

**DETERMINANTS OF MOBILE BANKING USER ACCEPTANCE IN ABSA BANK  
THIKA TOWN, KENYA.**

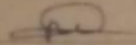
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**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS IN  
PARTIAL FULFILMENT FOR THE REQUIREMENTS OF THE AWARD OF  
DEGREE OF BACHELOR COMMERCE IN FINANCE, GREYSA UNIVERSITY.**

**NOVEMBER 2021.**

**DECLARATION**


This Proposal is my original work and has not been presented for award of a degree or for any similar purpose in any other institution

Signature:  Date: 6/12/2021

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BUS-G-4-0491-17

Supervisor: This proposal has been submitted with my approval as University supervisor

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## **DEDICATION**

I dedicate this research to the almighty God for the gift of life and friends and family for their passionate love and encouragement.

## **ACKNOWLEDGEMENT**

The research could have not been a success without cooperation and support of a number of persons helped me achieve the ultimate goal.

I acknowledge my supervisor Mr. George Mugwe for his guidance, support and his cooperation. To my family especially my parents whom I express sincere gratitude for their financial support and motivation throughout my journey in research.

## **ABBREVIATION AND ACRONYMS**

**ATM**- Automated Teller machine

**CBK** -Central Bank of Kenya

**CCK** -Communication Commission of Kenya

**IVR** -Interactive Voice Response

**MMT** -Mobile Money Transfer Services

**SMS** -Short Message Service

**USSD** -Unstructured Supplementary Service Data

## **ABSTRACT**

Several mobile service providers in Kenya have been allowed to operate and offer mobile money services to their customers by the Central Bank of Kenya and the Communication Commission of Kenya. Commercial banks and financial institutions also have not been left behind with several of them collaborating with the mobile service providers to offer their services to clients. This study aims to find out and examine the mobile banking user acceptance in Kenya. In Kenya there are 66.6million actively connected phones to service providers with e-wallet access, this shows that almost every individual in Kenya has access to mobile phones. This is a catch for the mobile banking industry as almost the entire population can be able to access and do mobile transactions. The study is expected to cover the factors contributing to the mobile banking user acceptance practice and these factors include security, cost and infrastructure. The study employs quantitative study tools for data collection. The primary data will be collected using questionnaires. . There is a deepening penetration of mobile money financial services. Also the increased good customer service provision and CBK measures on digital banking is likely to enhance the penetration and continuous increased usage of mobile banking services which include, balance enquiry, money transfer services and bill payments. The growth in this industry is absolutely fantastic as we have seen even the introduction of mobile money credit services and soft loans, such as Fuliza by safaricom and NCBA bank.



## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the study**

The continuous growth of information technology has led to a tremendous increased number of mobile banking usage and access even in rural areas. Back in the days banking was an expensive activity and was perceived to be a rich people thing. Nowadays with the growth in the mobile communication sector many people are able to access banking platforms at their fingertips with a 24/7 access. This is due to the reduction in banking costs due to use of smart phones and internet. Banks have invested heavily on this platform to ensure that they meet customer needs and experience, by ensuring easy accessibility and simplicity in mobile banking be it transactions and bill payments. Mobile banking is actually a trend in emerging markets like Kenya, due to easy access many people now prefer m-banking compared to normal banking.

Gone were the days when people used to queue in the banking halls in order to transact. They can simply do this using their mobile phones or ATM cards or over the internet at their own comfort. Commercial banks have however partnered with mobile service providers to tap the untapped market opportunities such as offering banking retail services to their clients. ATM banking is widely retail banking in Kenya (Nyongosi et al. 2009). However this is no longer the case as low income earners have adopted use of mobile banking due to affordability of smart phones, which can be used even in rural areas.

### **1.2 Statement of research problem**

The study was set to highlight and discuss the determinants of mobile banking User acceptance in Absa bank Thika town Kenya. Mobile banking has made it easy for people to engage in banking activities without having to do the old school banking. However there are various factors that determine the User acceptance of mobile banking. Lafore and Li (2017) investigated consumer attitude in an online environment and found out that security is an important factor in the acceptance of Mobile Banking. Amin et al. (2018) found that cost of use and reliability is significantly related to intention to use in the context of mobile banking. The research studied on cost, security and social factors and their influence on acceptance on mobile Banking .Mobile Banking is being deployed by these channels, namely IVR (Interactive Voice Response), SMS (Short Messaging Service), WAP (Wireless Access Protocol), and Standalone Mobile

Application Clients. These are the essentials that are gearing the mobile applications in the banking industry (CGAP, 2018)

### 1.3 Purpose of the study

The study researched on the factors leading to acceptance of mobile banking in Absa Thika town. The cost, security and social factors were the leading determinants. The study focused on cost, security and as the main determinants for user acceptance. As we all know Kenya is one of the respected innovators in mobile banking in Africa and the world at large due to the invention of mobile money M-pesa, although this technology has been welcomed with open arms by many Kenyan's, it has also cost the same users a fair share of loses in terms of theft of customer personal data and many other problems.

