

**INFLUENCE OF MOBILE BANKING SERVICES ON CUSTOMERS'
SATISFACTION AMONG RETAIL ENTERPRISES IN NAKURU CENTRAL
BUSINESS DISTRICT, KENYA**

NGUYO ANNE WANJIRU

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DECLARATION AND APPROVAL

Declaration by the Student

This research project is my original work and has not been presented for a degree in any other University or for any other award.

Signature.......... Date 28th October 2024

NGUYO ANNE WANJIRU

MBA/2022/35547

Approval by the University Supervisor

I hereby confirm that this research project was carried out under my supervision by the above mentioned candidate.

Signature..........

Date 28TH October 2024

Dr. Jacqueline Omuya, PhD, CHRP(K).

**Department of Management School of Business and Economics
University**

Mount Kenya

DEDICATION

This project is dedicated to my family, the pillar to which I found support, and to every child that believes in dreams and hard work.

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I would like to thank God for life and grace to go through everything. I am grateful to the MKU fraternity for giving me a chance to study and work on my dreams. I would also like to thank my supervisor, Dr. Jacqueline Omuya, for your exemplary guidance and support throughout my work, and making me believe in myself. The world needs more people like you. Many thanks to my close friends that walked with me through this.



ABSTRACT

Despite the number of efforts made by financial institutions to offer mobile banking services and the growing uptake of these options by customers, there was a crucial need to assess whether these services effectively met customer needs. In recent years, particularly since the beginning of the COVID-19 pandemic, there had been a key increase in the usage of mobile phones for financial transactions. In this digital age, mobile banking emerged to play a crucial role in monetary transactions, which revolutionized how people conducted businesses and managed their finances. The main objective of this study was to explore the impact of mobile banking services on customer satisfaction among retail enterprises in Nakuru CBD, Kenya. The specific objectives for this project included analyzing the effect of security features on customer's satisfaction among the retail enterprises in Nakuru CBD, Kenya; identifying the effect of user interface design on satisfaction levels of customers among retail enterprises in Nakuru CBD, Kenya; determining the effect of customer support service on customer satisfaction among the retail enterprises in Nakuru CBD, Kenya; and identifying the effect of lifestyle changes on customer's satisfaction among the retail enterprises in Nakuru CBD, Kenya. The methodology for this study used a detailed literature review to determine the factors that influence customer satisfaction when it comes to mobile banking by focusing on security features, user interface, customer support service, and lifestyle changes that are brought when adopting mobile banking in business transactions. The study used a descriptive survey research design to target retail enterprises in Nakuru CBD. The study was guided by theoretical frameworks, including TAM (Technology Acceptance Model), SERVQUAL (Service Quality Model), and CRM (Customer Relationship Management). The research methodology used a descriptive survey research design targeting retail enterprises who uses mobile banking for their daily financial transactions in Nakuru CBD as the study population. It used purposive sampling techniques to select a sample population of 175 participants, to participate in the study through self-administered questionnaires. However, only 160 retailers in Nakuru CBD accepted to participate in the study. Out of this number 145 questionnaires were completed and returned while 15 were unreturned. The respondents comprised retail traders from Nakuru CBD. The retail enterprises in Nakuru CBD were selected because they represented a key demographic for understanding the influence of mobile banking services on levels of customer satisfaction. The minimum number of respondents was arrived at using Slovin's formula, with a sum population of 175 respondents and a margin of error of 4%. The data analysis involved the use of descriptive and inferential statistics, which included frequencies, percentages, means, standard deviations which were facilitated by the SPSS (Statistical Package for Social Sciences). By examining the role of mobile banking services in enhancing customer satisfaction among retail enterprises, this study intended to contribute valuable insights to the field, informing the development of customer-focused mobile banking solutions and fostering stronger relationships between financial institutions and their customers.

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LIST OF ABBREVIATIONS AND ACRONYMS

Apps	Applications
CES	Customer Effort Score
COVID-19	Corona Virus.
CSAT	Customer Satisfaction Score
FINTECH	Financial Technology Companies
GDP	Gross Domestic Product
KNBS	Kenya National Bureau of Statistics
MFA	Multi-Factor Authentication
MSMEs	Micro Small and Medium Size Enterprises
NPS	Net Promoter Score
SERVQUAL	Service Quality Model
SMEs	Small and Medium Enterprises
SPSS	Statistical Package for Social Sciences
TAM	Technology Acceptance Model

CHAPTER 1: INTRODUCTION

1.1 Background to the Study

Nakuru Town which was recently elevated to city status and became a bustling hub of commercial activities. It emerged as key player in the country's Gross Domestic Product (GDP). Situated in Nakuru County, the agricultural-based county experienced a rapid surge in commercial endeavors within its Central Business District (CBD). This necessitated most business to adopt efficient and modern financial services so as to ensure convenience and efficiency in service delivery.

Recognizing this need, a wave of Financial Technology (Fintech) companies who offer innovation and technology such as digital payment methods and online mobile banking flocked the city. Each had vied to offer solutions to the growing retail MSMEs in the county. These Fintechs presented different mobile banking products each offering same technological services. Since these products are almost similar in design and usability, most businesses enhanced their selection process to focus more on their satisfaction. They emphasized factors such as security, personalized assistance in resolving issues, service quality, and responsiveness usage.

Globally, the study by Fianto (2021) on Indonesian Islamic banks highlighted the critical role of the quality of service in shaping levels of customer satisfaction with mobile banking. The study observed that 82% of respondents viewed quality of service as a vital factor of

their satisfaction. This emphasized the global importance of delivering exceptional service experiences to foster loyalty from customers, particularly in the perspective of Islamic banking.

Regionally, Amin, Onyeukwu, and Osuagwu (2018) conducted research in Nigeria to scrutinize the association between e-banking quality of service and levels of customer satisfaction. Their data showed that 75% of respondents reported higher satisfaction levels when service quality was perceived as high. In addition, TC, GA, and NOA (2015) investigated the impact of the reliability of the service, responsiveness, and assurance on satisfaction of the customer with online banking in Nigeria. The study showed that over 80% of respondents rated reliability as the most critical factor influencing their satisfaction. These regional studies showed the importance of enhancing the quality of the service that is being delivery in enhancing customer satisfaction within the financial sector in Africa.

Nationally, studies by Kones (2014) and Maina and Mungai (2019) in Kenya provided insights into the adoption of mobile banking and its impact on customers and financial institutions. However, there was a noticeable gap in the literature concerning the specific challenges and opportunities faced by retail enterprises in Nakuru regarding mobile banking services and customer satisfaction. With over 7.4 million SMEs in Kenya, accounting for slightly over 83% of employment opportunities (CNBC Africa, 2020), there was a critical need to understand how mobile banking could better serve this sector.

Locally, in Nakuru CBD, the SMEs make up 90% of all businesses. They played a weighty role in employment and the growth of the economic in the county (County Government of

Nakuru, 2022). This study pursued to fill in the present gap by looking into how mobile banking services is enhancing customer satisfaction among retailers in Nakuru CBD. This would be beneficial for local business strategies and the development of policies.

Additionally, there had been recent studies that had shown the major role that is being played by customer service in influencing the choices made by customers and their loyalty. Khot (2019) in his studies found out that customer services ranked at 70% compared to the quality of product (30%) and its pricing (24%) in influencing the choices of consumer and their loyalty. This showed that there was a requirement to recognize the different factors that impact customer services and ways in improving them to enhance loyalty to the products of the bank.

1.1.1 Mobile banking services

Mobile banking can be defined as the process transferring and receiving funds through mobile phones. The usage of mobile banking witnessed significant growth and changes since it was incepted over two decades ago (Chauhan et al., 2023). It was spearheaded by telecommunications giant Safaricom when they introduced Mpesa. Since then the industry saw considerable growth whereby nowadays the transactional volumes reach billions of Kenyan shillings. According to a study by the Central Bank of Kenya using phones to make financial transactions in Kenya reached Sh. 6.9 trillion in 2022 (Central Bank of Kenya, 2022). This innovation enhanced financial transactions by making them more secure and easily accessed. This reduced the reliance of physical cash transactions.

For retailers, mobile banking had been a blessing when it comes to accessibility of their financial transactions. A study conducted by the World Bank showed that mobile banking

had significantly enhanced the satisfaction of clients by offering services through mobile devices such as fund transfers, bill payments, and account management. The investigation also determined that using mobile banking may lead to more clients being satisfied because it is convenient fast, and easily accessible. This was beneficial especially in areas with limited access to the traditional physical banks (World Bank, 2020). In other words, this means that businesses could manage their funds efficiently if they could be able to integrate mobile banking with their financial systems. They could also expand their customer base. This was in turn helped enhance the satisfaction levels of retailers all around the world. Nakuru CBD retailers had also seen the benefits from mobile banking.

1.1.2 Customer satisfaction

Level of customer satisfaction is a key measure in evaluating sentiments of consumers towards products, services, and brand experiences. This is an important metric for organizational success (Khaleel et al., 2023). Through the conduction of satisfaction surveys, organizations could get valuable information into customer preferences, identify areas for improvement as well as cultivate loyalty among their customer base.

For financial institutions which mostly deal with delivering of service, satisfaction of their customers is an essential factor in their success. Gunawardane (2022) emphasized that while financial viability and risk management were primary objectives of financial institutions, providing satisfactory services and enhancing customer experience were equally important. This means that by providing secure and user friendly mobile banking apps, they could highly enhance the satisfaction levels of their clients. This was found to be true as highlighted by Ruto (2016) whose study found that 82% of retail enterprises reported higher customer

satisfaction levels after adopting mobile banking services in Nakuru. This local perspective aligns with the broader trends observed globally, continentally, and nationally, stressing the status of mobile banking in enhancing customer satisfaction and business efficiency.

1.1.3 Retail enterprises

Retail enterprises play crucial role in the economy of Kenya by significantly contributing to employment and GDP. According to the KNBS, both the retail and wholesale sectors were ranked third in creating jobs for the private sector and fifth in contributing to the GDP. Almost 90% of all working Kenyans work in the informal sector. The majority of these were in the wholesale and retail industries. These two industries not only provide employment opportunities but also supports the country's digital transformation agenda. The growing ecommerce market was projected that it would grow at a yearly average of 16.4% by 2025 (KNBS, 2024).

Although the retail enterprises in Nakuru CBD operating in the midst of challenging economic landscapes that were characterized by high taxation and currency fluctuations, they demonstrated resilience and adaptability. Most had adopted mobile banking solutions for their financial transactions in order to sustain and expand their operations. Fintech companies intensified competition within this market segment, offering innovative features such as short-term credit facilities to facilitate inventory management and business expansion (Nzabirinda, 2019). In Nakuru CBD, diverse retail establishments ranging from hardware and electronics stores to fast-moving consumer goods retailers and beauty/cosmetics outlets show the importance of the retailing sector in enhancing employment and contributing to growth of the economy. The strategic location of Nakuru

town along major highways aided its advancement as a commercial center. Retail enterprises had contributed significantly to employment and economic activities in the region (Jua Kenya, 2023)

1.2 Statement of the Problem

Despite the number of efforts that had been made by financial institutions to offer mobile banking services, and the growing usage of these options by customers, there is a crucial need to assess whether these services effectively met the needs of the customer. In recent years, particularly since COVID-19 pandemic engulfed the globe, there had been a momentous increase in the use of mobile phones for financial transactions. This had been credited to increased acceptance of cashless transactions by both firms and households. As a result of this rise, financial institutions tried to adapt and offer customers a range of mobile banking options for self-service. This study aimed at examining various aspects of mobile banking, including security, ease of use, customer service support, and impacts on lifestyle, in order to gain deeper insights into how these factors contributed to customer satisfaction.

Despite the increased number of mobile banking services and Fintech solutions, there existed a gap in understanding the detailed impacts of these innovations on the operations and performance of retail enterprises in Nakuru CBD and the general satisfaction of customers in the area. There were studies that had been conducted on the interplay of electronic banking and satisfaction of customers, loyalty, progress of micro and small enterprises as well as the financial performances of commercial banks in Kenya. Nonetheless, there still remained a relatively large research gap on the impacts of mobile banking service on the satisfaction levels of retailers in the newly formed Nakuru City. This knowledge gap needed to be filled

so as to fully understand the satisfaction levels with mobile banking services so as to make informed decision on improvements. While customer satisfaction was recognized as a critical basis of business success, specific factors influencing satisfaction levels within the context of mobile banking services in Nakuru CBD had not been explored adequately. Financial institutions need to understand these issues in order to enhance their overall customer services.

Additionally, there were many benefits created by mobile banking services. However, there were still many retailers in Nakuru CBD who were still facing challenges when it comes to adopting and using mobile banking services. Some of these challenges included technological literacy, limitations in accessibility or fears when it comes to security and privacy when it came to mobile banking platforms. For financial institutions to foster trust and confidence in mobile banking, they had to find ways to deal with these challenges. This would enable them to reduce potential financial losses as well as damage to their reputation. Notwithstanding the growing reputation of mobile banking in the country, still there remained a research gap in examining its impact on retailers within Nakuru CBD. This gap showed that there was a need for a detailed study that sought to explain the impacts of using mobile banking to enhance satisfaction of customers.

This study wanted to investigate the effects of mobile banking on retailers within Nakuru CBD by focusing on customer satisfaction. By looking for solution to these issues, the research aimed to provide important data that could make it easy to make strategic decisions and policies that could foster sustainable growth and development within the retail sector in Nakuru CBD.

1.3 Purpose of the Study

The purpose of this project was to look at the impacts of services of mobile banking on customer satisfaction among retailers in Nakuru CBD. It focused on security features, user interface design, customer support services as well as the influence of lifestyle changes in order to uncover how these factors contributed to overall satisfaction of retailers using mobile banking in Nakuru CBD.

1.3.1 Specific objectives

The following specific objective drove this study:

- i. To analyze the effect of security features on customer's satisfaction among the retail enterprises in Nakuru CBD, Kenya
- ii. To identify the effect of user interface design on customer's satisfaction among the retail enterprises in Nakuru CBD, Kenya.
- iii.

To determine the effect of customer support service on customer satisfaction among the retail enterprises in Nakuru CBD, Kenya.

- iv. To identify the effect of lifestyle changes on customer's satisfaction among the retail enterprises in Nakuru CBD, Kenya.

1.4 Research Questions

So as to determine objectives for this study and drive research accordingly, the research questions below were formulated:

- i. What were the specific effects of security features on customer satisfaction among retail enterprises in Nakuru CBD, Kenya?

- ii. How did user interface design impact customer satisfaction among retail enterprises in Nakuru CBD, Kenya?
- iii. What was the influence of services that support customer on overall customer satisfaction among retail enterprises in Nakuru CBD, Kenya?
- iv. How did lifestyle changes affect customer satisfaction among retail enterprises in Nakuru CBD, Kenya?

1.5 Significance of the Study

The data from this study is crucial to the retail enterprises. If they had the knowledge of the effects of mobile banking in satisfying their needs, it would assist them in making decisions on their finances especially on saving, borrowing and also moving money.

