of Online Banking on Financial Performance in

##### Equity Bank Nakuru county, Kenya

The purpose of this research was to analyze Equity Bank in Nakuru County, Kenya, to find out how the impact of user-friendliness on online banking uptake and financial performance correlated.

The findings are presented in Table 4.14.

**Table 4.15: The Ease-of-Use Influence Adoption of Online Banking on Financial Performance in Equity Bank**

		Online Banking
Ease-of-use influence	Pearson Correlation	.531**
	Sig. (2-tailed)	.000
	N	41

\*\* . Correlation is significant at the 0.05 level (2-tailed).

The research found a statistically significant and modestly favorable association between the financial performance and at Equity Bank in Nakuru and the impact of Table 4.15 shows that the adoption of online banking is influenced by the convenience of use ( $r = 0.531$ ;  $p < 0.05$ ). This suggests that online banking's growing popularity and simplicity of use have an impact on Equity Bank's financial results.

#### **4.6.1.2 Influence of Product Involvement on Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya**

In order to learn how product participation relates to the use of internet banking and financial performance, the study looked at Equity Bank in Nakuru County, Kenya. Table 4.16 presents the results of the investigation.

**Table 4.16: Product Involvement on Adoption of Online Banking on Financial Performance**

		online banking
Product involvement	Pearson Correlation	.591**

Sig. (2-tailed)	.000
N	41

\*\* . Correlation is significant at the 0.05 level (2-tailed).

Results show a somewhat favorable and statistically significant relationship between product participation and online banking uptake (Table 4.16) in relation to financial performance at Equity Bank in Nakuru County, Kenya ( $r = 0.591$ ;  $p < 0.05$ ). This implies that product involvement has an impact on adoption of online banking on financial performance in Equity bank Nakuru county, Kenya.

#### 4.6.1.3 The Influence of Perceived risk on adoption of online banking on financial performance in Equity bank Nakuru county, Kenya.

This research set out to answer the question, "How does equity bank Nakuru county, Kenya's perception of the risk associated with online banking affect the bank's financial performance?"

. The findings of the study are as shown in Table 4.17.

**Table 4.17: Perceived Risk on Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya.**

	Online banking
Pearson Correlation	.589**
Sig. (2-tailed)	.000
Perceived risk	
N	41

\*\* . Correlation is significant at the 0.05 level (2-tailed).

According to Table 32, there is a somewhat favorable and statistically significant correlation ( $r = 0.589$ ;  $p < 0.05$ ) between perceived risk and online banking. This suggests that internet banking

use was less likely to improve equity bank's financial performance in Nakuru County, Kenya, due to perceived risk.

#### 4.6.1.4 To Establish the Influence of the Perceived Trust on the Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya

The study sought to ascertain the relationship between online banking use and perceived trust in connection to Equity Bank's financial performance in Nakuru County, Kenya. Table 4.18 displays the findings of the investigation.

**Table 4.18: Perceived Trust on the Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya**

		online banking
Perceived trust	Pearson Correlation	.690**
	Sig. (2-tailed)	.000
	N	171

\*\* . Correlation is significant at the 0.05 level (2-tailed).

Online banking adoption was positively and moderately correlated with participants' perceptions of trust, according to Table 4.18 on financial performance at Equity Bank in Nakuru County, Kenya ( $r = 0.690$ ;  $p < 0.05$ ). This indicates that perceived trust positively influences the adoption of online banking, thereby enhancing financial performance at Equity Bank in Nakuru County, Kenya.

#### 4.6.2 Regression Analysis

To determine how perceived trust, perceived risk, product participation, and convenience of use all affect the uptake of online banking, the study used a regression analysis. The results of the model are shown in Table 4.19.

**Table 4.19: Model Summary**

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	Sig.	F
1	.867a	.752	.759	.3561	.000	

How much of the variation in the dependent variable can be explained by the independent variables is represented by the R-squared value. The four independent variables in this research explain 75.2% of the variance in the effect of online banking on Equity Bank's financial performance in Nakuru County, Kenya, according to the R-squared value of 0.752. Others account for the remaining 24.8% of the variation.

**Table 4.20: ANOVA**

Model	Sum Squares	df	Mean Square	F	Sig.