### 1.4 Conceptual framework

The study borrowed from Technology Acceptance Life cycle (TALC). According to (Rogers 2017) the adoption of technology depends on issues such as sophistication of the means, perceived benefits, trust, price or cost and its ability to adhere to cultural values and morals. So these factors can be grouped into main factors which include cost, security and social influence.

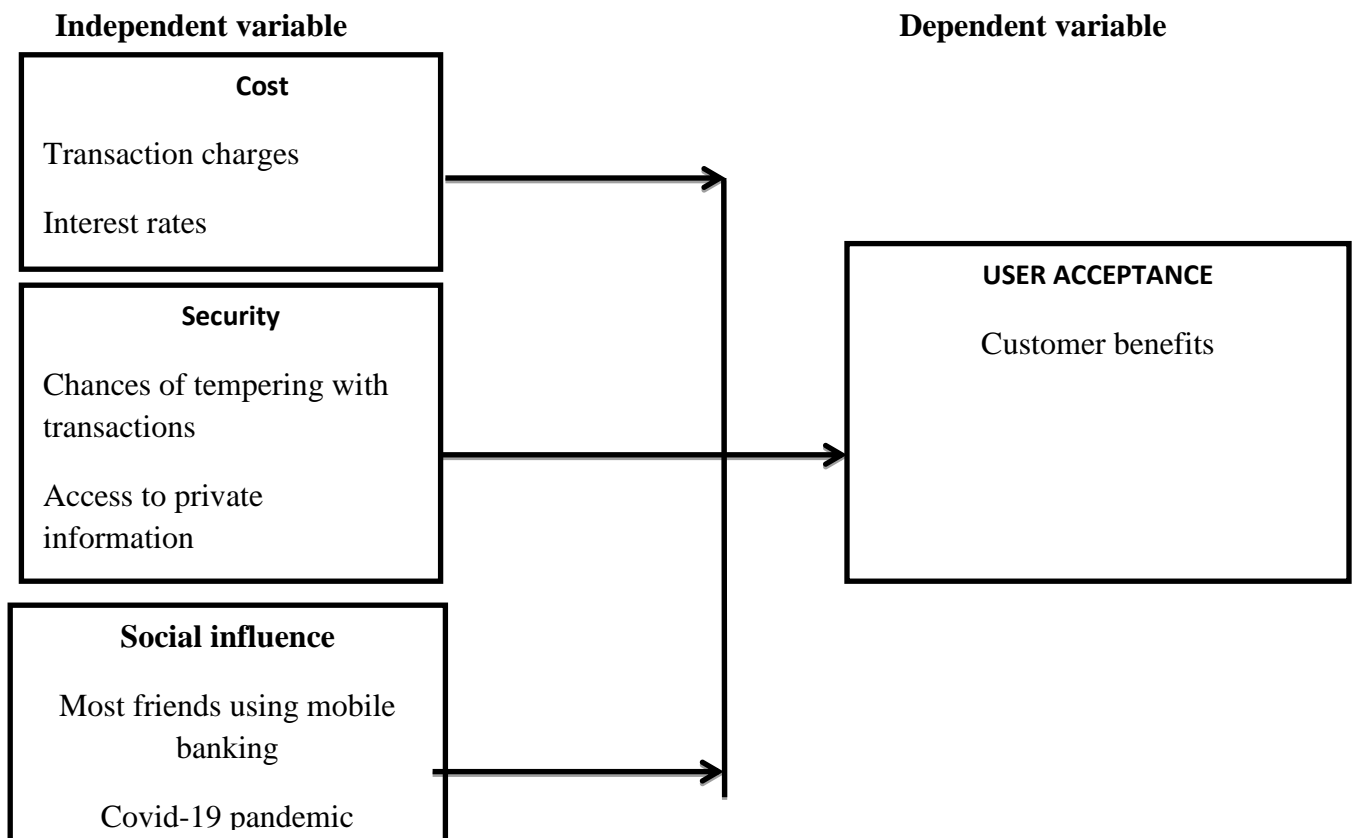


Figure 1: conceptual framework

## **1.5 Objectives of study**

### **1.5.1 General objectives**

To assess the factors leading to acceptance of mobile banking in Absa bank Thika Kenya.