The findings will also be of great significance to the financial institutions seeking to improve their customer experience through mobile banking. Mobile banking is the new strategy in reducing foot prints in the banks. Financial institutions could use this to identify the needs of the customers and make decisions on what to introduce, improve and probably eliminate.

The data from this study would also be of prominence to other researchers seeking to understand how mobile banking affects customer satisfaction.

1.6 Scope of the Study

The study paid attention to the impacts that services of mobile banking had on retailers who use mobile banking to conduct their daily financial transactions within Nakuru CBD. The focus was on how these retailers were satisfied with mobile banking services in relation to accessibility, ease of use, problem solving and also in line with the changing lifestyle trends

keeping in mind that time is changing and they needed to adapt to the new ways of doing things. This study was conducted between January and October of 2024. This period has witnessed an increased adoption of mobile banking services to conduct businesses. As a result, it has allowed for an in-depth analysis of how mobile banking has adapted and influenced the changing market demands and customer expectations in recent years.

1.7 Study Limitations

Conducting this study came with challenges that included but not limited to financial constrain and also the challenge of engaging with the sample population on ground. With the security issues affecting Kenyans in regards to Mobile banking, respondents tended to be very discrete about their financial information. The financial constraint was addressed by optimizing resources through the selection of a smaller, yet representative sample population, which allowed for efficient data collection within a limited timeframe. This approach helped minimize costs that were associated with the research process. The challenge of engaging the sample population was overcome by prioritizing building trust by clearly emphasizing the confidentiality of the data that is given by those who responded. Participants were also presented with all the necessary approvals and documentation to reassure them that the research is legitimate and that their data would be handled securely and ethically.

1.8 Delimitation of the Study

This study gave a high priority and focus to the retail enterprises in Nakuru CBD, Kenya who use mobile banking to conduct most of their financial transactions on a daily basis.

1.9 Assumptions of the Study

This study worked under several vital assumptions. First, it assumed that mobile banking had become an critical service for retail enterprises in Nakuru CBD. This increased the need for convenient and accessible financial transactions especially after the struggle with COVID-19 pandemic. Additionally, it assumed that the satisfaction of customers is impacted by a combination of factors such as security features used mobile banking platforms, the design and usability of their interfaces, the quality of customer support services, and the lifestyle changes that accompanied the shift to digital banking. The research further assumed that the retail enterprises in Nakuru CBD were representative of a broader urban demographic and that their experiences with mobile banking services could provide valuable information for similar settings. Moreover, it assumed that despite the amplified adoption of mobile banking, challenges like security concerns and the sensitivity of financial information impacted the willingness of participants to engage fully in the study.

1.10 Definition of Key Terms.

Financial services: These are the economical services that are provided by finance institutions, such as an extensive range of businesses that manage finances, like banks, credit unions, companies of insurance, credit-card companies, investment funds, accountancy companies, government sponsored enterprises and stock brokerages.

Mobile banking: This refers to the using of smartphones or other cellular gadgets to accomplish online banking services such as paying bills, monitoring account balances, locating ATM machines and transferring funds between accounts.

Retail enterprises: These are businesses that purchase goods from wholesalers or manufacturers and sell them in small quantities to the consumers for profit.

Customer satisfaction: This is a degree of how products and services that are supplied by a company are able to fulfill or surpass the expectations of the customer.

Bank footprint: This refers to the number of people physically visiting any financial institutions.

Net Promoter Score: This is a score that looks at the chances of customers endorsing a product or service to others.

Customer Satisfaction Score: This is a score that looks at general satisfaction of customers with a service or product.

Customer Effort Score: This is a score that measures the ease of using mobile banking services.

Retention Rate: This is a tally that measures percentages of customers who remain using a service or product for a specific period.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This chapter reviewed some of the various studies that had been conducted on mobile banking services and their impacts on customer satisfaction both locally, nationally, regionally and internationally by illustrating the research gaps that exist. Additionally, looked at various theories that guided this study and provided the conceptual framework. Finally, it provided a brief of the empirical literature.

2.2 Empirical Literature

2.2.1 Introduction

In this section, this study focused on existing empirical studies to gain insights into the association that exist between mobile banking services and the satisfaction of the customers. By looking at these studies, this section aimed at identifying gaps in the literature that this research sought to address, especially in the context of retail enterprises in Nakuru CBD.

2.2.2 Service quality and customer satisfaction

Globally, Fianto (2021) looked at the eminence of mobile banking services and its effect on the satisfaction of the customers. His research specifically focused on Indonesian Islamic banks. Through the analysis and research this study was able to shed some crucial light on the important role that is played by the superiority of service in influencing customer satisfaction levels within the context of Islamic banking. With a sample size of different customers from various Indonesian Islamic banks, the study revealed that 82% of respondents considered service quality as a crucial factor influencing their satisfaction levels.

As a result, this study was able to emphasize the importance of delivering exceptional service experiences to foster satisfaction among customers.

Regionally, Amin, Onyeukwu, and Osuagwu (2018) conducted a detailed study examining the association that exist between e-banking, the quality of the service and customer satisfaction within selected Nigerian banks. Their research involved surveying several bank customers across different regions of Nigeria. The findings showed a positive correlation between the scope of the quality of service and customer satisfaction levels. Specifically, 75% of respondents reported a higher satisfaction level when service quality was thought to be high. This suggested that improvements in the quality of service contribute to enhanced satisfaction among bank customers. Adding on this theme in the same region, TC, GA, and NOA (2015) investigated the superiority of the service and customer satisfaction with online services offered by various Nigerian banks. With a sample size of online banking users, the findings of that research showed the prominence of having reliable service, responsiveness, and assurance in shaping the satisfaction of customers with online banking experiences. Over 80% of respondents rated reliability as the most critical factor influencing their satisfaction with online banking services.

Nationally, there were studies that had been conducted to explain the importance of the superiority of the service in enhancing customer satisfaction. The quality of the service is a vital factor that drive the satisfaction of customers in the Kenyan banking industry. Bitta (2014) stated that there is an affirmative association between the quality of service and customer satisfaction. High quality of the service led to increased rates of retaining customers. This statement is further supported by the Kenya Bankers Association Customer Satisfaction Survey that was conducted in 2024. This survey showed that banks that were

rated highly when it comes to the delivery of service to their clients improved their customer satisfaction levels from 82.7% in 2019 to 96.2% in 2021 (Kenya Bankers Association, 2024). These findings highlight the importance of sustaining high standards when it comes to the delivery of service as it would help in enhancing the satisfaction and devotion of the customers in the banking sector.

Locally, there had also been studies that confirmed that the superiority of service is an important influence in determining the satisfaction levels of customer within the banking sector in Nakuru. Auka (2014) found a key positive association between the quality of service that is being offered and customer satisfaction. This emphasized the notion that higher service quality mostly leads to more customers remaining loyal. These sentiments were seconded by the Kenya Bankers Association's Customer Satisfaction Survey of 2024. In this survey it was revealed that banks in Nakuru that had superior quality in delivering their service had an increase in satisfaction levels of their customers from 75% in 2019 to 89% in 2021 (Kenya Bankers Association, 2024). These findings show that it is necessary for banks in Nakuru to raise the quality of service they give to their clients so as to ensure that customers were satisfied and retain a competitive advantage.

With over 7.4 million SMEs in the country, representing 80% of employment opportunities, there is a pressing need to understand how mobile banking services could better serve this critical sector (World Bank, 2020). Existing studies primarily focus on the banking sector and their customers. Most had overlooked the unique requirements and constraints of retail enterprises, particularly in local contexts like Nakuru CBD. Given that SMEs account for 90% of businesses in Nakuru CBD and contribute significantly to employment and economic growth, understanding their unique challenges in adopting mobile banking solutions is

important (County Government of Nakuru, 2022). And so, this research aimed at bridging this gap by investigating the role of mobile banking services in enhancing customer satisfaction among retail enterprises in Nakuru CBD. It offers valuable information that could inform policies and business strategies at the local level.

2.2.3 Mobile banking and customer satisfaction

Globally, there had also been studies that focused on mobile banking and how they influenced customer satisfaction. Chauhan, Chauhan, and Gaywala (2023) significantly contributed to the literature by conducting a thorough analysis of mobile banking and its impacts on customer satisfaction. Their research involved conducting a survey on various mobile banking users across various demographics in India. This provided good information into the key influences of satisfaction of customers in mobile banking field. According to their findings, more than 80% of respondents confirmed their satisfaction with mobile banking with security of the apps among their attraction. This study showed that mobile banking apps were continually attracting customers as they offer more satisfaction through some of their features like security.

When it came to regional studies that had been conducted on mobile banking and customer satisfaction, Khaleel et al. (2023) made a breakthrough in their study. They explored the impact of mobile banking services on customer satisfaction as well as the elements influencing the intentions of the user to use them on four different banks in Libya. They used a sample size of mobile banking users from diverse backgrounds. The findings from this study indicated the important role that is played by mobile banking services in enhancing customer satisfaction. The findings revealed that 80% of users reported increased satisfaction levels with mobile banking services. Most of the respondents attributed their satisfaction

levels to the convenience (72%), accessibility (68%), and efficiency (65%) that was being offered by such services. Additionally, the study showed key factors that were driving the adoption of the users and their intentions. On this regards, 75% of respondents stated that they would keep on using mobile banking services in their future transactions. These findings show the significance of mobile banking in transforming customer banking experiences and driving satisfaction among users.

In Kenya, mobile banking played a decisive role in transforming the performance of many small businesses. Kibui (2016) did a study on impacts of mobile banking on the performances of SMEs in Thika Town. She found out that various mobile banking services such as payments, savings, and money transfers were important in facilitating the growth of SMEs in Thika which led to their satisfaction. The research showed that mobile banking enhances the efficiency of the delivery of service which in turn helps enhance customer satisfaction thereby leading to better business performance. Data from the study showed that 85% of SMEs that use mobile banking services experienced improved efficiency in their operations which in turn led to satisfaction of those businesses. This national outlook showed the important part played by mobile banking in enhancing customer satisfaction and business efficiency in Kenya.

In Nakuru, mobile banking had a key impact on the level of customer satisfaction among retailers. A study conducted in Nakuru CBD by Ruto (2016) found that mobile banking services such as transfers, account management and payments enhance customer satisfaction significantly because it provided convenient and efficient financial solutions. The research indicated that the acceptance of mobile banking services leads to improved levels of customer satisfaction and business performance among retail enterprises in Nakuru.

Specifically, the study found that 82% of retail enterprises reported higher customer satisfaction levels after adopting mobile banking services. This local perspective aligns with the broader trends observed globally, continentally, and nationally. This highlights the importance of mobile banking in enhancing customer satisfaction and business efficiency.

All these studies did a detailed analysis of mobile banking and customer satisfaction at all levels. However, there still remained a significant gap in the research especially one that concerns the specific needs and experiences of retail enterprises in Nakuru CBD. While studies by Chauhan et al. (2023), Khaleel et al. (2023), and Kibui (2016) had shown the overall positive impact of mobile banking on customer satisfaction, these works failed to deliver a focused analysis on how local retail enterprises navigate mobile banking features and their unique challenges in adopting such services. Moreover, Ruto's (2016) research on Nakuru CBD provided important information into some of the benefits that were brought by mobile banking for retailers. However, it did not go deeper into features that were centered on the customer such as user interface design, lifestyle changes or personalized customer support, which could all influence their satisfaction levels. This study, consequently, looked to fill this information gaps by looking at the relationship that exist between mobile banking services and customer satisfaction. Nevertheless, this study dug deep into conducting a comprehensive analysis of mobile banking features such as user interface, lifestyle changes, security features, and customer support among retailers in Nakuru CBD. Consequently, this research would avail information that would make it easy to enhance mobile banking solutions that were tailored to local business needs.

2.3 Theoretical Framework

There were various theories whose argument guided this study. These models included TAM, SERVQUAL , and CRM.

2.3.1 Technology acceptance model (TAM)

TAM is an important models used to understand how users adopt new technologies (Alsyouf et al., 2023). It was formulated by Fred Davis in the late 1980s and early 1990s but went on to remain relevant up to today as it offers a structured approach to understand how people use technology. The system is useful because two key factors were used to gauge technology and how it is used by individuals. Those two factors that affect use of technology were perceived usefulness or importance and perceived ease of using (Asastani et al., 2018).

Perceived usefulness focuses on the belief of users on how their job performance were affected when they use a certain technology (Mugo et al., 2017). When it comes to mobile banking, it focuses on the customers perceive mobile banking and its benefits in managing their financial transactions. They looked at it from the angle of its ability to help them do their transactions at any time, from anywhere and without the challenge of physically going to bank branches. This could enhance the users perceived usefulness of mobile banking (Durai & Lallawmawmi, 2023).

Contrary, perceived ease of use analyses the insight of the user how they could easily operate and use a technology (Alsyouf et al., 2023). In the case of mobile banking, perceived ease of use involves looking at elements such as user interface design, the navigation system and how easy it is to learning to use it. These features wre crucial at augmenting the levels of customer satisfaction in using mobile banking apps to make financial transactions.

This research sought to look at the impact of mobile banking on customer satisfaction among retailers in Nakuru CBD. It used TAM as one of the theoretical framework to drive the study. By using TAM, this study looked to understand the perceptions of the retailers on the usefulness and ease of use of mobile banking services which influenced their overall satisfaction. For example, this study focused on understanding how retailers perceived mobile banking as a tool for facilitating their financial transactions, tracking cash flow and accessing financial data quickly. It also aimed to look at how retailers perceive the mobile banking apps in looking at how easy it is in their usage. This was determined by looking at how satisfied retailers were with the user interface design, navigation features, and overall usability of mobile banking applications.

2.3.2 Service quality model (SERVQUAL)

Also known as SERVQUAL Model, the Service Quality Model which was forwarded by works of Parasuraman, Valarie Zeithaml, and Leonard Berryhas played a pivotal role as a guiding framework to understanding and assessing the perception of customers of service quality across various industries (Ghotbabadi & Baharun, 2015). It emerged in the 1980s with the development of the SERVQUAL instrument which sought to identify key dimensions of service quality and their impact on the client satisfaction (Zygiaris et al., 2022).

The SERVQUAL model consist of 5 important dimensions. These are reliability, responsiveness, assurance, empathy, and tangibles (Bhasin, 2023). These dimensions act as measurement for evaluating the quality of service that is provided by organizations. These dimensions were important when gauging how customers comprehend the quality of the service that they experience. Reliability deals with how consistent and dependable a service

being delivered is (Zygiaris et al., 2022). For instance, in the case of mobile banking, customers expect that their transactions would be processed accurately, quickly and without errors. Reliability also deals with how available mobile banking services are. This means that customers expect that there would easily and seamlessly access to different banking services when they require them.

Responsiveness is another dimension that is important. It refers to how fast the service providers are willing to address the needs and concerns of their customers (Bhasin, 2023). In the case of mobile banking, responsiveness means quick and timely assistance and support that is provided by financial institutions when dealing with issues such as account inquiries, transaction disputes, or technical difficulties with mobile banking apps. On the other hand, assurance refers to how competent, credible and trustworthy the service providers are when dealing with mobile banking (Ghotbabadi & Baharun, 2015). In the case of mobile banking this deals with the security of transactions, privacy measure on the data and the integrity of financial information. Customers mostly sought assurances that their sensitive information is safe against any unauthorized access or fraudulent activities.

