

**FACTORS INFLUENCING ADOPTION OF INTERNET BANKING IN KENYA:
(A CASE OF BARCLAYS BANK OF KENYA)**

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**A RESEARCH PROJECT SUBMITTED TO SCHOOL OF BUSINESS AND
ECONOMICS IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE
AWARD OF DEGREE IN BACHELOR OF COMMERCE OF MOUNT KENYA
UNIVERSITY**

JUNE 2015

ABSTRACT

Internet banking offers many benefits but little research has been done about its acceptance in Kenya. This study aims at assessing the factors that influence the adoption of internet banking in Kenya, the factors include demographic factors; consumers perceptions and attitudes" toward internet banking; social influences influencing the decision to adopt internet banking This research has utilized Rogers, (1995) diffusion of innovation model to understand the diffusion of new innovation (internet banking) among consumers. The research was conducted using a descriptive survey research design and the data was collected using questionnaires which were administered in seven branches of Barclays Bank. A sample of 196 subjects was selected through proportionate stratified and simple random sampling technique from the accessible population. The findings were analyzed and presented in frequency tables. The hypotheses of this research were tested with a chi- square test and independent sample t-test. A chi-square test was used to test for relationship between consumers' demographic characteristics and the adoption of internet banking. Also relationship between consumer perception and attitude and use of internet banking was tested using chi-square. The key findings revealed that demographic factors including age, income, education level and occupation have a relationship with the adoption of internet banking. Psychological factors including perceived relative advantage, perceived compatibility, perceived complexity, perceived risk, and perceived cost were found to influence the adoption of internet banking. Social influences including opinions of friends, parents and colleagues were not found to be significant factors to influence the adoption of internet banking in Kenyan context.