### **1.5.2 Specific Objectives**

1. To determine how the cost of mobile banking influence its user acceptance by customers in Absa bank Thika.
2. To determine how security of mobile banking influence its user acceptance by customers in Absa bank Thika.
3. To evaluate how social influence affect the user acceptance of mobile banking by customers in Absa bank Thika.

### **1.5.3 Research questions**

1. How does cost of using mobile banking platform influence its acceptance by bank customers in Absa Thika?
2. Does securing of mobile banking influence its acceptance by customers in Absa bank Thika?
3. How does a customer's social influence the acceptance of mobile banking in Absa bank Thika?

## **1.6 Significance of the study**

The study shade light on the factors contributing to acceptance of mobile banking enabling those considering venturing in the mobile banking industry to be able to do their own analysis and therefore make better decisions.

## **1.7 Scope of the study**

The study was helpful in a number of ways. In particular the study assisted stake holders to understand factors leading to the acceptance of mobile banking and its influence on people's lives. This will help in formulation of better policies which will encourage innovation and acceptance of invention. The study helped the players in the mobile banking industry to understand the factors which influence the acceptance of mobile banking not forgetting the impact of mobile banking.

## **1.8 Limitations of the study**

### **Unwilling respondents**

Some respondents failed to share their data which they consider to be private. This lead to the reduction in the number of responses.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

The purpose of this chapter was to examine previous studies on what has been done and the gaps to be filled. Critical review on past studies summary and the Conceptual framework was in this chapter.

### **2.2 Review of other similar work**

For issues regarding mobile money and mobile banking the legislative framework has been laid in place to facilitate, promote and protect the service user from ill operatives and any drawbacks that can harm both the user and service providers. At the center stage of these regulations is the Central Bank of Kenya. The CBK has opened doors and facilitated the growth of this sector, through its policies both in the social and economic. As we know financial regulator plays a crucial role in the economy as they stand between the financial institutions and the common citizens. The regulator who is the Central bank determines amount of interest charged on loans and sometimes even savings. For example since the start of the pandemic Covid-19 the Central Bank instructed both Commercial banks and mobile banking service providers to not charge on transfer of cash less than 1000 Kenyan shillings. This boosted transactions as the low level income earners were able to send and receive money at minimal costs.

#### **2.2.1 Empirical Studies and Knowledge Gaps**

Different studies have shown that mobile banking technology has some positive effects on profitability of banks, customer satisfaction, and savings, and money exchange, delivery of service, customer service, and operations of banks which positively affect the growth of the banking industry. Chatain, Coss, Borowik, and Zerzan (2018) conducted a study to establish the integrity in mobile phone financial services with the goal of finding out measures that could be taken to mitigate the security risks. The study established the great potentiality of mobile phones in turning into a common way of conducting financial transactions globally. The study saw mobile phones as a tool of communication used globally. The mobile phones are even available to the low income and remote populations. For about three billion people who do not hold bank accounts, mobile telephone offers an effective alternative. This study indicated that increase in the use of mobile phones posed a security threat to mobile banking services.

Malhotra and Singh (2017) reviewed the impact of web based banking on bank achievements and hazards. They discovered that large web banks are bigger, beneficial and have efficient operations. They likewise discovered that web banks have higher resource quality and can bring

down building and equipment expenses. Indian internet banks depend considerably on savings. Smaller banks which use internet banking had experienced a decrease in profitability.

### **2.3 Banking Industry in Kenya**

Kenya has seen a rise in number of banks since 2002 due to its promising steady growth. This has led to startup of so many banks with some opening branches in almost every part of the country. The Banks are accessible in urban and semi-urban areas. Due to the banks coming up with agency shops now people in rural areas are almost able to access these banks. Since 2007 the banks have faced stiff competition from mobile service providers such as safaricom, Telecom and Airtel. These mobile service providers managed to come up with mobile banking solutions for the poor and the rural people.