Empathy encompasses comprehending and empathizing with the needs and preferences of customers (Bhasin, 2023). In mobile banking, empathy means more personalized interactions, recommendations that are tailored, and proactive assistance to address the financial goals and concerns of customers. Empathetic service delivery ensures that there is a sense of trust and loyalty among customers. Tangibles involves the physical and tangible facets of service delivery such as the appearance of facilities that are used, equipment used, and communication materials (Zygiaris et al., 2022). In mobile banking, tangibles extend to the design and usability of mobile banking applications. Customers appreciate interfaces that

are intuitive with visually appealing designs, and seamless navigation features which may enhance their overall experience.

This study used the Service Quality Model as another key framework for assessing the perception of customers on the superiority of services. By using the five dimensions of SERVQUAL mentioned above in the context of mobile banking services, this study revealed the factors that drive customer satisfaction and loyalty. For example, it focused on how customers perceive the reliability of their mobile banking transactions, the responsiveness of the various customer support channels, the assurance of the measure placed to secure of their data, the interactions with customer support, and the tangibility of user interface design. By using these dimensions, this study sought to identify the areas that could be improved on to better enhance the satisfaction of retailers in Nakuru CBD

2.3.3 Customer relationship management (CRM)

CRM is also another important frameworks in modern business strategy that this study used. CRM seeks to build and enhance lasting relationships with customers. This would help in enhancing loyalty, drive satisfaction as well as profitability (Gronwald, 2020). According to Chai (2020), the principles of CRM had roost in early business approaches that was centered around the customers. However, it evolved with the advancement of technology and data analytics. These enabled organizations to understand the needs of their customers better. CRM mostly focuses on using the data and information obtained from customers in order to deliver personalized experiences, anticipate their needs as well as foster meaningful interactions with them Gronwald, 2020). Using this data, an organization could tailor its product, services and communication to align with the preferences of each customer.

In the context of mobile banking, CRM principles were important in improving the engagement and satisfaction of customers. Financial institutions could understand the financial behaviors of customers by using the data collected through mobile banking transactions, interactions, and feedback. This data could be useful when it comes to creating personalized marketing programs that improves the overall customer experience.

One of the key components of the CRM model includes the management of customer information. An effective CRM relies on good data management systems that capture, store, and analyze customer information across different channels (Chai, 2020). In the case of mobile banking this could be utilized by tracking the transactions of customer as well as their preferences and interactions so as to understand their financial needs and behaviors.

Another key component is segmentation and targeting of customer. CRM systems makes it easy for organizations to divide their customers into unique groups based on different factors such as demographic, behavioral and psychographic (Chai, 2020). Financial institutions could divide and target their customers then tailor their mobile banking services so as to be able to meet the unique needs of their customers.

Additionally, another key component of CRM involves personalized communication and engagement. CRM systems makes it easy to deliver personalized communication and engagement strategies. This makes it easy for organizations to deliver targeted messages, offers and recommendations to individual customer (Gronwald, 2020). In the case of mobile banking, personalized communication may include account notification, transaction alerts and personalized recommendations on products based on the behavior and preference of customers.

Moreover, another key component of CRM is building relationship and customer loyalty. CRM systems seeks to build strong and lasting relationships with customers so as to drive loyalty and retention rates (Chai, 2020). In the case of mobile banking, financial institutions could improve loyalty by delivering good services and show genuine care for the needs of their customers.

Finally, the last feature of CRM is to measure and optimize performance. CRM systems makes it easy for organizations to track and measure the effectiveness of their relationship with their customers. This allows them to continue to refine and optimize the relationship with their customers (Gronwald, 2020). In the case of mobile banking, financial institutions could seek ways to identify areas they could improve on by monitoring performance data such as retention of customer retention and their satisfaction rates.

This study used the CRM model as one of its framework that guide the understanding of the role that is played by customer relationships in driving satisfaction and loyalty. It examined how financial institutions use CRM principles to enhance the mobile banking experience and uncover best strategies and practices that enhance positive customer outcomes and sustainable business growth.

2.4 Conceptual Framework

Figure 1 depicted the conceptual framework for this study. It outlined the relationship between the independent variables associated with mobile banking and the dependent variable, customer satisfaction. The independent variables in this research study included security features, user interface, customer support services and lifestyle changes. In this framework, customer satisfaction in mobile banking is dependent variable that influenced

by several independent variables. Each independent variable represents a key factor of mobile banking that can influence customer satisfaction. Security features deal with the importance of safe and secure transactions while user interface considers the ease of use and design quality of the mobile banking platform. Customer support services looks at the responsiveness and assistance channels that are available to customers while lifestyle changes deal with the shifts in banking behaviors, such as the increasing preference for mobile over physical banking. The existing research lacks a focused investigation of these collective impact of these independent variables on customer satisfaction among retailers in Nakuru CBD. This study aims to address that gap. The framework below shows this relationship:



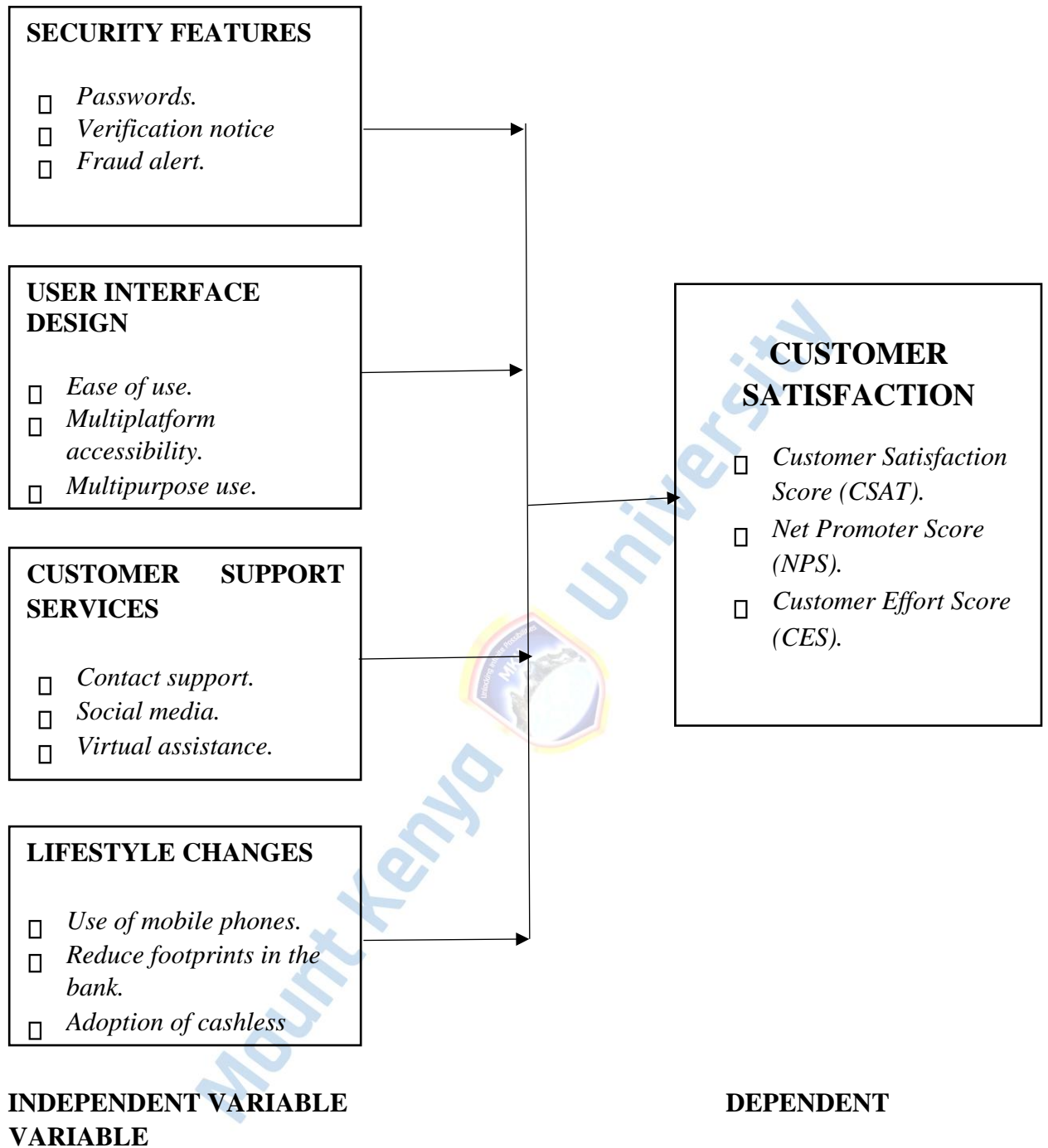


Figure 1: Conceptual Framework. Source: Researcher, 2024

2.5 Recap of Literature Review

Although present literatures provided important information of the association that exist between mobile banking service and customer satisfaction, there remained a big gap in both localized and studies based on context. This was so especially when looking at retail enterprises in Nakuru CBD, Kenya. Despite the vast number of studied that had been conducted on mobile banking across various regions and industries, there was a scarcity of studies that specifically sought to address the dynamics and challenges faced by retail enterprises in Nakuru CBD which had recently been elevated into city status. This gap in the literature presented an opportunity for this study to investigate and offer a unique perspective presented by retail enterprises in Nakuru CBD. It also presented an opportunity to explore how mobile banking services impact customer satisfaction levels among retail enterprises operating within this vibrant economic environment.

By focusing on this specific perspective, this research wanted to bridge the current holes in the literature and provide viable information that could inform strategic decision-making and formulation of policy in the mobile banking sector. The retail sector in Nakuru CBD is characterized by diverse businesses. However, despite the key role that is being played by retail businesses in driving the economy of the county and employment opportunities there was limited research on how mobile banking services influence their operations and customer interactions.

In addition, the quick growth of financial service such as the Fintech companies and the adoption of mobile banking solutions, transformed how retail enterprises in Nakuru CBD conduct their business. However, this also brought with it several challenges and areas of

concern such as various issues that were related to security, user interface design, customer support services, and adaptation to changing lifestyle trends. In order to address these challenges, the satisfaction levels of retailers in Nakuru CBD with mobile banking apps needed to be understood.

As a result, this project aimed at satiating this gap by seeking to understand the effects of mobile banking on customer satisfaction among retailers in Nakuru CBD. It was achieved by looking into deeper details factors like security features, user interface, customer support services and lifestyle changes. The data obtained and analyzed could be used by financial institutions to improve their relationship with retailers in Nakuru CBD.



CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

This chapter looked at the design of the research, location, the intended target population, sampling procedure, sample population and construction of research instruments. It also explained how to test for reliability and validity, the procedure of data collection and the processing of the data, its analysis as well as the ethical concerns that must be adhered to.

3.2 Research Methodology

Both qualitative and quantitative approaches were chosen as the research methodology for this study. They were chosen in order to ensure a detailed analysis of the research problem. The qualitative method made it possible to conduct a deeper study on customer experiences

and perceptions. Divergently, the quantitative approach made it easy to measure the data that support and analyze trends and patterns. Combining the two allowed for a more comprehensive understanding of the various factors that influence customer satisfaction in mobile banking services.

3.3 Research Design

This study selected a descriptive design to provide a detailed analysis of the variables that were being investigated. Descriptive design was suitable for describing accurately the characteristics and behavior of respondents when relating mobile banking services and customer satisfaction. Using this design made it easy to give an accurate profile of the respondents as well as interpret the existing relationships of the variables that were being studied by analyzing the obtained data. In other words, descriptive design helped determine if and how the independent and dependent variables related to each other by looking at the cause and effect. Specifically, this design facilitates the ability to understand the connection that exist between mobile banking services and how they satisfy customers.

3.4 Location of the Study

Nakuru CBD in Nakuru County, Kenya was chosen as the location for this study. Nakuru which was recently elevated into City status is a quickly growing urban center with a myriad of retail businesses which contribute to the GDP of the county. The total number of registered businesses in Nakuru CBD stood at 51,429 in 2022 according to the Nakuru County Statistical Abstract 2022 report. The towns growth rate also stood at 11% per year (County Government of Nakuru, 2022). Nakuru CBD was the ideal location for this study because of the dynamic and growth of the business environment which promised to offer

more information on the role played by mobile banking services in enhancing customer satisfaction in local context.

3.5 Target Population

This study targeted a population of only retailers in Nakuru CBD who used mobile banking services to conduct their business transactions on a day to day basis. Since many businesses fitted this condition in Nakuru CBD, it would be impossible to study all of them. Consequently, this study settled on a target population of 175 retailers were chosen to respond to questionnaires. Although these respondents were selected from different demographic backgrounds, they all were using mobile money services to conduct their daily financial transactions. This ensured that the study captured the association between mobile banking and customer satisfaction among retailers in Nakuru CBD.

3.6 Sampling Procedure and Techniques

The respondents were purposively selected from retailers in Nakuru CBD. The purposive sampling technique, also known as judgment sampling according to Sheppard (2016), is the careful choice of a respondent based on qualities the respondent had. This simply meant that, the researcher resolved on what was being investigated and went on to find respondents who were willing and could offer the data because of their experiences or knowledge. In the case of this study, the major determinant for the sampling technique was on retailers who used mobile banking to conduct their daily financial transactions.

Although the ideal target population for this study was set at 175 retailers in Nakuru CBD, the researcher acknowledged that sometimes it may be difficult to get responses from all those retailers for different reasons. However, the sample population should also not be too

small as not to get the correct representation. As a result, a balance was obtained between the target population and a minimum number of responses to be accepted to ensure correct representation. In this case, the Slovin's formula was used. This formula is used to calculate the lowest number of respondents who needed to achieve a reliable result at the same time ensuring feasibility for the study is maintained. The Slovin's formula is used to determine an appropriate minimum sample size when conducting study on a population (Bobbitt, 2023).

The minimum sample size that was used to deliver a feasible result was determined with the aid of Slovin's formula;

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

Where:

n = no. of samples N = The total

population e = error margin / margin

of error (4%) $n = 175 / (1 + 175 * 0.04^2)$

=137

So, in order to achieve a reliable result, minimum sample number of participants needed for this study was found to be 137. This simply means that a total number of respondents between 137 and 175 was a good number for this study.

3.7 Sample Size

The final sample population for this project who were derived from the registered retailers within Nakuru CBD was 145. With a total of 51,429 registered businesses as of 2022, the

study focused on a representative group of these retailers to warrant that the findings were both reliable and valid. As a result of the huge number of retailers in Nakuru CBD. There was a need to achieve a manageable yet reliable sample size. The Slovin's formula was applied to calculate the minimum number of respondents that could respond. This was determined to be 137 respondents. Consequently, the researcher made sure that the number of respondents for this study was more than this minimum number. The final number of sample population i.e. respondents achieved for this study was 145 retailers. This number made it easy to collect meaningful data for study while still maintaining feasibility of study despite the limited time and resources.

