

**EVALUATION OF ELECTRONIC BANKING MANAGEMENT ON
COMMERCIAL BANKS PERFORMANCE:
A CASE OF COOPERATIVE BANK OF KENYA**

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ABSTRACT

In its very basic form, E-banking can mean the provision of information about a bank and its services via a home page on the World Wide Web (WWW). E-banking is fast becoming a norm in the developed world, and is being implemented by many banks in developing economies around the globe. The main reason behind this success is the numerous benefits it can provide, both to the banks and to customers of financial services. For banks, it can provide a cost effective way of conducting business and enriching relationship with customers by offering superior services, and innovative products which may be customized to individual needs. For customers it can provide a greater choice in terms of the channels they can use to conduct their business, and convenience in terms of when and where they can use it. This research project had the objective of evaluating the various factors affecting the management of Electronic Banking in organizational performance in commercial banks in Kenya using Co-operative Bank of Kenya as a case Study. The researcher narrowed his study to three critical areas in E-Banking, namely: accessibility, security and reliability. The organizational performance of the bank was analyzed in terms of Returns on Equity and Returns on Asset. Data was collected using a structured interview schedule as well as Questionnaires and the data analyzed by use of Statistical Package for Social Scientist (SPSS) version 20. The study findings revealed that the E-system is interlinked to other services offered by non-banking institutions. The study also indicated that the system is fast and that it is regularly maintained. However the study findings revealed that the system cannot serve customers with different physical impairments. The study found out that the e-banking system maintains customers' information necessary for e-transaction as confidential. Concerning accessibility in E-banking the study found out that the online banking portal is readily available in the search engines. The study also revealed that the language used in portal is not simple.

The study recommended that the bank upgrades its security feature by providing instant transaction knowledge to the users of e-banking by use of either emails or SMS (Short Messaging Services). The study also recommended that other studies ought to be conducted to find out the rate of uptake of e-banking versus the internet penetration in Kenya.