	Regression	28.54	4	6.193	100.308	.000b
		8.444	173			
1	Residual			.1002		
	Total	36.498	171			

a. Dependent Variable: online banking on financial performance in Equity bank Nakuru county, Kenya.

b. Predictors: (Constant), Perceived trust, Perceived risk, Product involvement, Ease-of-use influence.

To evaluate the model's data fit, an analysis of variance (ANOVA) was performed. A p-value of 0.000, which is less than the significance level of 0.05, suggests that the model is statistically significant in predicting the effect of the four independent variables. The fact that the model can predict how the independent variables affected the dependent variable is further reinforced by the fact that the F-value is 100.308.

**Table 4.21: Regression Coefficients**

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		

(Constant)	.071	.103		.280	.717
Ease-of-use influence.	.363	.165	.656	5.540	.018
Product involvement, 1	.206	.121	.249	2.823	.021
Perceived risk	.379	.152	.186	2.216	.076
Perceived trust	.298	.161	.234	3.027	.019

For the proposed study model, Table 4.21 displays the overall significant test findings. The following regression model is used to interpret the reported results.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$$

Therefore,

$$Y = 0.071 + 0.363 X_1 + 0.206 X_2 + 0.379 X_3 + 0.298 X_4$$

Additionally, online banking at Equity Bank would see a 0.363 gain in financial performance for every one unit increase in ease of use, all other factors being kept equal. The effect of online banking on the financial performance of Equity Bank in Nakuru County, Kenya, is 0.071, according to the intercept ( $\beta_0$ ), assuming all four independent variables remain constant. Likewise, a 0.206 improvement in financial performance would result from a one-unit increase in product engagement.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.0 Introduction

In this chapter, All the important points of the research, what they mean, and how we came to our conclusions. The report goes on to suggest next steps and call attention to problem areas that need more research. Finding out what makes people use online banking and how it affects Equity Bank Ltd's performance in Nakuru County, Kenya, was the main goal of the study.

#### 5.1 Summary of Major Findings

The objective of the research was to provide a summary of its key results. The synopsis was arranged according to distinct goals.

##### 5.1.1 The Ease-of-Use Influence Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya

The study's analysis showed that the biggest influence on internet banking's financial performance was ease of use. The research found that the more user-friendly an online banking system is, the more people utilize it. The aggregate findings showed that Equity Bank Nakuru County, Kenya's financial performance is positively impacted by the ease of use of internet banking.

##### 5.1.2 The Influence of Product Involvement on Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya

Online banking adoption is significantly impacted by product participation, according to the study's results, positively affecting financial performance at Equity Bank in Nakuru County, Kenya. The results demonstrated that as more banking products are integrated and offered online, a greater

number of individuals are inclined to adopt online banking services. Overall, the influence of product involvement was shown to influence more people to use online banking, which will boost the bank's bottom line.

### **5.1.3 The Influence of Perceived Risk on Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya.**

Based on the analysis, the findings on perceived risk indicated, indicated that they led to a decline in online adoption of banking system. Led to customers fearing to risk their money.

### **5.1.4 The Influence of The Perceived Trust on The Adoption of Online Banking on Financial Performance in Equity Bank Nakuru County, Kenya.**

The research findings revealed that people's level of confidence in internet banking was a major factor in its popularity, which in turn influenced the financial performance of Equity Bank in Nakuru County, Kenya. The higher the level of trust customers had in the online banking system, the more likely they were to adopt these services, contributing positively to the bank's overall financial performance. Increased trust led to increased adoption of online banking.

## **5.2 Conclusions**

Ease of use was shown to have a fairly favorable and statistically significant link with Equity Bank's adoption of online banking in Nakuru County, Kenya ( $r = 0.531$ ;  $p < 0.05$ ), according to the research. suggesting that the ease of use had a major impact on the bank's decision to implement online banking. The results also showed that there is a somewhat favorable and statistically significant correlation ( $r = 0.591$ ;  $p < 0.05$ ) between product participation and the adoption of

online banking. proving that more people used internet banking when they were actively involved with the offering. Nevertheless, a somewhat unfavorable and statistically significant correlation was discovered between the use of internet banking and perceived risk ( $r = -0.589$ ;  $p < 0.05$ ), suggesting that internet banking was less popular due to increased perceived dangers. By the end of the research, a moderately favorable and statistically significant connection was found between the use of online banking and perceived trust ( $r = 0.690$ ;  $p < 0.05$ ) inferring that the use of online banking services at Equity Bank in Nakuru County was favorably affected by increased confidence.