3.8 Construction of Research Instruments

The research instruments for this study were precisely intended to ensure that they efficiently captured the necessary data that would address all the research questions. The primary instrument that was used were structured questionnaires that were tailored to gather information on customer satisfaction, security features, user interface design, customer support, and lifestyle changes among retail enterprises in Nakuru CBD.

There were three parts in the questionnaire:

Demographic data: This part focused on collecting basic information about the respondents, like age, gender, the kind of business, and length of the business. This helped in understanding the background history of the participants.

Application of various features of mobile banking: This section looked at the features of mobile banking that made up the independent variable. This section was subdivided into 4

areas each investigating each independent variable i.e. included questions on security features, user interface, customer support services and lifestyle changes. The respondents were measured on a Likert Scale of 1 - 5 (Strongly agree, agree, not sure, disagree, and strongly disagree). Respondents filled tables with questions on each independent variable.

A survey of customer satisfaction: This section focused on obtaining data about the degree of customer satisfaction with mobile banking services. The respondents were also measured on a Likert Scale and presented in form of a table.

The questionnaire used both close-ended and open-ended questions. This allowed for both the qualitative and quantitative analysis of the data. Construction of the questionnaire followed established guidelines to ensure clarity, relevance, and reliability. A pilot test was also conducted to refine the questionnaire and ensure the accurate capturing of the data that was needed for the study.

3.9 Testing for Validity and Reliability

To ensure that the research tools were reliable and produced dependable results that could be utilized to draw deductions, this project tested both the validity and reliability. Validity is the degree to which a measurement tool measures what it is projected to measure. The content validity of questionnaires was enhanced with the guidance of the supervisor who ensured that the research objectives were addressed appropriately. Reliability is the uniformity of the measurement i.e. the instrument showing same results when administered to different sampled populations with similar characteristics.

In this study, reliability was determined using Cronbach's Alpha, where values above 0.7, as stipulated by Taber (2017), indicated that the items were reliable. Validity was assessed using the KMO (Kaiser-Meyer-Olkin) measure and Bartlett's Test of Sphericity. KMO values above 0.5 indicated that the sample was appropriate for factor analysis, and significance values from Bartlett's Test below 0.05 confirmed the validity of the variables. These methods ensured that the questionnaire were both reliable and valid in measuring the intended measurements.

3.10 Data Collection Methods and Procedures

The data collected was both primary and secondary. Primary data was gathered using a self-administered questionnaire, which consisted of three sections. The questionnaire utilized close-ended and open-ended questions which made it easy to collect both quantitative and qualitative data. The drop-and-pick method was utilized for distributing and collecting the questionnaires. This helped ensure convenience for the respondents and a higher response rate.

Secondary data was also utilized derived from the existing literature, reports, and other relevant materials. This secondary data provided additional context and support for the analysis. The combination of primary and secondary data offered a comprehensive understanding of the research topic.

3.11 Proposed Data Analysis Technique and Procedures

The collected data was analyzed by descriptive and inferential statistics using the aid of the SPSS (Statistical Package for Social Sciences). Descriptive analysis for this research

involved using frequencies and their respective percentages for response rates and demographic data of respondents. Additionally, the means and standard deviations of the samples were used across the independent and dependent variables. Inferential statistics used the mean and standard deviation values to infer associations. The findings of the study were presented in form of statistical tables and figures.

3.12 Ethical Consideration

The researcher undertook to satisfy various ethical requirements for the research by getting approval from the ethical review committee of Mount Kenya University as well as research sanction from NACOSTI. In addition, before going to the field, the permission of the respondents were acquired by providing all the information of what the study aims to uncover and also giving them the assurance that their responses would be secure and utmost confidentiality maintained.

CHAPTER 4: RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter deals with the research findings, analysis, and discussions related to the study on the Influence of Mobile Banking Services on Customer Satisfaction among Retail Enterprises in Nakuru CBD, Kenya. It sought to provide an exhaustive examination of the data that was gathered through the survey, including the demographic data of the participants, their response rate as well as the results obtained in the pilot research conducted on the same issue. It further looked at the descriptive statistics that were obtained and interprets the results in relative to the research objectives and questions. This section aimed to offer a detailed understanding of how mobile banking services affect customer satisfaction by looking at the data that was collected.

4.2 Response Rate

This section contains the response rate for survey conducted on the effects of mobile banking services and customer satisfaction in Nakuru CBD. **Table 4.1** represent the response frequency and percentage of the participants for the study. It provided an overview of the engagement and representativeness of the data surveyed.

Table 4.1: Response Rate

Response	Frequency (f)	Percentage%
Returned	145	90.63%
Unreturned	15	9.37%
Total	160	100%

Source: Research Data (2024).

Table 4.1 shows that the study gave out 160 questionnaires used to gather information on mobile banking services and customer satisfaction. From which, 145 questionnaires were

completed and collected. Consequently, the response rate was determined to be 90.63%. According to Ramshaw (2023), this response rate is within the acceptable threshold for survey research because it would ensure that the outcomes reflect a larger population. The elevated response rate is ascribed to how detailed the questionnaire were and the engagement efforts employed by researcher. This made it easier for participants to understand the questions and to respond to them effectively. The high number of forms that were completely filled and returned could also suggest that the questions were relevant and straightforward which encouraged the respondents to respond.

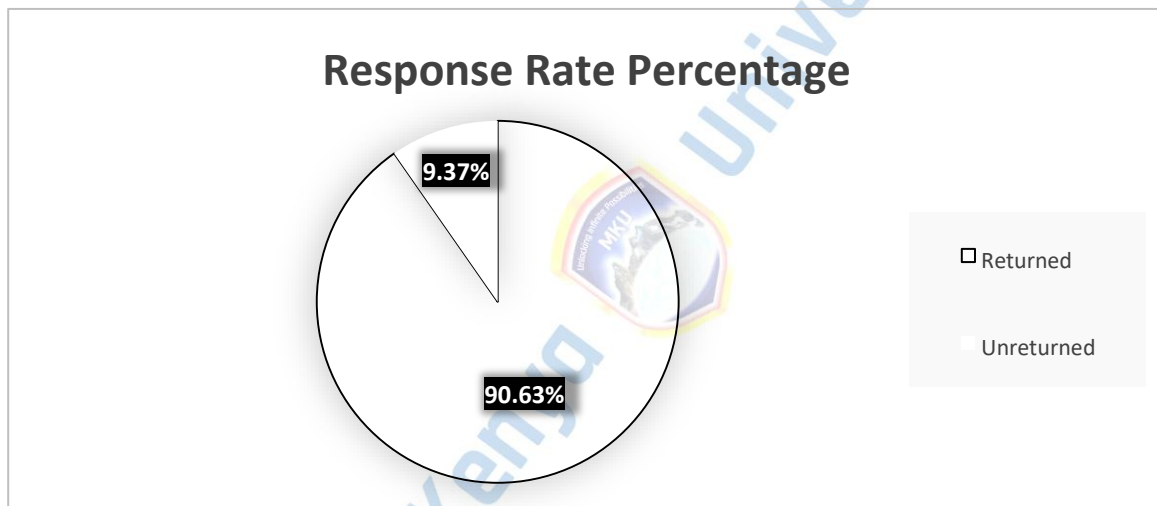


Figure 2: Response Rate

Source: Research data (2024)

However, 15 questionnaires were not returned which was equivalent to a percentage of 9.37%. This significant number was attributed to various reasons such as non-availability of respondents at the time of collecting the questionnaires or the possibility of incomplete or uninterested participants. This figure is also within the acceptable survey response rates as per Ramshaw (2023). Despite this challenge, the high return rate showed the reliability of

the information and supports the validity of the findings. This reflects a representative sample of the target population.

4.3 Pilot Results

A pilot research was done to measure the validity and reliability of the research instruments used in this project. A sample of 15 participants was selected for this exercise to test the questionnaire. This aimed evaluating the effectiveness of the questionnaire in capturing the required data and addressing the research objectives. This pilot testing was important in refining the questions in the questionnaire so as to ensure it accurately measures the all the objectives.

4.3.1 Reliability statistics

The reliability measure on the pilot results was accomplished using the Cronbach's Alpha values. Values that were obtained demonstrated that the Cronbach's Alpha values for all variables measured was more than the conventional threshold of 0.7 as claimed by Taber (2017). This established the reliability of the items in questionnaire. The reliability scores for security features, user design, customer support, lifestyle change, and customer satisfaction in mobile banking were all above the recommended threshold as shown in **Table 4.2** below. This confirmed the consistency of the questionnaire in measuring the intended objectives.

Table 4.2: Reliability Statistics

Variables	Cronbach's Alpha	No. of Questions	Conclusion
Security Features of Mobile Banking	0.812	6	Reliable

User Design in Mobile Banking	0.795	8	Reliable
Customer Support Service in Mobile Banking	0.808	8	Reliable
Lifestyle Change Due to Mobile Banking	0.782	7	Reliable
Customer Satisfaction with Mobile Banking	0.809	4	Reliable

Source: Research Data (2024)

4.3.2 Validity statistics

The KMO measure and the Bartlett's Test of Sphericity were used to evaluate validity of the pilot study. The KMO measure evaluated how suitable the sample used is for each variable. Values that were above 0.5 were considered adequate (Li et al., 2020). The Bartlett's Test examined the implication of the correlations that existed between the variables as shown in

Table 4.3 below:

Table 4.3: Validity Statistics

Variables	KMO	Bartlett's Test of Sphericity	Approx. Chi-Square	Degree of Freedom (df)	Significance (Sig.)	Validity
Security Features of Mobile Banking	0.688	29.853	45.786	21	0.015	Valid
User Design in Mobile Banking	0.715	32.467	51.234	21	0.004	Valid
Customer Support Service in Mobile Banking	0.742	35.678	59.345	21	0.000	Valid in
Lifestyle Change Due to Mobile Banking	0.704	31.876	53.234	21	0.007	Valid

Customer Satisfaction	0.726	28.123	47.123	6	0.012	Valid with
Mobile Banking						

Source: Research Data (2024)

Table 4.3 shows that all KMO values were above the limit of 0.5. This means that the data is apt for factor analysis. Additionally, the significance values from Bartlett's Test of Sphericity were below 0.05. This showed that the variables that were measured were valid (Li et al., 2020). These results mean that the questionnaire was able to capture, measure and was able to support the validity of research instrument used in the project.

4.4 Demographic Characteristics

This part focuses on demographic features of participants. It focused on such things as gender of participants, their age, education level, and operation length. Analysis of these factors provided more information into the diversity and background of the participants. This data could be important in interpreting the findings from this study.

4.4.1 Distribution based on gender

The gender distribution of the respondents established that out of 145 people who took their time in completely filling out the questionnaires 89 were male (61.3%), while 56 of them were female (38.7%). This distribution suggests that the number of male respondents was higher than that of female which may reflect the gender dynamics within the retail enterprises in Nakuru CBD. The higher number of male respondents may be attributed to the fact that many of the enterprises in this region, particularly those in sectors like transportation (e.g., boda boda services) and retail, were traditionally male-dominated. This may indicate that

men were more likely to be engaged in SMEs in Nakuru CBD than female possibly due to cultural norms and economic factors that influence business ownership and operations in the area.

Table 4.4: Distribution of Gender among the Respondents

Gender	Frequency	Percentage %
Male	89	61.3%
Female	56	38.7%
Total	145	100%

Source: Research Data (2024)

4.4.2 Distribution based on age bracket

The distribution of respondents' age is given in **Table 4.3** below. The majority of participants were within the 26 - 30 years age bracket (26.90%), followed by those aged 20 - 25 years (22.76%). Respondents in the 36 - 40 years group make up 30 (20.69%), while the 31- 35 years, 41- 45 years, and 46 years and above brackets account for 24 (16.55%), 13 (8.97%), and 6 (4.14%) respectively.

Table 4.5: Distribution of Respondents based on Age Bracket

Age Bracket	Frequency	Percentage (%)
20 – 25 yrs.	33	22.76%
26 – 30 yrs.	39	26.90%
Age Bracket	Frequency	Percentage (%)
31 – 35 yrs.	24	16.55%
36 – 40 yrs.	30	20.69%
41 – 45 yrs.	13	8.97%
46 yrs. and above	6	4.14%
Total	145	100.0%

Source: Research Data (2024)

Based on the above distribution, it was observed that the majority of respondents were young and middle-aged individuals, with 26.90% within the 26-30 years bracket and 22.76% within the 20-25 years bracket. This high number of younger respondents may be attributed to their higher technological literacy and greater willingness to adopt mobile banking services, which are important to modern business operations. Also, the active participation of individuals in the 36-40 years age group (20.69%) suggests that mid-career professionals were integrating mobile banking into their business to improve efficiency and competitiveness in Nakuru CBD. On the other hand, the lower representation of older age groups (40 years and above) was 8.97% 41 – 45 years bracket and 4.14% for the 46 years and above. This low number of respondents could be due to lower technological adoption rates or a preference for conventional banking methods.

4.4.3 Distribution based on level of education

The level of educational of respondents is outlined in **Table 4.6** below.

Table 4.6: Distribution of Respondents Based on Level of Education

Education Level	Frequency	Percentage (%)
Primary level	3	2.07%
Secondary level	20	13.79%
Education Level	Frequency	Percentage (%)
Tertiary/College level	55	37.93%
Undergraduate level	66	45.52%
Postgraduate level	1	0.69%
Total	145	100.00%

Source: Research Data (2024)

Table 4.6 above shows that a large number of the participants reached higher levels of education, with 45.52% holding an undergraduate degree and 37.93% having completed tertiary or college education. A smaller proportion of respondents completed secondary education (13.79%), while only 2.07% had a primary level education, and a mere 0.69% had attained a postgraduate degree.

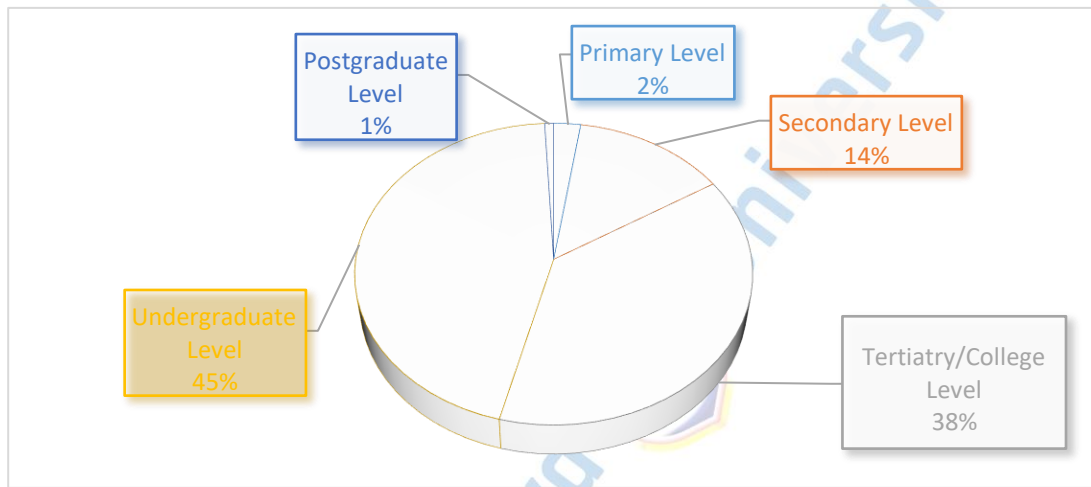


Figure 3: Distribution Percentages based on Level of Education

Source: Research Data (2024)

Figure 3 above shows how participants were distributed according to the duration of business operation. It indicates a strong inclination toward higher education among business operators in Nakuru CBD. The majority of respondents had undergraduate degrees (45.52%) and tertiary/college (37.93%) qualifications suggest that education is a fundamental part in entrepreneurship and management of businesses in the study area. Individuals with higher educational qualifications were more probable to possess the skills necessary, the knowledge, and confidence to engage in complex business activities, including the use of advanced technologies like mobile banking. The low number of postgraduate respondents

(0.69%) could be attributed to these individuals pursuing more specialized professional roles rather than small to medium-sized business operations.