A good example is Safaricom through M-pesa, M-pesa was launched in 2007 by Safaricom to facilitate sending and withdrawal of mobile money. Since 2007 Safaricom has been able to access more than 50 million mobile banking subscribers. Airtel and Telecom have also been able to come up with Airtel money and Telecom cash respectively. Due to this stiff competition banks have been forced to come up with their own mobile applications. Some have gone to the extent of partnering with these mobile service providers in order to win the market. Some of the mobile applications used by banks in Kenya include: KCB app, M co-op, Eazzy Banking, pesa pap.

### **2.4 Mobile banking**

Mobile banking refers to the provision of financial and banking services through the help mobile and smart phones. The mobile banking services include facilities to access customized information, make stock market transactions, administration of accounts and conduction of banking services(Njenga 2017).The most common mobile money service providers in Kenya include M-pesa by safaricom, Telecom money by Telecom and Airtel money by by Airtel. Currently the mobile money market in Kenya conducts over 3 billion transactions daily with a customer base of 57million users. Safaricom M-pesa dominates the market with a customer base of 25.9million users and over 110,000 M-pesa agents throughout Kenya. Absa mobile loans grew from 5.468 -5.542 between 2020 and 2021. Interest income as at 2021 1<sup>st</sup> quarter was 7.598 billion which was reported by Absa in which 5.6billion came from mobile banking app.

### **2.5 Factors determining mobile money acceptance in Absa**

There are several factors which affect the acceptance of mobile banking as highlighted in the acceptance theory they include security, cost, and infrastructure.

### **2.5.1 Security**

A customer's intention to use an innovation or mobile device can be influenced by security and privacy that the device affords the user. This attribute refers to the degree of risks in using an innovation. Risk perception by customers usually arises due to the doubt related to the degree of inconsistency between customers' judgment and real behaviour, and technology failing to deliver its anticipated outcome and its consequent loss (Koenig-Lewis 2016). In technology adoption, there is research evidence of the importance of the perception of risk in deploying new technology or services.

In the context of mobile banking, the perception of risk is even more important due to the threat of privacy and security concerns. In addition, fear of loss of PIN codes may also pose security threats and compounded by some users also fear that hackers may access their bank accounts via stolen PIN codes (Poon 2018), mobile banking exposes and individual to a possible risk. Finally, some users may also have a fear of loss or theft of a mobile device with stored data (Coursaris et al. 2003). Therefore, perceived risk is more likely to negatively affect the mobile banking acceptance.

### **2.5.2 Cost**

Cost factors are mainly issues to do with cost involved in interest rates and transactions. For the mobile banking user acceptance to be possible it has to be determined by costs involved. Central Bank of Kenya recently released details on mobile transactions during this pandemic season on statistics of transactions as a result of reduced charges. The CBK Governor Patrick Njoroge announced that the financial regulator had struck a deal with payment service providers including banks and telecommunications providers that would see charges on mobile money transactions of sums of less than Sh1,000 would be waived in what was aimed at curbing the spread of the viral disease through contact of physical cash.

The measures, which also included increasing the limit for mobile money transactions to Sh150,000, were to remain in place until the end of June 2020. However, Njoroge extended the measure to the end of the year after, noting that it would help push the mobile money transactions. A significant increase of mobile money usage has been noted over the period the measures have been in place, demonstrating that they were timely and effective," For instance, the monthly volume of person-to-person transactions increased by 87 per cent between February and October 2020. Over this period the volume of transactions below Sh1,000 increased by 114 per cent, while 2.8 million additional customers are using mobile money.

Business-related transactions also recorded significant growth over the same period. In consultation with Payment Service Providers (PSPs), the regulator said it would allow the emergency measures to expire on December 31, 2020, and PSPs will introduce revised pricing structures from January 1, 2021. CBK, however, said the PSPs should not charge for person-to-person transfers of up to Sh100 to any customer and network, also there would be no charges for transfers between mobile money wallets and bank accounts.

To facilitate the integration of Savings and Credit Societies (SACCOs) with the mobile money ecosystem, SACCOs regulated by the Sacco Societies Regulatory Authority (SASRA) would levy a charge for transfers between SACCO accounts and mobile money wallets. CBK said it would oversee these charges in the context of the products that banks and PSPs offer to SACCOs.

Going forward, PSPs would propose pricing structures that reflect the “Pricing Principles” that CBK has introduced. These “Principles” aim to support the development of an efficient, safe and stable payments and mobile money ecosystem where the customer and public interests are adequately protected.