### **5.3 Recommendations**

The study's author concluded that financial institutions should have the responsibility of teaching customers how to utilize internet banking. The study also recommends that banks to increase product involvement to enhance more online banking. The study recommends that perceived risks should be identified and addressed. The study also recommends that trust should be fostered to attract many customers towards online banking.

### **5.4 Suggestion for Further Studies**

This study suggests more investigation into the challenges of getting big loans using internet banking. Research on the impact of cybercrimes on Equity Bank's online banking should also be conducted.

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## **APPENDICES**

### **Appendix I: Informed Consent Form**

Dear Sir/Madam,

RE: REQUEST FOR YOUR CONSENT TO PARTICIPATE IN A RESEARCH

I kindly write to request for you to participation in a research project. The study title is: FACTORS INFLUENCING ADOPTION OF ONLINE BANKING ON PERFORMANCE OF EQUITY BANK LTD NAKURU COUNTY, KENYA

The potential risks and discomforts of the study are minimal. This is because you will only be anticipated to fill out the survey. We will remind and ask all responders to keep the information

shared secret before they fill out the survey. There are no potential benefits for you as a person for participating in this study. I am requesting you to volunteer and share your opinions. No payments will be made for the information that you give or for the time that you will spend with us. Confidentiality of any information that you provide will be maintained. Once the results are released, all data obtained will be erased and used just for this research.

**Participation in this study is entirely voluntary. You may refuse to fill the questionnaire and you may withdraw at any stage if you so wish.**

Please indicate your agreement to participate in this research by signing below.

Signature of participant: ..... Date: .....

If you have any query, please contact the following:

Mobile phone: +254714252042 Or by email: @gmail.com Sincerely,

Julia Wangari RESEARCHER

### CONSENT

Everything has been explained in depth, and I have had a chance to ask any questions that I may have had. I understand that taking part in this research is completely optional, Additionally, I am not obligated to provide a reason or face any financial repercussions if I decide to withdraw at any point. A copy of this permission form will be emailed to me, and I understand that. My participation in the research is voluntary in light of the above.

Participant's signature Date

Investigator's signature

Date

## Appendix 1I: Research Questionnaire

This research is meant for academic purposes. The aim of the study is to establish FACTORS INFLUENCING ADOPTION OF ONLINE BANKING ON PERFORMANCE OF EQUITY BANK LTD NAKURU COUNTY , KENYA.

Kindly provide your most truthful and accurate responses to the following questions. We promise to keep your answers private. Please refrain from signing this survey. You may either check the corresponding box or fill out the given area with the needed information for each question. Part I:

### Background Information

Age

- |           |                  |
|-----------|------------------|
| 15-19 ( ) | 36-40 ( )        |
| 20-25 ( ) | 41-45 ( )        |
| 26-30 ( ) | 45 and above ( ) |
| 31-35 ( ) |                  |

Sex

Female ( )

Male ( )

Tell me how many years you've spent as an Equity Bank customer.

Below 1 year ( )

Between 1 and 3 years ( )

Above 3 years ( )

In your opinion, how good is the service offered by online banks?

services? Very High  High

Moderate

Low

Very Low

**Section B: Ease of use online Banking**

How long you applied online banking

Less than a year  1- 5 years

6- 10 years

More than 10 years

Your opinion matters on the following aspects of online banking: simplicity of use and security.

Ease of use	Very Good	Good	Fair	Poor	Very Poor
Simplicity					
Efficiency					
Accuracy					
Customization					
Accessibility					
Customer service					

How often do you receive complaints from customers concerning online banking services?

Very Often

Often

Sometimes

Rarely ( )

Never ( )

Do you support customer awareness programmes in internet banking?

Yes [ ] No [ ]

Section C: product involvement on online banking in Equity bank

How often do customers use online banking at Equity?

Very Often ( )

Often ( )

Sometimes ( )

Rarely ( )

Never ( )

Tell me how you feel about these things in relation to internet banking.

