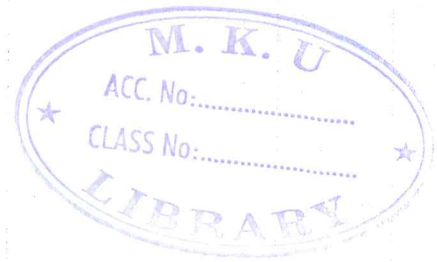


FACTORS AFFECTING M-PESA BANKING SECTOR PERFORMANCE IN KENYA(A survey study of M-pesa Agencies in Nairobi county)

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## ABSTRACT

The survey study was conducted on all M-pesa Agents in Nairobi County on factors affecting M-pesa banking in Kenya. The objectives of the study were ;To find out how competition, government policy, operational cost, technology and staff training affects M-pesa growth and performance in Kenya. The study benefited owners whereby they got ideas on the ways in which they can enhance high growth rate in their business in Kenya.

Several lessons learnt from M-pesa rollout in this Kenyan experience were identified for future researchers and practitioners. The study used descriptive research design with a target population of 700 respondent and a sample size of 180 respondents were selected from 600 respondent who responded to questions using stratified random sampling technique. The data was collected by use of questionnaires which were both closed and open ended and analysed by use of quantitative and qualitative research methods. For effectiveness in enhancement of M-pesa growth, there is need for a better strategy to fight competition which is growing from other service providers who are entering the market eg equitel.

There is great concern for investors in this line of business to have an understanding of the government policies which have been set to control the operations of this line of business.

The training of the key stakeholders in the running of the M-pesa agencies need to be given in the two faces on job and off job training. The off job training should be under taken first and then later on the on job training should be given.

The cost of operating the business need to be keenly monitored in order for the management to have an understanding of the key areas where the cost are high.