4.4.4 Distribution based on length of operation

The distribution of businesses by their length of operation is presented in **Table 4.7** below. The data indicates that a substantial portion of the businesses run by the respondents had been in operation for more than five years, making up 48.97% of the total sample. In contrast, 38.62% had been running their businesses for between one and five years, and 12.41% had been operational for less than a year.

Table 4.7: Distribution of Respondents Based on Length of Operation of the Businesses

Length of Operation	Frequency	Percentage (%)
Less than 1 year	18	12.41%
Between 1 and 5 years	56	38.62%
More than 5 years	71	48.97%
Total	145	100.00%

Source: Research Data (2024)

The length of operation distribution provides good information into the approval of mobile banking services among retailers in Nakuru CBD. Businesses that had operated for more than five years were more dominant which suggested that these established enterprises were more probable to adopt mobile banking to enhance their financial transactions. These businesses had likely recognized the efficiency, convenience, and security that mobile banking offers. Since they were more experienced, these businesses had time to explore and integrate various mobile banking services to determine which ones work best.

Businesses operating between one and five years had 38.62% of the respondents. They were in a growth phase where the adoption of mobile banking is increasingly necessary. As these businesses expand, they encounter higher transaction volumes and more complex financial management needs, driving them to adopt mobile banking solutions that facilitate quick and secure transactions. The 12.41% of respondents with businesses less than a year old may be in the early stages of adopting mobile banking services.

Table 4.8: Summary of Demographic Characteristics of the Respondents

Variable	Category	Frequency	Percentage
Gender	Female	56	38.62%
	Male	89	61.38%
	Total	145	100.00%
Age bracket	20 – 25 yrs.	33	22.76%
	26 – 30 yrs.	39	26.90%
	31 – 35 yrs.	24	16.55%
	36 – 40 yrs.	30	20.69%
	41 – 45 yrs.	13	8.97%
	46 yrs. and above Total	6	4.14%
		145	100.00%
Education level	Primary level	3	2.07%
	Secondary level	20	13.79%
	Tertiary/college level	55	37.93%
	Undergraduate level	66	45.53%
	Postgraduate level Total	1	0.69%
		145	100.00%
Length of operation	Less than 1 yr.	18	12.41%
	Between 1 and 5 yrs.	56	38.7%
	More than 5 yrs.	71	48.97%
	Total	145	100.00

Source: Research Data (2024)

4.5 Effect of Security Features on Customer Satisfaction

The first objective of the project wanted to scrutinize how security features in mobile banking applications affect customer satisfaction among business owners in Nakuru CBD. The

collected data was evaluated by the use of inferential and descriptive statistics. The study majorly focused on various key security features like passwords, verification notices and fraud alerts impacted customer satisfaction. The Likert scale with a scale of 1 – 5 was used to measure the level of agreeableness of respondents to various security statement. Results were recorded as frequencies and percentages. The descriptive scrutiny was used to summarize levels of agreement among respondents using the Likert Scale as a threshold. On the other hand, inferential statistics used regression statistics to explore the association between security features and satisfaction of clients by using mean and standard deviation values. **Table 4.9** below presents the frequency and percentage of respondents who strongly agreed (SA), agreed (A), were not sure (NS), disagreed (D), or strongly disagreed (SD) with each statement. The mean and standard deviations for each parameter were also calculated in order to measure central inclination and dispersion of the data.

Table 4.9: Summary Responses on how Security Features Affect Customer Satisfaction

Statement	SA	%	A	%	NS	%	D	%	SD	%	M	SD
Use of passwords has enhanced security of mobile banking services	58	40.00	87	60.00	0	0.00	0	0.00	0	0.00	4.40	0.49
Verification notice has improved customer satisfaction	58	40.00	73	50.34	14	9.66	0	0.00	0	0.00	4.30	0.67

Fraud alert response has reduced fraud incidents	29	20.00	58	40.00	14	9.66	29	20.00	15	10.34	3.20	1.35
The MFA process ensures secure login experience.	112	77.24	28	19.31	1	0.69	4	2.76	0	0.00	4.71	0.61
Timely notifications for account activity contribute to a sense of security.	87	60.00	43	29.66	0	0.00	0	0.00	15	10.34	4.29	1.12
Customer support's responsiveness to securityrelated queries is quick.	18	12.41	56	38.62	28	19.31	34	23.45	9	6.21	3.27	1.14

NB: 1 Strongly Agree (SA), 2 Agree (A), 3 Not Sure (NS), 4 Disagree (D), 5 Strongly Disagree (SD), M-Mean, S.D-Standard Deviation

Source: Research Data (2024)

4.5.1 Descriptive Analysis

Table 4.9 provides a brief summary of the responses on the effect of mobile banking security features on customer satisfaction. The table exhibits frequencies and percentage of respondents who SA, A, NS, D, or SD with each statement. Means and standard deviations for each parameter were also calculated so as measure central tendency and dispersion of the data.

A total of 40.00% of the participants strongly agreed, while 60.00% were in agreement that using passwords had enhanced the security of mobile banking services. No responded disagreed or was an unsure with the statement. These findings suggest that passwords, which are the first line of defense against unauthorized access, were widely appreciated for bolstering security and instilling confidence among users. This was an almost unanimous positive response which showed that basic security measures were important to customer satisfaction in mobile banking.

The statement on verification notices was also determined to be an imperative factor in enhancing customer satisfaction who use mobile banking in their financial transactions. From the responses, 40.00% respondents strongly agreed, and 50.34% of the respondents agreed that verification notices improve customer satisfaction. On the contrary, 9.66% of those who responded were not sure. No respondents disagreed with the statement which show that a large majority found these notices to be good. Verification notices provide an additional layer of security by alerting users of account activities, which not only prevent unauthorized transactions but also enhance the user's trust in the platform.

Regarding the statement of the effectiveness of fraud alert responses in reducing incidents of fraud, 20.00% of participants were in strong agreement, 40.00% were in agreement, while 9.66% of the respondents were unsure. However, 20.00% of respondents disagreed, and 9.66% respondents strongly disagreed. The mixed responses in category show that although fraud alert systems were accepted by the majority of users for their effectiveness, there is also still big fraction of respondents who feel that these systems were either inadequate or had room for improvement.

The MFA process garnered more approval, with 77.24% strongly agreeing and 19.31% of agreeing that it ensures secure login experience. Only 0.69% were not sure, and 2.76% disagreed. These results show overwhelming confidence in MFA, which use more than one method of verification of identity like passwords and biometric data create a strong security system.

Another feature that received positive feedback was the use of timely notifications for account activity. 60% of respondents strongly agreed with this statement while 20.66% agreed. However, 1.12% strongly agreed with a further 10.34% disagreeing with the statement. Notifications provide real-time updates on transactions. This enables users to monitor their accounts closely and detect any suspicious activity.

In contrast, the statement on the responsiveness of customer support when dealing with issues related to security garnered mixed feedback. Only 12.41% strongly agreed, and 38.62% agreed that support was responsive. 19.31% were unsure while a substantial percentage of 23.45% disagreed. This data indicate that customer support responsiveness in addressing security issues may be an area that requires improvement to meet user expectations.

4.5.2 Inferential Analysis

The findings from **Table 4.9** above show responses to how mobile banking security features influence customer satisfaction. By using means and standard deviations values obtained from responses to various security features, this study sought to understand how these features affected customer satisfaction. High means indicate that the customers were in agreement with the statement. Whereas low standard deviations values indicate that the

responses were consistent with minimal contradictions among responses. High standard deviations indicate areas that require more improvements. Using the means and standard deviations together makes it easy to evaluate the impact of specific security features on overall customer satisfaction. This would show areas where things were going well and those that need improvement.

From the table, it is perceived that participants highly rated features like MFA with a Mean of 4.71 and SD of 0.61; biometric authentication with a Mean of 4.60 and SD of 0.49; and regular security updates with a Mean of 4.52 and SD of 0.50. These had both high mean scores and low standard deviations. This indicates that the most of respondents perceived these features as highly effective in enhancing the security of mobile banking and contributing to customer satisfaction.

On the other hand, features like fraud alert response with a Mean of 3.20 and SD of 1.35; and customer support's responsiveness to security concerns with a Mean of 3.27 and SD of 1.14 had a lower mean values and higher standard deviations. This suggests that there were greater differences in the perception of respondents of these security features which showed that they may be a need to improve these areas.

The data from this research were in tandem with ones done in prior studies such as the ones conducted by Ngugi (2016) and Njanja (2019). This research indicates that security features such as passwords, verification notices, and MFA had significantly enhanced customer satisfaction in mobile banking. This reinforced the observation made by Njanja (2019) that using PINs and passwords is important in data protection and security in mobile transactions. The high mean scores for security features in this study showed a strong positive perception.

This is similar to what Njanja found when it came to securing electronic transactions. Additionally, findings of this study were similarly to Ngugi (2019) findings on the positive effect of mobile banking security on performance of business. This showed the important role of secure banking systems in fostering trust and satisfaction among business owners, which could ultimately contribute to business growth. Both studies converge on the importance of strong security measures. This research goes further to show multi-factor authentication and real-time notifications as additional key contributors of customer satisfaction. This showed how mobile banking security had evolved compared to the finding of earlier studies.

4.6 Effect of User Interface on Customer Satisfaction

The other objective in this study fixated in examining effects of user interface design on customer satisfaction in mobile banking applications. The analysis looked at three major areas of the user interface such as ease of use, multiplatform accessibility, and multipurpose functionality. These parameters were explored to understand their influence on customer experience and satisfaction. Responses were analyzed based on a Likert scale, and findings were presented in terms of percentages, means, and standard deviations. **Table 4.10** depicts a summary of the respondents' feedback regarding the user interface features and their impact on mobile banking customer satisfaction.

Table 4.10: Summary Responses of how User Interface Affect Customer Satisfaction

NB: 1 Strongly Agree (SA), 2 Agree (A), 3 Not Sure (NS), 4 Disagree (D), 5 Strongly Disagree (SD); M (Mean), S.D (Standard Deviation)

Statement	SA	%	A	%	NS	%	D	%	SD	%	M	S.D
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The navigation platform of the mobile banking app is intuitive and easy to use.	43	29.66	94	64.83	6	4.14	2	1.38	0	0.00	4.23	0.63
The mobile banking app is accessible across multiple devices.	89	61.38	26	17.93	4	2.76	15	10.34	11	7.59	4.15	1.27
The mobile banking app offers versatile features for various financial needs and activities.	64	44.14	71	48.97	4	2.76	2	1.38	4	2.76	4.30	0.88
The layout of the mobile banking app is visually appealing and enhances user experience.	57	39.31	62	42.76	3	2.07	14	9.66	9	6.21	3.99	1.21

The organization of menus and options within the mobile banking app is clear and logical.	46	31.72	66	45.52	5	3.45	20	13.79	8	5.52	3.84	1.26
The mobile banking app provides helpful prompts and guidance to assist users in navigating different features.	48	33.10	68	46.90	8	5.52	13	8.97	8	5.52	3.89	1.22
The mobile banking app provides easy access to account balances, transaction history, and other essential information.	82	56.55	63	43.45	0	0.00	0	0.00	0	0.00	4.56	0.50
The mobile banking app prioritizes accessibility ensuring easy access and navigation.	32	22.07	33	22.76	36	24.83	30	20.69	14	9.66	3.27	1.28

Source: Research Data (2024)

4.6.1 Descriptive Analysis

The descriptive examination of effects of user interface on customer satisfaction in mobile banking applications provided a detailed look on how users perceive different features of their mobile banking experiences. The Likert Scale was used to gather responses by respondents on various aspects of user interface such as ease of use, multiplatform accessibility and functionality. The data was presented as shown in **Table 4.10** above.

From the information on **Table 4.10**, the navigation platform of the mobile banking application was taken as highly easy to use and intuitive by most respondents. 64.83% were in agreement and 29.66% were in strong agreement. Only 1.38% disagreed, while there were no strong disagreements collected from respondents. This showed that majority acknowledged ease of use of mobile banking apps. This indicates that a simple to use user interface is a fundamental factor that may contribute to positive to customer satisfaction.

When it comes to accessibility across multiple devices, 61.38% strongly agreed and 17.93% agreed that mobile banking apps were accessible on different devices. However, 10.34% were in disagreement, and 7.59% strongly disagreed. An additional 2.76% were not sure. This indicates that that the majority were satisfied but there was still a small but notable group that it difficult to access mobile banking apps across different platforms. This suggests that there is a need for improvement of compatibility of the apps across different devices in order to enhance customer satisfaction.

When it comes to how mobile banking devices are versatile to meet various financial needs, the responses were mostly positive. 44.14% of respondent strongly agreed and 48.97% agreed while only 2.76% strongly disagreed and a further 1.38% disagreed. Those who were not sure only made up 2.76% of the respondents. This indicates that most people agree that mobile banking apps had the ability to address different financial activities.

Regarding the statement on visual appeal of the mobile banking app layout, 39.31% strongly agreed and 42.76% agreed that the layout boosted their user experience. However, 6.21% strongly disagreed, and 9.66% disagreed, pointing to some dissatisfaction with the visual presentation. A further 2.07% were not sure how it made them feel. This data suggests that the majority of users were satisfied with the layout. However, there is room to improve the design of the app to enhance user expectations when it comes to aesthetics.

The organization of menus and options was regarded as clear and logical by most respondents. with 45.52% agreeing, 31.72% strongly agreeing and 3.45% not sure. Nevertheless, 13.79% disagreed, and 5.52% strongly disagreed that the organization of menus and options was clear and logical. This indicates that mobile banking apps had room for improvement when it comes to the organization of menus to make them easy to navigate, use and eventually enhance customer satisfaction.

The app's ability to provide helpful prompts and guidance also received a positive response, with 46.90% agreeing and 33.10% strongly agreeing that the app effectively assisted users in navigating its features. However, 8.97% disagreed, indicating that the app could benefit from more consistent or enhanced support features for new or less tech-savvy users.

The ability of the respondents to access their essential financial information on the mobile banking apps such as account balances and transaction histories was rated very positively. 56.55% were in strong agreement and 43.45% agreed the app provided easy access to important financial information. There were no negative responses for this statement. This suggests that having it easy to access essential banking information is one of the major factors being considered by users when it comes to user interface.