Product involvement	Very Good	Good	Fair	Poor	Very Poor
Basic transactions					
Bill payment					
Funds transfer					
Loan application					

How would you rate the following Perceived risk on online banking

Perceived risk	Very Good	Good	Fair	Poor	Very Poor
	Good				
Data breaches					
Poor encryption					

Phishing scams					
Fake sites					

9. How would you rate the following Perceived trust on online banking

Perceived trust	Very Good	Good	Fair	Poor	Very Poor
Security					
Integrity					
Clear communication					
privacy					

The following are Some of the potential elements that can affect Equity Bank's decision to go online for banking. Kindly use the scale of 1-5 to indicate what makes internet banking so appealing to Equity customers. Scale as 1=Not at all, 2=little extent, 3=moderate extent, 4=great extent, 5=very great extent

Factor	1	2	3	4	5
Ease of use					
Product involvement					
Perceived risk					
Perceived trust					

The following are some of the indicators of adoption of online banking in Equity bank. Kindly use the scale of 1-5 to indicate the factors (s) that greatly influence the adoption online banking in Equity . Scale as 1=Not at all, 2=little extent, 3=moderate extent, 4=great extent, 5=very great extent

Adoption of online banking	1	2	3	4	5
Banking efficiency					
Reduced cost					
Faster money transfer					
Increased market share					

**The Challenges Experienced in the Adoption of online Banking**

Skilled workers are essential for launching online banking services. What is your opinion of the Equity Bank employees in charge of the upkeep of the online banking systems?

Poor  Fair  Good  Satisfactory  Excellent

What are some of the human resource related factors that influence the adoption of online banking in Equity bank? Kindly use the scale of (1-5) to indicate the extent of influence of the factor (s) in the adoption of internet banking. Scale as 1=Not at all, 2=little extent, 3=moderate extent, 4=great extent, 5=very great extent

	1	2	3	4	5
Lack of skilled personnel					
Minimum infrastructure					
High costs of IT outsourcing					
Relatively high employee's turnover					
Relatively innovative human resources					

There are common challenges that the bank is likely to experience in the adoption of online banking. Which of the following do you feel have been experienced in Equity bank? Kindly use

the scale of (1-5) to indicate the extent of experience in the adoption of internet banking. Scale as 1=Not at all, 2=little extent, 3=moderate extent, 4=great extent, 5=very great extent

	1	2	3	4	5
Poor infrastructural maintenance					
Power failures					
Competition among other banks					
Lack of finances					
Lack of usefulness in the current customers					
Legal formalities					

17. The following are customer related factors that may influence the adoption of online banking in Equity bank, to what extent do you feel the issues have influenced delivery of internet banking services? Kindly use the scale of (1-5) to indicate the extent of influence of the factor (s) in the adoption of internet banking. Scale as 1=Not at all, 2=little extent, 3=moderate extent, 4=great extent, 5=very great extent

	1	2	3	4	5
Age of the target market					
Occupation and educational level					
Income level					
Computer skills					
Internet banking experience					
Customers attitude towards using the system					

18. Measures in the Process of Implementation of online Banking . Are there any strategic measures that your bank has adopted ill the implementation online banking services? Yes [ ]

No [ ]

In which area of operation does the management greatly focuses on in the process of implementation of online banking services to enhance positive perception of the customers about the product?

Minimizing the associated financial risks [ ] Customer relationship [ ]

Enhancing the security in the services [ ] Marketing the bank products/ services [ ] Efficiency in customer services [ ]

Would you recommend in any other bank that online banking is the way to go in developing modern banking services in Equity banks in Kenya?

Yes [ ] No [ ]

What are your recommendations on the challenges that commercial banks experience in the delivery of online banking services?

Due to consistence experience of online banking challenges by banks, the banks ought to set up strategic measures to minimize their influence in the delivery of services and to enhance in online banking. Do you agree that the following initiatives will help the banks to make improvement in their service delivery in online banking? Kindly use the scale of (1-5) to show how you agree with the 89 statement. Scale as 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree.