The wallet and transaction limits that were announced on March 16, however, would remain in force. The March communication increased the daily limit for mobile money transactions and mobile wallet limit to Sh300,000 respectively.

### **2.5.3 Social Influence**

The acceptance of mobile banking facilities would be possible if individual behavioral intention of a customer is influenced by what people around believe about it. Social influence such as the opinions of friends, parents, relatives is said to affect the customer’s intention to adopt and use mobile facilities (Rogers, 2016). Perceived image can be defined as the degree to which the use of an innovation is supposed to enhance ones image or social status. Perceived image that is associated with the use of mobile banking technology has been found to have a positive effect on innovation (Skog, 2012).

As MB users generally use it to create and retain a positive image of themselves in others’ minds and therefore perceived image and how it influences ones social standing is considered to be a key factor in determining attitudes toward the use of MB. Image significantly affects users’ attitudes, which may moderate the effect of usefulness and modify their attitudes toward

intention to continue MB usage, since they perceive it as being compatible with their own images.

Customers who are familiar with the internet and e-mail should not find MB complex. Therefore, it can be concluded that the stronger a person's self-efficacy, the more likely that they try to achieve the required outcomes (Al-Somali et al., 2009). The effect of self-efficacy on users' adoption of online banking is proved in some studies such as (Nasri & Charfeddine, 2012). When users perceive that they have high ability, they may change their attitudes and therefore self-efficacy in the context of users' perceived ability may moderate the effects of ease of use and modify their acceptability of mobile banking.

## **2.8 Theoretical Framework**

### **Mobile banking user acceptance model**

Porteous (2015) defined mobile banking methods as Bank focused (pure bank-driven), joint venture (bank led), non-bank led and non-bank driven. The bank focused model emerges when the bank uses non-traditional delivery channels which are low cost to provide banking services. For example the use of ATM machines or mobile banking to provide unlimited service delivery likes the use Absa application.

Joint venture model allows a service user to conduct transactions using the platform provided by the mobile service providers on the mobile phones. This available due to the partnering of the bank and the mobile service providers in order to cover a wide range of target customers. The example is the M-shwari offered by the commercial Bank of Kenya in partnership with safaricom and M-kesho a deal between Equity bank and safaricom.

In non-bank driven model the non-bank agent effectively becomes the depository entry by providing e-money. The examples include M-pesa by safaricom, Airtel money by Airtel and Telecom money by Telecom.

Technology life cycle (TALC) adoption Rogers (2013) explains how new innovations can be adopted by the society. It describes the stages in which the society adopts the new innovation. There are four categories of people in the manner which they adopt innovation. The first ones in these stages are the innovators themselves, they see a niche in the society they visualize the idea and come up with the innovation. They are the tiniest in the group they are only about 2.5%.



The next group to accept innovation is the early adopters they constitute 13.5 %. They only accept innovation once the benefits start to show. They love getting advantage over the other peers and they always have time and money to invest. The next group is known as the early majority as the name suggests they are the majority group they consist 34%, they are pragmatists and comfortable with majority progressive ideas, they are cost sensitive and risk averse. The group that follows is the late majority, they are uncomfortable with new ideas and there only driver to adoption is the fear of not fitting in, they hate risking money and investing. The last group is the laggards, they constitute only 16% and they hold out to the bitter end. They see high risk in adopting new ideas.

Laggards are used to traditional ways of doing things as they fear innovation. As highlighted in the innovation adoption theory there are various categories of people in adopting innovation and mobile banking is an innovation on it's on. In the Kenyan banking system the majority of the mobile banking users are the youth who we can categorize as the early adopters. However the acceptance is dependent on several factors which include: security, cost and infrastructure. The above factors are the determinants of mobile money acceptance.

Diffusion of Innovation (DOI) theory developed by Rogers (2013), on the other hand postulates that an idea or product gains momentum and spreads through a specific population or social system. The end result of this diffusion is that people, as part of a social system, adopt a new idea, behavior, or product. The key to adoption is that the person must perceive the idea, behavior, or product as new or innovative and it is through this that diffusion is possible. Adoption of a new idea, behavior, or product does not happen simultaneously in a social system; rather it is a process whereby some people are more apt to adopt the innovation than others (Hager, 2016).