When it comes to the statement that the mobile banking apps prioritized accessibility by ensuring easy navigation, the responses were varied. While 22.76% of the respondents agreed and 22.07% strongly agreed, 20.69% of them disagreed and 9.66% strongly disagreed. Additionally, 24.83% of the respondents were not sure. This indicates there were mixed perceptions when it came to accessibility features. This suggests that although accessibility is a key feature most mobile banking apps could enhance the easy of navigation for the majority of its users for more satisfaction.

4.6.2 Inferential Analysis

The inferential scrutiny focused on mean and standard deviation values recorded on **Table 4.10** above that were obtained so as to assess the association and general impact of the user interface on customer satisfaction. High means indicate that the customers were in agreement with the statement. The low standard deviations values indicate that the responses were consistent with minimal contradictions between respondents. High standard deviations indicate area that require more improvements.

The statement about the intuitiveness and ease of navigation of the mobile banking app had a high mean of 4.23. It also had a comparatively low standard deviation of 0.63. This showed

that majority of respondents strongly agreed with this feature. The high mean and low standard deviation indicate that most customers value an intuitive interface highly as one of the major element for their satisfaction.

The accessibility of the app on multiple devices had a standard deviation of 1.27 and a mean of 4.15. This indicated a general positive perception by the customers. However, the elevated standard deviation showed there was high variability in responses. This suggested that while the majority found the app to be easily accessible across multiple devices, there was also a notable number of respondents who had different experiences and had encountered issues with the multiplatform compatibility.

When it came to the statement about the versatility of mobile banking apps' features, mean was 4.30 with a standard deviation of 0.88. This points to a strong agreement among the respondents that the app had useful features that cater for different financial needs. The low number of standard deviation showed consistency among the respondents which indicated that the customers appreciate the ability of the app to cater for their different financial needs.

The visual appeal of the app layout had standard deviation of 1.21 and mean of 3.99. This reflects a positive outlook on the feature but with some variable responses. The high standard deviation showed that most respondents found the visual design of mobile banking apps appealing. However, there were also varied opinions from a significant number of respondents which meant some of the respondents had concerns with the aesthetic aspects of the interface.

Regarding the clarity and logical organization of menus, the mean that was obtained was 3.84, and standard deviation of 1.26. This high positive mean indicated many respondents

find the organization of the menu to be clear and easy to use. However, the high SD also indicates a significant high number of varied responses to the statement. This suggests that not all users were equally satisfied with the way the menus and the options were structured.

The provision of helpful prompts and guidance received an SD of 1.22 and a mean of 3.89. The positive mean indicates that most respondents found the prompts to be helpful. However, there was also a significant big number of respondents who thought the contrary which is indicated by the high number of standard deviation. This suggests that the consistency and importance of these features could be improved to enhance the satisfaction of all or majority of users.

The ability to access account balances and transaction history had the utmost mean of 4.56 and very low SD of 0.50. This suggests a high level of agreement and consistent satisfaction among users on the availability of essential banking information. It showed that most respondents prefer to access their balances and transactions history quick and in a convenient way for their satisfaction.

The ability of the mobile banking apps to prioritize accessibility had the lowest mean score of 3.27 and a comparatively high SD of 1.28. Lower mean indicates that participants had more mixed perception. There were those who agreed with the statement but there was also a substantial number of respondents who showed dissatisfaction or uncertainty about the accessibility of the apps features. The relatively high standard deviation indicates there was a lot of variability in the respondents which suggests that the accessibility features of the app may require further development to enhance satisfaction among its users.

The findings from Achieng & Ouma (2016) show customer dissatisfaction with the accessibility of mobile banking via USSD codes. The study determined that 54% of respondents expressed their inability to access their accounts reliably which showed how difficult it was to use USSD codes. This is in contrast with the data from this study. In this research most respondents had a positive experience with the ease of use of mobile banking apps which was indicated by 64.83% agreeing and 29.66% strongly agreeing that the navigation was intuitive and easy to access. However, both studies raised similar concerns when it came to access of mobile banking apps across multiple platforms or devices. In Achieng & Ouma's study they showed that access of mobile banking using USSD was unreliable which was also similar to this study. Although 61.38% of respondents expressed satisfaction with multiplatform accessibility, 17.93% disagreed or strongly disagreed with that platform which showed their dissatisfaction. Nevertheless, this study added a layer of understanding of customer satisfaction through the exploration of diverse user interface aspects like multiplatform compatibility, ease of use, and aesthetic appeal. This offered more detailed insights.

4.7 Effect of Customer Support on Customer Satisfaction

The third objective wanted to scrutinize the effect of customer support on customer satisfaction in mobile banking applications. This section looks at various factors of customer support such as contact support, social media engagement, and the use of virtual assistance. These factors were evaluated to understand their role in enhancing the customer experience and satisfaction with mobile banking services. Responses were gauged using a Likert scale, and the results presented in terms of frequencies, percentages, means, and standard

deviations. **Table 4.11** summarizes the feedback of participants when it comes to influence of customer support on their satisfaction with mobile banking applications.

Table 4.11: Summary Responses of how Customer Support Affect Customer Satisfaction

NB: 1 Strongly Agree (SA), 2 Agree (A), 3 Not Sure (NS), 4 Disagree (D), 5 Strongly Disagree (SD), M (Mean), S.D (Standard Deviation)

Statement	SA	%	A	%	NS	%	D	%	SD	%	M	S.D
Contact support has improved customer satisfaction.	41	28.28	46	31.72	15	10.34	22	15.17	21	14.48	3.43	1.38
The availability of customer support on social media platforms has enhanced mobile banking service experience.	51	35.17	58	40.00	14	9.66	13	8.97	9	6.20	3.89	1.17
The virtual assistant feature effectively addresses customer inquiries and concerns, enhancing satisfaction.	29	20.00	49	33.79	31	21.38	24	16.55	12	8.28	3.41	1.20
The response time of customer support agents	23	15.86	27	18.62	15	10.34	48	33.10	32	22.07	2.73	1.37
has contributed												

to overall customer satisfaction. The customer support team understands problems of users and provide effective support in resolving issues.	28	19.31	43	29.66	15	10.34	44	30.34	15	10.34	3.17	1.34
Customer support team conduct a follow up to ensure that users' issues are resolved.	9	6.21	15	10.34	26	17.93	56	38.62	39	26.90	2.30	1.22
The accessibility of customer support across various communication channels enhances user satisfaction.	65	44.83	43	29.66	13	8.97	18	12.41	6	4.14	3.98	1.17
Customer support provides clear instructions for resolving common issues encountered.	49	33.79	61	42.07	6	4.14	18	12.41	11	7.59	3.82	1.23

Source: Research Data (2024)

4.7.1 Descriptive Analysis

Responses for the descriptive analysis were measured using the Likert Scale. Frequencies were obtained and subsequent percentages also recorded in **Table 4.11** above. The varying levels of agreement are explained below:

For example, contact support showed a mixed reception, with 28.28% of the respondents strongly agreeing and 31.72% agreeing that it had improved customer satisfaction. This showed that almost 60% of the respondents were satisfied with the contact support provided. However, 15.17% disagreed and 14.48% strongly disagreed while a further 10.34% were unsure with the statement. This showed that there is still room for upgrading in this area. The availability of customer support on social media platforms received a favorable response. 35.17% were in strong agreement and 40.00% were in agreement that social media support enhances their mobile banking experience. A further 8.97% of the respondents disagreed, 6.20% strongly disagreed while only 9.66% were unsure. This showed that although social media engagement regarding mobile banking services was received positively, with around 75% acknowledging its value, there was a significant number who feel otherwise.

When it comes to the effectiveness of virtual assistants in addressing customer inquiries, the data showed more variations. Although 20% were in strong agreement and 33.79% were in agreement that the virtual assistant feature enhanced satisfaction, a big number also contradicted this with 16.55% disagreeing and 8.28% strongly disagreeing. A further 20.38% were unsure what they felt about this statement. This mixed result indicate that virtual assistants could be beneficial in enhancing customer satisfaction. However, there were limitations that some users experienced with the feature. The response time of the customer support agent emerged as a problematic feature for customer satisfaction. 33.10% disagreed and 22.07% strongly disagreed that response times were satisfactory. Only 15.86% of respondents strongly agreed, and 18.62% agreed that response time contributed to their satisfaction while 10.34% were unsure. This suggest that delays in responding to customer issues were a significant barrier to positive customer experiences.

In terms of follow-up support, only 6.21% strongly agreed and 10.34% agreed that followup efforts were satisfactory. A significant number of 38.62% disagreed, 26.90% strongly disagreed and 17.93% were unsure with the statement. This showed that there was a widespread dissatisfaction regarding the follow-up support. This points to a critical gap that service providers could pay attention to so as boost customer satisfaction. Contrastingly, accessibility of support across various communication channels received strong positive feedback. 29.66% agreed and 44.83% strongly agreed it enhances user satisfaction. However, 12.41% disagreed, 4.14% strongly disagreed while 8.97% were unsure. This showed that although there were those who disagreed, offering multiple support channels is an important feature of mobile banking that could enhance customer satisfaction. Additionally, offering clear instructions for resolving common issues were favorably rated by respondents. 33.79% strongly agreed and 42.07% agreed. 12.41% disagreed, 7.59% strongly disagreed while 4.14% were unsure. This data showed that providing detailed guidance for resolving common technical issues was an important feature for customer satisfaction, but there is still room for improvement.

4.7.2 Inferential Analysis

The inferential analysis involved scrutinizing the mean and standard deviation for each factor of customer support. This would show the association between customer support and customer satisfaction. Mean values show central inclination of the responses, while the SD show variability of the responses around mean thereby showing degree of agreement or disagreement among respondents. Low standard deviations values indicate that the responses were consistent. High standard deviations indicate areas that require more improvements. Using the means and standard deviations together makes it easy to evaluate the impact of

specific customer support features on overall customer satisfaction. This would show areas where things were going well and those that need improvement.

When it came to contact support the mean was 3.43 with a SD of 1.38. It indicated that although average responses slightly favored the agreement side, there were differences among the respondents. These variations show that there were different perceptions of contact support. This may mean that there inconsistencies in service quality or different expectations among users. When it came to the availability of customer support on social media platforms, the mean was 3.89 with a SD of 1.17. This high mean and relatively lower standard deviation showed that most respondents agreed that social media support was an effective customer support channel. It also showed a moderate level of consistency among responses. This positive perception indicates the part played by social media as an important support tool for customers may be due to its accessibility and convenience.

The virtual assistant features a SD of 1.20 and mean of 3.41. This alludes that opinions were divided somewhat. The mean showed an inclination towards agreement with the statement on virtual assistants. However, the standard deviation showed a notable difference in satisfaction levels. This implied that although some users find virtual assistants helpful, others had experienced challenges or had unmet expectations. When it comes to response time, the mean was 2.73 with a SD of 1.37. Mean value had a strong inclination towards the disagreement side as the figure was below the midpoint. This low rate suggested more respondent were dissatisfied with the services of customer support responses. The high standard deviation showed that there were significant variations among respondents with some agreeing while others disagreeing. This may indicate inconsistent with service delivery when it comes to responsiveness.

The follow-up process had the lowest mean of 2.30 with a SD of 1.22. This underlines a more momentous dissatisfaction among respondents with follow-up support. The low mean, which was below the midpoint of 3, and high standard deviations showed that there was a major weakness in the current customer support structure of mobile banking apps. Contrastingly, the accessibility of customer support across multiple communication channels had the highest mean of 3.98 and a SD of 1.17. This demonstrates that the ability to access support across different communication platforms was a major strength. It may mean that users value having multiple ways to reach out for support.

The statement on providing clear instructions for resolving common issues also scored well. It had a mean of 3.82 and a SD of 1.23. This demonstrated that customers feel that the support that was provided was great at communicating solutions for common issue. This enhanced customer satisfaction. The moderate standard deviation showed that there were some differing opinions among the respondents. However, most generally were in agreement on the effectiveness of instructional support.

The findings from this section compare favorably to that of Achieng & Ouma (2016) in showing the challenges within customer support services that have contributed to satisfaction or dissatisfaction of customers with mobile banking services. Achieng & Ouma (2016) found major disinterest and low awareness regarding the use of contact centers. Their study found that 40% of respondents were unaware of this service and 30% were indifferent about providing feedback. This was in contrast with this study. In this study contact support showed mixed reception, with around 60% of respondents acknowledging its positive impact on their satisfaction. However, a significant number, 29.65% of respondents, also expressed dissatisfaction. Additionally, both studies reveal that response times and

follow-up efforts remain major issues. Achieng & Ouma highlight dissatisfaction with speed and professionalism. Similarly, in this study, over 60% of respondents showed discontent with follow-up support. However, this study added a new layer of information to the existing body by examining modern customer support channels like social media and virtual assistants. These were well-received by respondents with over 70% agreeing that social media engagement enhance their experience. This addition indicated the evolution of customer support. It also suggested that integrating technological solutions like social media and virtual assistants may address some of the challenges that were identified in traditional support models.

4.8 Effect of Lifestyle Changes on Customer Satisfaction

The next objective scrutinized the effect of lifestyle changes on customer satisfaction in mobile banking services. This section looked at key areas such as growing use of mobile phones for banking, reduction of in-person visits to banks, and the adoption of cashless transactions. These lifestyle changes had significantly changed how customers interact with financial services. This analysis aimed to understand how they impact general customer satisfaction. Responses were measured using a Likert scale and findings were depicted in terms of frequencies, percentages, means, and standard deviations in **Table 4.12** below:

Table 4.12: Summary Responses of how Lifestyle Changes Affect Customer Satisfaction

NB: 1 Strongly Agree (SA), 2 Agree (A), 3 Not Sure (NS), 4 Disagree (D), 5 Strongly Disagree, M (Mean), SD (Standard Deviation)

Statement	SA	%	A	%	NS	%	D	%	SD	%	M	SD
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Use of mobile phones has made accessibility of mobile banking service easier.	109	75.17	28	19.31	2	1.38	4	2.76	2	1.38	4.62	0.82
Use of mobile banking services have reduced bank footprints.	101	69.66	29	20.00	10	6.90	3	2.07	2	1.38	4.55	0.84
Adoption of cashless transactions have reduced incidences of crime.	62	42.76	45	31.03	21	14.48	8	5.52	9	6.21	3.99	1.18
The use of mobile banking has helped users' save time in managing their finances.	84	57.93	28	19.31	9	6.21	19	13.10	5	3.45	4.15	1.12
Mobile banking has enhanced planning for future needs via tools such as automatic deduction to savings accounts or bill payments.	74	51.03	13	8.97	2	1.38	37	25.52	19	13.10	3.59	1.52
Mobile banking users feel a												

greater sense of control over their finances.	57	39.31	51	35.17	1	0.69	25	17.24	11	7.59	3.81	1.30
Mobile banking users experience fewer disruptions in their daily activities when they use mobile banking.	62	42.76	55	37.93	7	4.83	14	9.66	7	4.83	4.04	1.16

Source: Research Data (2024)

4.8.1 Descriptive Analysis

The frequencies and percentages in **Table 4.12** provide more information for the descriptive analysis of data on effects of lifestyle changes on customer satisfaction in mobile banking. They provide more information on how the changing dynamics of customer interacts with financial services. The findings were collected using a Likert scale. This part looks at the respondents' frequencies and percentages for each statement.