	1	2	3	4	5
The bank should involve highly qualified personnel in IT Skills					
More research is required to understand customers' choices					

Marketing and creating awareness of new initiatives in the bank's products will help to change the customers' perception on IB					
The bank should provide simplified systems which are user friendly to a wide range of customers					
The perceived risks associated with online banking should be determined and possible measures taken to encourage acceptance of the internet banking services to the ordinary citizens					

**Appendix III: List of Equity bank branches in Nakuru county, Kenya**

1. Kenyatta Avenue
2. Gate house
3. West side mall
4. Gilgil
5. Naivasha
6. Molo
7. Mai mahiu



# Mount Kenya University



REF: MKU/ISERC/3837

TO: JULIA WANGARI

Date: 03 July 2024

REG: MBA/2023/41258

Dear Sir/Madam,

**RE: FACTORS INFLUENCING ADOPTION OF ONLINE BANKING ON PERFORMANCE OF EQUITY BANK LTD IN NAKURU COUNTY, KENYAP**

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **2881**. The approval period is **03/07/2024 - 02/07/2025**.

This approval is subject to compliance with the following requirements;

- i. Only approved documents including informed consents, study instruments, MTA will be used
- ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **Mount Kenya University** within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
- vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely,

**Dr. Alfred Owino, PhD**  
Chairman, Mount Kenya University ISERC



Main Campus, General Kago Road, P.O. Box 342-01000 Thika.


Cell: +254 709 153 000 | +254 709 153 200

Email: [info@mku.ac.ke](mailto:info@mku.ac.ke), Web: [www.mku.ac.ke](http://www.mku.ac.ke)

Chartered and ISO 9001 : 2015 Certified Institution.

**Unlocking Infinite Possibilities**

## Appendix V: Introduction Letter



# Mount Kenya University

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### DIRECTORATE OF GRADUATE STUDIES

MBA/2023/41258  
3<sup>rd</sup> July, 2024  
National Commission for Science Technology & Innovation (NACOSTI)  
Off Waiyaki Way, Upper Kabete,  
P.O Box 30623- 00100  
NAIROBI, KENYA

Dear Sir/Madam,


**RE: JULIA WANGARI - REGISTRATION NO. MBA/2023/41258**

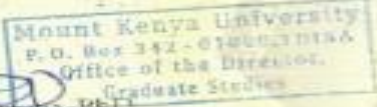
The purpose of this letter is to introduce the above named student who is pursuing **Master of Business Administration** in the department of **Accounting and Finance** in the school of **Business and Economics**.

The title of the research is **"Factors Influencing Adoption of Online Banking on Performance of Equity Bank LTD in Nakuru County, Kenya."** It has been cleared by the University's Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **July, 2024 and September, 2024**.

Any assistance accorded to the student will be highly appreciated.

Thank you.

  
Dr. Samuel M. Karanja, PhD  
Director, Graduate Studies

  
Mount Kenya University  
P.O. Box 342-01000 Thika  
Office of the Director,  
Graduate Studies

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Main Campus, General Kago Road, P.O. Box 342-01000 Thika.  
Cell: +254 709 153 000 | +254 709 153 200  
Email: info@mku.ac.ke, Web: www.mku.ac.ke  
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Appendix VI: NACOSTI Permit

  
REPUBLIC OF KENYA

  
NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY & INNOVATION

Ref No: **818188** Date of Issue: **01/August/2024**

**RESEARCH LICENSE**



**This is to Certify that Ms. JULIA WANGARI KIAMBUTHI of Mount Kenya University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nakuru on the topic: FACTORS INFLUENCING ADOPTION OF ONLINE BANKING ON PERFORMANCE OF EQUITY BANK LTD NAKURU COUNTY, KENYA for the period ending : 01/August/2025.**

License No: **NACOSTI/P/24/38619**

**818188**

**Applicant Identification Number**

  
**Director General**  
**NATIONAL COMMISSION FOR**  
**SCIENCE, TECHNOLOGY &**  
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# Appendix VII: TURNITIN REPORT



Page 1 of 125 - Cover Page

Submission ID trn:old::1:3045981875

**JULIA WANGARI**

## **FACTORS INFLUENCING ADOPTION OF ONLINE BANKING ON PERFORMANCE OF EQUITY BANK LTD IN NAKURU COUN...**

- Researches
- Research
- Mount Kenya University

### Document Details

Submission ID  
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File Name  
FACTORS\_INFLUENCING\_ADOPTION\_OF\_ONLINE\_BANKING\_ON\_PERFORMANCE\_OF\_EQUITY\_BA....docx

File Size  
662.3 KB

114 Pages

20,673 Words

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Page 1 of 125 - Cover Page

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