Using mobile phones in accessing banking services was seen as positive change by a bulk of respondents. 75.17% strongly agreed and 19.31% agreed that mobile phones had made mobile banking more accessible. Only 2.76% disagreed, and 1.38% strongly disagreed. This suggested that a high level of agreement in regard to the convenience that had been brought by mobile devices. This showed that the use of mobile phones was a major facilitator of customer satisfaction in mobile banking because they made services more readily accessible to users.

When it comes to the reduction of bank footprints, 69.66% of respondents strongly agreed and 20% agreed that mobile banking services had reduced the need to physically visit banks. This showed that the majority of customers perceive mobile banking as an effective way to reduce a person going to the bank for financial transactions. This contributed to a more efficient banking experience. Only a small percentage, a total of 3.45%, were in disagreement or strong disagreement with this statement. It showed that most customers find using mobile banking for financial transactions as a convenient way for reducing physical visits.

The adoption of cashless transactions was seen as a positive. 42.76% of respondents strongly agree and 31.03% agreed that it reduced incidences of crime. However, 6.21% were in strong disagreement and 5.52% disagreed. This showed although the majority of respondents felt safer while using cashless transactions, there were still some reservations when it comes to their impact on reducing crime. Additionally, 14.48% were not sure about this statement which indicates that there were mixed perceptions regarding the connection between cashless transactions and reduction of crime.

The statement that mobile banking helps save time in managing finances was shared by a majority of respondents. 57.93% of the respondents strongly agreed and 19.31% of them agreed. Meanwhile, 13.10% were in disagreement and 3.45% of them were in strong disagreement. This showed most of the users believe that mobile banking is a solution that saves time. However, there was a small number of respondents who thought different. 13.10% disagreed, 3.45% were in strong disagreement while 6.21% were unsure. This showed that there were some who experienced challenges in this regards.

The statement on the use of mobile banking for planning future needs, such as through automatic savings or bill payments, received mixed responses. Although 51.03% strongly agreed and 8.97% agreed, there was still a significant number of them who felt the contrary. 25.52% of the respondents disagreed, 13.10% strongly disagreed and a further 1.38% of them were unsure. This showed that although most of the respondents find these features valuable, there were significant others who had encountered challenges or had concerns regarding their efficiency.

When it comes to having a sense of control over finances, 39.31% were in strong agreement and 35.17% were in agreement that mobile banking services give them a greater financial control. However, 17.24% disagreed, 7.59% strongly disagreed, while 0.69% of the respondents were unsure. This showed that although most users feel empowered by mobile banking services, a big portion still experiences challenges in feeling like they had the control over their finances. Finally, 42.76% of respondent strongly agreed and 37.93% agreed that mobile banking services leads to fewer disruptions in their daily activities. This showed a positive perception of the convenience that is offered by mobile banking services. However, 9.66% disagreed, 4.83% strongly disagreed while 4.83% of them were unsure about this statement. This showed that although most respondents were in agreement, there were still some users who experience disruptions.

4.8.2 Inferential Analysis

In this section the means and SD calculated in **Table 4.12** above were utilized in assessing the effect of lifestyle changes on customer satisfaction in mobile banking. This provided correlation between lifestyle changes and customer satisfaction. The mean values show the

central tendencies of the opinions of the respondent, while the standard deviations show the level of agreement or disagreement. Low standard deviations values indicate that the responses were consistent with minimal contradictions among responses. High standard deviations indicate areas that require more improvements. Using the means and standard deviations together makes it to scrutinize the impact of specific lifestyle changes on overall customer satisfaction. This would show areas where things were going well and those that need improvement.

The statement on using of mobile phones to make banking services more accessible had a high mean of 4.62, with a SD of 0.82. This elevated mean showed that a huge chunk of participants agreed on the positive impact of mobile phones on easier accessibility of banking services. The relatively low standard deviation showed that there was consistency in their responses. Similarly, the use of mobile banking services to reduce bank footprints also had a high mean of 4.55 and a SD of 0.84. This reinforced the idea that many customers agree mobile banking reduces the need to physically visit banks for financial transactions. The low standard deviation indicates that there were minimum mixed responses.

The adoption of cashless transactions in reducing incidences of crime had a mean of 3.99 and a SD of 1.18. This demonstrated there was moderate positive perception albeit with some mixed responses. This indicates that although the majority of feel positive about cashless transaction reducing the incidents of crime, there was a certain degree of uncertainty among respondents. The relatively high standard deviation suggest that there were differing opinions among respondents possibly due to personal experiences or varying levels of trust in the security of cashless transactions.

When it came to the statement on the using mobile banking to save time in managing finances, the mean was 4.15 while the SD was 1.12. This suggested that, a greater part of the participants agreed that mobile banking saves time. However, the high standard deviation showed that there some kind of variations in the responses maybe as because of differing experiences. The statement of mobile banking being able to enhance planning for future needs had a low mean of 3.59, with a SD of 1.52 indicating mixed reactions among the respondents. The higher standard deviation indicates significant variability of responses regarding this statement. This points towards inconsistencies on the perceived usefulness of mobile banking in enhancing future financial planning.

Regarding the statement on the sense of control over finances, the mean was 3.81, with a SD of 1.30. The moderately positive mean combined with a high standard deviation, suggest a divergent of views and experiences among users. In other words, this meant that although there were some respondents who felt that they were empowered by mobile banking services to had more control over their finances, there were others who do not experience the same level of control. Finally, the statement about mobile banking leading to fewer disruptions in daily activities had a mean of 4.04 and a SD of 1.16. This suggest that a greater part of respondents were in agreement with this statement. There were also moderate contrasting responses meaning majority supported the statement.

The findings of Achieng & Ouma (2016) and the Kenya Bankers Association (2023) align with this study in acknowledging that lifestyle changes had a affirmative impact on customer satisfaction with mobile banking. Achieng & Ouma reported that 90% of respondents valued “hello money” (a form of mobile money used by Barclays Bank) for the convenience of managing transactions remotely. This percentage parallels this study which found out that

75.17% strongly agreed that mobile phones had enhanced the accessibility of banking services. Similarly, the Kenya Bankers Association in their survey found that adopting mobile banking reduces the challenge of physically visiting a bank branch. This is also coherent with data from this research that found out that 69.66% strongly agreed that mobile banking had decreased the need for physically visiting the bank. However, this study adds depth by exploring other aspects, such as cashless transactions reducing crime rates (with mixed responses as 42.76% strongly agreed but 6.21% strongly disagreed) and the role of mobile banking in enhancing future financial planning which got a lower level of agreement (mean of 3.59). This detailed focus on features like crime reduction and future planning suggested that there is growing necessity for diverse mobile banking functionalities that go beyond just being convenient.

4.9 Customer Satisfaction

Customer satisfaction was the dependent variable of this project. This represented the outcome influenced by other independent factors examined like security features, user interface, customer support, and lifestyle changes. This section focuses on understanding customer satisfaction in mobile banking services through key performance indicators like CSAT (measures how satisfied customers were with mobile banking services), NPS (gauges the probability of customers vouching for the mobile banking services to others), and CES (assesses the effort required by customers to complete their transactions). These metrics capture the overall customer experience, their willingness to recommend the service, and the perceived ease of using mobile banking applications. Responses were measured using a Likert scale. The findings were depicted as frequencies, percentages, means, and standard deviations. **Table 4.13** provides a summary of the feedback regarding customer satisfaction.

Table 4.13: Summary of Frequencies, Percentages, Means and Standard Deviations of

Customer Satisfaction

NB: 1 Strongly Agree (SA), 2 Agree (A), 3 Not Sure (NS), 4 Disagree (D), 5 Strongly Disagree. M (Mean), SD (Standard Deviation)

Statement	SA	%	A	%	NS	%	D	%	SD	%	M	SD
Customers should continue using mobile banking services for their transactions.	85	58.62	28	19.31	19	13.10	6	4.14	7	4.83	4.22	1.10
Mobile banking services should be recommended to everyone.	89	61.38	35	24.14	11	7.59	9	6.21	1	0.69	4.39	0.92
Customers are satisfied with their experiences using mobile banking services.	43	29.66	49	33.79	26	17.93	17	11.72	10	6.90	3.68	1.23
It is easy to resolve any issues encountered with mobile banking services.	19	13.10	63	43.45	28	19.31	23	15.86	12	8.28	3.37	1.17

Source: Research Data (2024)

4.9.1 Descriptive Analysis

Table 4.13 above shows respondents who agreed or disagreed with various metric statements. The descriptive analysis of customer satisfaction with mobile banking services showed mixed responses across different metrics. When it came the statement that customers

should continue using mobile banking services for their transactions, 58.62% of respondents strongly agreed, and 19.31% agreed. This indicated that most customers view mobile banking as a suitable method for managing their transactions. In the meantime, 13.10% of the respondents were not sure and a small total of 8.97% either disagreed or strongly disagreed. This suggested that although a greater part of customers are contented with mobile banking services, there were some who were unsure or were not satisfied.

On statement about recommending mobile banking services to others, 61.38% of respondents strongly agreed, and 24.14% agreed. This makes it evident that the majority of users feel confident enough in their experiences with mobile banking to be able recommend it to others. Out of all respondents, a total of only 6.90% were in disagreement or in strong disagreement with the statement and a further 7.59% of them were not sure. This showed that the statement generally received positive perception and the reservations of mobile banking services were limited.

When it comes to the statement of the overall satisfaction with mobile banking experience, 29.66% of respondents strongly agreed, while 33.79% agreed. This demonstrated there was a fair amount of satisfaction among users of mobile banking services. However, 17.93% were unsure, and a total of 18.62% either disagreed or strongly disagreed with the overall satisfaction of mobile banking. This indicated that there was still a large number of customers who were not fully content with their experiences with mobile banking.

When asked if it was easy to resolve issues with mobile banking services, 13.10% of respondents strongly agreed, and 43.45% agreed. This demonstrated more than half of the participants regarded the process of resolving issues positively. Nevertheless, 19.31% were

not sure, and a total of 24.14% either disagreed or strongly disagreed. This suggests that there were many customers face challenges when trying to resolve issues that were related to mobile banking.

4.9.2 Inferential Analysis

The mean values and standard deviations in **Table 4.13** provide further information into the general trends of levels of customer satisfaction. The statement about continuing to use mobile banking services had a high mean of 4.22 and a SD of 1.10. This elevated mean showed a robust level of agreement among participants which suggest the perception of the customers was generally positive. The moderate standard deviation indicates that there were some mixed responses i.e. there was a high number of respondents who agreed, but there was also a number of them who had concerns.

For recommending mobile banking services to others, the mean was 4.39 with a SD of 0.92. This demonstrated respondents mostly agreed they may recommend mobile banking apps to other people to use. The relatively low SD showed that there was less discrepancies in responses. This suggest the responses were more consistent with positive sentiments on recommending mobile banking apps to other people.

When it comes to the overall satisfaction, the mean score was 3.68, with a SD of 1.23. This means was lower compared to the ones discussed above. This means that although customers were mostly satisfied with mobile banking services, there is a significant number of respondents who were undecided or face issues with mobile banking apps. The standard deviation was also higher than all the rest. This implies that there were greater variations of

responses between strongly agreed and strongly disagreed which may indicate that there was a range of experiences among users of mobile banking services.

When it came to simplicity of resolving issues with mobile banking services, the mean was 3.37 and the SD was 1.17. This statement had the lowest mean score. This indicates that responses were majorly divided regarding the ease of resolving issues associated with mobile banking. This coupled with a relatively high standard deviation suggests that there were many customers who had good experiences with resolution of mobile banking issues. However, there was also a significant number of respondents who experienced challenges that affected their overall satisfaction.

The findings from this study on customer satisfaction with mobile banking services both align with and contrast the insights presented in the survey conducted by the Kenya Bankers Association (2023). Both studies highlight a strong preference for mobile banking as the primary channel. This study showed that 58.62% of respondents strongly agree that they should continue using mobile banking services, while the one by Kenya Bankers Association (2023) identifies mobile banking as the most preferred channel among customers at 69.9%. However, this study gives a more detailed picture of customer fulfilment. With a mean of 3.68 indicating that there was mixed feelings about the overall satisfaction. In addition, a lower score of 3.37 on the ease of issue resolution suggest that there were challenges in customer support. In contrast, Kenya Bankers Association (2023) in their survey noted that a significant number of people preferred using fully automated/self-service channels at 45.7%. This showed that although many customers enjoy the convenience of mobile banking, they may still face challenges that could had impacted their satisfaction. This data

showed that banks need to improve the reliability of their services and support. This would enhance their understanding the dynamics of their customer satisfaction in digital banking.

CHAPTER 5: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter was guided by all the specific objectives of the project. It provides a brief of the findings from the research with regards to customer satisfaction in mobile banking services. It also provided the deductions that were arrived at from this study, the recommendations for different stakeholders and the recommendations for future researches. Primary objective of this study was to look at the impacts of features of mobile banking features such as security features, user interface, customer support, and lifestyle changes in enhancing customer satisfaction among retailers in Nakuru CBD.

5.2 Summary of Result Findings

In accordance with all the specific objectives of the project, this section summarized all key findings of the study for each variable that was investigated:

5.2.1 Security Features

This study found out that some security features in mobile banking applications, such as passwords, verification notices, fraud alerts, and MFA, had a huge influence on customer satisfaction among business owners in Nakuru CBD. For instance, 77.24% of the participants in the study strongly agreed that MFA ensured a secure login experience. Another 60% strongly agreed that timely notifications enhanced their sense of security. The use of

password also received positive feedback with 60% of the respondents agreeing that it enhanced mobile banking security.

However, there were mixed reactions regarding fraud alert responses and customer support responsiveness. In this, only 20% strongly agreeing on the effectiveness of fraud alerts and 12.41% on customer support responsiveness. These findings show that although strong security measures enhance customer trust which enabled them to continue using mobile banking apps there were some users who were still looking for more assurances from the banking institutions. Data from this research align with prior research, especially the one conducted by Ngugi (2016) and Njanja (2019). Both studies emphasized the importance of strong security measures in enhancing customer satisfaction in mobile banking.

5.2.2 User Interface

This study also aimed at assessing effects of user interface design on customer satisfaction in mobile banking applications. It focused on ease of use, multiplatform accessibility, and multipurpose functionality. The findings revealed that 64.83% were in agreement and 29.66% were in strongly agreement that the navigation system of the app was intuitive and easy to use. This showed widespread satisfaction. Accessibility across multiple devices also had strong support, with 61.38% strongly agreeing. Nonetheless, 17.93% of those who participated were in disagreement or strongly disagreed which indicate some concerns. Versatility in financial features was also received well with 48.97% agreeing and 44.14% strongly agreeing.

Findings from this study contrast finding from Achieng & Ouma (2016) which showed that majority of customers were dissatisfied with mobile banking via USSD codes. In this study

most people were satisfied with mobile banking apps which may suggest that they had undergone more revolution since the last study was conducted. These findings emphasize the importance of interface that is friendly to users, is accessible, and versatile enough to help boost customer experiences.

5.2.3 Customer Support

This study showed that support for customers is an important influencer in customer satisfaction in mobile banking applications. However, the outcome was mixed depending on the type of support. Contact support showed a generally favorable impact on satisfaction, with almost 60% of respondents expressing satisfaction. However, a notable percentage remained dissatisfied or unsure. This highlights the need for improvement. Social media support was seen as a key strength for customer support with over 75% of respondents acknowledging that it was a positive contribution to their mobile banking experience. This indicates its effectiveness as a support tool.

The virtual assistant feature also showed a potential to enhance satisfaction with over 50% agreeing with its positive impact. However, there were significant variations in responses which meant that the current implementation had its limitations. Response times and followup efforts were also identified as major areas of concern with more than 60% of respondents not satisfied. This suggested a key gap in delivering timely and consistent support. On the other hand, accessibility across multiple communication channels and the provision of clear instructions for issue resolution received strong positive responses. This highlighted the importance of these features in driving customer satisfaction.

When compared with the findings of Achieng & Ouma (2016), this study provides additional insights especially when it comes to modern customer support channels. Although both studies found response times and follow-up efforts to be major issues affecting satisfaction, this study also identified social media and virtual assistants as effective channels for enhancing customer experience. This were not discussed in the other study. The positive reception of these modern support tools suggests that integrating these technological solutions into the customer support framework could address some of the limitations identified in the traditional models. This would help improve overall customer satisfaction with applications for mobile banking.

5.2.4 Lifestyle Changes

The study also looked at the effect of lifestyle changes on customer satisfaction in mobile banking services by focusing on increased mobile phone usage for banking, reduced inperson bank visits, and the usage of cashless transactions. A bulk number of respondents acknowledged the benefits of mobile phones in making banking more accessible with 75.17% strongly agreeing. Also, 69.66% of respondents indicated that mobile banking reduces the need for physical visits to banks which highlights its convenience.

The adoption of cashless transactions was also viewed positively with 42.76% strongly agreeing that it reduces incidences of crime. However, a notable percentage also remained uncertain. Using mobile banking was also found to save time which enhances planning for future financial needs and minimize disruptions in daily activities. However, there were mixed responses regarding the effectiveness of these features. This suggest some differences in opinions in user experience.

The findings from this study align with those of Achieng & Ouma (2016) and the Kenya Bankers Association (2023). These two previous studies recognized the positive influence of lifestyle changes on customer satisfaction with mobile banking. Using mobile devices for remote transactions was consistently highlighted as a key factor in improving convenience. Nevertheless, this study provided additional information into aspects such as the reduction of crime through cashless transactions and the ability to plan for future financials. These results indicate that, although mobile banking offers significant advantages, there were areas such as the confidence of users in security that still require more research to maximize customer satisfaction.

5.2.5 Customer Satisfaction

The study on how customers are satisfied with mobile banking services revealed a generally positive sentiment among users. 58.62% of the respondents strongly agreed that they should continue using mobile banking for transactions. Additionally, 61.38% of them expressed confidence in recommending mobile banking services to others. However, there remains a significant level of uncertainty and dissatisfaction, as 18.62% of respondents disagreed or were unsure about their overall satisfaction with the service. Specifically, only 29.66% strongly agreed that they were satisfied with their experiences. This indicates that a significant number of customers still face challenges in using mobile banking services. These data agree with what was stated in the Kenya Bankers Association (2023) report. The report indicated that 69.9% of their respondents preferred the use of mobile banking. Nevertheless, this study showed that there was a pressing necessity for banks to improve their customer support services in order to address the challenges that impact customer satisfaction.

5.3 Conclusions

This research asserts that the satisfaction of customer in mobile banking service is influenced by various factors such as security features, user interface design, customer support, and lifestyle changes. The study showed that although customers were mostly contented with mobile banking service and were keen to promote the service, there still exist major gaps that should be dealt with in order to make them fully satisfied.

Furthermore, the data from this study showed that banking institutions could foster loyalty and user experience by understanding the needs of the customer and their perceptions. Specifically, they could employ strong security measures and user-friendly interfaces on their mobile banking apps so as to increase the satisfaction levels. Furthermore, when the customer support is inadequate, the overall experience could be affected negatively. As a result, this research contributes important data to the studies that had already been written on mobile banking. It offers new data that could guide financial institutions into improving their services.

5.4 Recommendations for Practice

Grounded on the findings from this project, there were quite a few recommendations that could be made to enhance customer satisfaction in mobile banking services. These recommendations as discussed in this section were aimed at various stakeholders such as regulatory authorities, beneficiaries, and other parties that were involved in the mobile banking ecosystem.

5.4.1 Recommendations for the Regulatory Authorities

The findings from this research could be important in guiding a collaboration between regulatory authorities and financial institutions. This collaboration could be beneficial in establishing and enforcing stronger standards for mobile banking services. Some of these benefits include enforcing mandatory security protocols and user experience guidelines. These could ensure that all mobile banking applications meet high standards of safety and usability for the benefits of customers and their satisfaction. Another recommendation is for the authority to promote transparency in operations so as to build consumer trust. Doing that would satisfy customers which in turn enhance loyalty from them.

5.4.2 Recommendations for Beneficiaries

This study provided insight that could be used by banks and various financial institutions when designing and implementing their mobile banking apps. By looking at customer feedback when it comes to satisfaction, they could create and launch apps that are tailored around the needs and demands of the customers. Additionally, they could also utilize the data from this study to enrich their customer support systems. They could do this by providing such service as such as 24/7 access to assistance or using chatbots that assist clients in resolving issues quickly. This could highly improve the levels of satisfaction among their customers.

5.4.3 Recommendations for other Stakeholders

The findings of this project could also be exploited by developers of mobile banking applications and their technological partners in accommodating the diverse needs of the

clients. This could be achieved by the creation of interfaces that are friendly to users and tailored to the needs of their clients. Continuously testing the apps and engaging their clients for feedback could ensure that these mobile banking apps remain intuitive and are driven by innovations. Another recommendations would be that there should exist smooth collaboration between banks and fintech companies so as to enhance development of advanced features that enhance the experiences of the customers in mobile banking apps.

5.5 Recommendations for Further Research

Forthcoming studies in this area should consider longitudinal studies in order to assess how improvements in mobile banking services impact customer satisfaction over time. In addition, examining the differences in satisfaction levels across different demographic groups could provide a stronger understanding of the different needs of customer. Future researchers should also investigate the role that is being played by emerging technologies, such as AI (Artificial Intelligence) and biometric authentication in enhancing experiences of customer and their satisfaction in mobile banking. This information would be important in guiding future innovations and practices in the mobile banking sector.

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APPENDICES

Appendix I: Consent Form

CONSENT FORM FOR PARTICIPATION IN RESEARCH

TITLE OF STUDY: INFLUENCE OF MOBILE BANKING SERVICES ON CUSTOMERS' SATISFACTION AMONG RETAIL ENTERPRISES IN NAKURU CBD, KENYA

Dear Participant,

I invite you to participate in a research study entitled **INFLUENCE OF MOBILE BANKING SERVICES ON CUSTOMERS' SATISFACTION AMONG RETAIL ENTERPRISES IN NAKURU CBD, KENYA**. I am currently enrolled in the Masters of business administration at Mount Kenya University and I am in the process of writing my Masters project. The purpose of the research is to analyze the role of mobile banking services on customer's satisfaction among retail enterprises in Nakuru CBD, Kenya.

The enclosed questionnaire has been designed to collect information on **security features, user interface design, customer service support and lifestyle changes**.

Your participation in this research project is completely voluntary. You may decline altogether, or leave blank any questions you do not wish to answer. There are no known risks to participation beyond those encountered in everyday life. Your responses will remain confidential and anonymous. Data from this research will be kept under lock and key and reported only as a collective combined total. No one other than the researchers will know your individual answers to this questionnaire. There are no direct benefits to you for participating in this research. However, you may find it interesting to talk about the issues addressed in the research and it may be beneficial to the field and to future clients or individuals who have experienced similar concerns

If you agree to participate in this project, please answer the questions on the questionnaire as best you can. It should take approximately 20 minutes to complete. Please return the questionnaire as soon as possible to enable me complete the project report.

If you have any questions about this project, feel free to contact *the INVESTIGATOR*, Anne Wanjiru Nguyo- 0723125585. If you have questions about your rights as a research participant, please be in touch with the Chairman, Mount Kenya University, Ethical Review Committee, P.O Box 342-01000, Thika.

Thank you for your assistance in this important endeavor.

CONSENT

I have read and I understand the provided information and have had the opportunity to ask questions. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving a reason and without cost. I understand that I will be given a copy of this consent form. I voluntarily agree to take part in this study.

Participant's signature _____ Date _____

Investigator's signature _____ Date _____

Appendix II: Questionnaire

The researcher is a Master of Business Administration student at Mount Kenya University carrying out research on “*INFLUENCE OF MOBILE BANKING*

SERVICES ON CUSTOMERS’ SATISFACTION AMONG RETAIL ENTERPRISES IN NAKURU CENTRAL BUSINESS DISTRICT, KENYA”. This

is to kindly request you to tick or fill in blank spaces with your most suitable answer or response. The information provided will be treated in confidence and only used for the purpose of academic. Answer the questions by ticking (✓) in the box provided.

Part I: Background Information

1. Age

20-25

26-30

31-35

36-40

41-45

45 and above

2. Indicate your gender Male

Female

3. What is your level of education?

Primary

Secondary

Tertiary/College

Undergraduate

Postgraduate

4. How long have you been using mobile banking services?

Less than 1 year

Between 1 and 5 years

More than 5 years

5. How would you rate quality of service provided by mobile banking services?

Very good

Good

Moderate

Poor

Very poor

Part II: Application of various features of mobile banking

6. How would you rate the following in respect to customer satisfaction on security features of mobile banking?

- 1. Strongly agree 2. Agree 3. Not sure 4. Disagree 5. Strongly disagree*

S/N	Statement	1	2	3	4	5
1.	Use of passwords has enhanced security of mobile banking services					

2.	Verification notice has improved customer satisfaction					
3.	Fraud alert response has reduced fraud incidents					
4.	The MFA process ensures secure login experience.					
5.	Timely notifications for account activity contribute to a sense of security.					
6.	Customer support's responsiveness to securityrelated queries is quick.					

7. How would you rate the user design in respect to mobile banking on customer satisfaction?

1. *Strongly agree* 2. *Agree* 3. *Not sure* 4. *Disagree* 5. *Strongly disagree*

S/N	Statement	1	2	3	4	5
1.	The navigation platform of the mobile banking app is intuitive and easy to use.					
2.	The mobile banking app is accessible across multiple devices.					
3.	The mobile banking app offers versatile features for various financial needs and activities.					
4.	The layout of the mobile banking app is visually appealing and enhances user experience.					
5.	The organization of menus and options within the mobile banking app is clear and logical.					

6.	The mobile banking app provides helpful prompts and guidance to assist users in navigating different features.					
7.	The mobile banking app provides easy access to account balances, transaction history, and other essential information.					
8.	The mobile banking app prioritizes accessibility ensuring easy access and navigation.					

8. How would you rate customer support service in respect to mobile banking on customer satisfaction?

1. *Strongly agree* 2. *Agree* 3. *Not sure* 4. *Disagree* 5. *Strongly disagree*

S/N	Statement	1	2	3	4	5
1.	Contact support has improved customer satisfaction.					
2.	The availability of customer support on social media platforms has enhanced mobile banking service experience.					
3.	The virtual assistant feature effectively addresses customer inquiries and concerns, enhancing satisfaction.					
4.	The response time of customer support agents has contributed to overall customer satisfaction.					
5.	The customer support team understands problems of users and provide effective support in resolving issues.					
6.	Customer support team conduct a follow up to ensure that users' issues are resolved.					

7.	The accessibility of customer support across various communication channels enhances user satisfaction.					
8.	Customer support provides clear instructions for resolving common issues encountered.					

9. How would you rate lifestyle change in respect to mobile banking on customer satisfaction?

- 1. Strongly agree 2. Agree 3. Not sure 4. Disagree 5. Strongly disagree*

S/N	Statement	1	2	3	4	5
1.	Use of mobile phones has made accessibility of mobile banking service easier.					
2.	Use of mobile banking services have reduced bank footprints.					
3.	Adoption of cashless transactions have reduced incidences of crime.					
4.	The use of mobile banking has helped users' save time in managing their finances.					
5.	Mobile banking has enhanced planning for future needs via tools such as automatic deduction to savings accounts or bill payments.					
6.	Mobile banking users feel a greater sense of control over their finances.					
7.	Mobile banking users experience fewer disruptions in their daily activities when they use mobile banking.					

Part III: A Survey of Customer Satisfaction

S/N	Statement	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
9.	Customers should continue using mobile banking services for their transactions.					
10.	Mobile banking services should be recommended to everyone.					
11.	Customers are satisfied with their experiences using mobile banking services.					
12.	It is easy to resolve any issues encountered with mobile banking services.					

Appendix III: ERC



Mount Kenya University

REF: MKU/ISERC/4442
TO: NGUYO ANNE WANJIRU

Date: 25 September 2024

REG: MBA/2022/35547

Dear Sir/Madam,

RE: INFLUENCE OF MOBILE BANKING SERVICES ON CUSTOMERS' SATISFACTION AMONG RETAIL ENTERPRISES IN NAKURU CBD, KENYA

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **3164**. The approval period is **25/09/2024 - 25/09/2025**.

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



Appendix IV: Introduction Letter



DIRECTORATE OF GRADUATE STUDIES

MBA/2022/35547

11th October, 2024

National Commission for Science Technology & Innovation (NACOSTI)
Off Waiyaki Way, Upper Kabete,
P.O Box 30623- 00100
NAIROBI, KENYA

Dear Sir/Madam,


RE: NGUYO ANNE WANJIRU- REGISTRATION NO. MBA/2022/35547

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 **"Influence of Mobile Banking Services on Customers' Satisfaction Among Retail Enterprises in Nakuru CBD, 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 **October, 2024 and December, 2024**.


Any assistance accorded to the student will be highly appreciated.

Thank you.


Dr. Samuel M. Karenga, PhD
Director, Graduate Studies
Enc.


Main Campus, General Kago Road, P.O. Box 342-01000 Thika.
Cell: +254 709 153 000 / +254 709 153 200

Appendix V: Research Permit from NACOSTI


REPUBLIC OF KENYA

Ref No: 232898


RESEARCH LICENSE




This is to Certify that Miss.. ANNE WANJIRU NGUYO 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: INFLUENCE OF MOBILE BANKING SERVICES ON CUSTOMERS' SATISFACTION AMONG RETAIL ENTERPRISES IN NAKURU CBD, KENYA - for the period ending : 22/October/2025.

License No: NACOSTI/P/24/41253

232898
Applicant Identification Number


Director General
NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION

Verification QR Code



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See overleaf for conditions

Appendix VI: Similarity Index Report

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postgraduate
Mount Kenya University

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