The theory has its primary focus on how potential adopters perceive an innovation in terms of relative advantage/disadvantage; hence some of the factors of the DOI approach help form a framework: innovativeness, complexity, compatibility and relative advantage. Furthermore, firms that intensely use a particular technology are often prime candidates for early adoption of the next generation of that technology. Rogers (2013) asserted that there are four key elements in the diffusion process namely; the innovation, the communication channels through which the innovation is diffused, time, and the social system. The theory approach has its primary focus on how potential adopters perceive an innovation in terms of relative advantage/disadvantage; hence

some of the factors of the DOI approach help form a framework: innovativeness, complexity, compatibility and relative advantage (Li & Atuagene-Gima, 2017).

Different characteristics of the innovation, communication channels, and social system are likely to have varying influences at different times throughout the diffusion process. Because unique diffusion strategies are required as the stages of the diffusion process progress, researchers can benefit from a more in-depth understanding of the diffusion process to assist them in translating their research and innovative programs into practice. Thus, the theory suggests that innovations that have a clear, unambiguous advantage over the previous approach will be more easily adopted and implemented (Greenhalgh, 2014).

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.0 Introduction**

In chapter three discussion of research methodology is addressed.

### **3.1 Research design**

According to (Salome 2017) descriptive research design aims to get information that gives description of an existing idea about individual attitude and perception. The study will apply descriptive research design in an attempt to try to answer the research questions. The researcher will try to find out about people's attitude, feelings or preference concerning one or more variables through direct query, hence determining relationship between dependent and independent variable.

### **3.2 Area of study**

The study was conducted at Absa bank in Thika town. The study targeted ABSA customers as a whole. (Those using mobile banking and those that don't).

### **3.3 Population of the Study**

A population is a group of individual persons, objects, or items from which samples are taken for measurement. (According to Howe and Robinson, 2018) study population refers to a large group of elements which could be living or non-living that are the core of scientific query. Target population is therefore a group of individuals in question in a field of study. Absa Bank Thika town receives daily average walk in of 135 mobile banking customers.

### **3.4 Sampling technique**

This study used stratified sampling method. Stratified sampling method was used to make sure that members of population are divided into homogenous subgroups and assigned every element from the target population to one and only one stratum.

### **3.5 Sample size**

According to (Salome, 2017) sample size can be referred to observation drawn from a population by explained procedure. This study used a sample size of 27 respondents which is 20% of the target population.

### **3.6 Data Collection**

The study used primary data. Primary data was used to collect cost, security and social influence variables. This was done through use of questionnaires.

### **3.7 Data Analysis**

Regression analysis was used to establish the relationship between cost, security and social influence variables and customer satisfaction while correlation was used to determine the strength and nature of the relationship between the variables.

#### **3.7.1 Analytical Model**

The study employed regression model, which was formulated as follows

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$$

Where;  $Y$  user acceptance - customer benefits.

$X_1$  = cost.

$X_2$  = security

$X_3$  = social influence

$a$  = Intercept of the regression model

$\beta_1 - \beta_3$  = Coefficients of the Regression Model

### **3.8 Research Instruments**

The study involved use of questionnaires to gather primary information. The questionnaires were close ended. The use of questionnaires saved both money and time.

### **3.9 Reliability and validity**

As (Fallon) 2016) reliability in research should show consistency during pre-testing to ensure that errors don't appear.(Mugenda Mugenda 2013) validity is the meaningfulness and accuracy of inferences based on research results.

### **3.10 Data collection technique**

The study used a primary method of data collection. Data was collected using questionnaires to obtain information concerning the research. The questionnaires include questions that are close ended. The information tool was subdivided into two parts, the first part having information on

background information of the respondents and the second part discussing the three study independent variables and the dependent variable.

### **3.11 Logical and ethical consideration**

The study ensured voluntary participation and promised confidentiality. Anonymity was also part and parcel of this research .The respondents were informed about the study and what is study entailed about and the importance associated with the study.

## CHAPTER FOUR: FINDINGS AND DISCUSSIONS

### 4.1: Introduction

This chapter presents data analysis, findings and interpretation. Results are presented in tables and figures. The analyzed data was arranged under themes that reflect the research objectives.

### 4.2: Response rate

A total of 30 questionnaires were administered to the sampled respondents, out of which approximately 27 questionnaires were properly filled and returned. This represented an overall successful response rate of 90%. According to Mugenda and Mugenda (2013), a response rate of 50% or more is adequate. Babbie (2015) also asserted that return rates of 50% are acceptable to analyze and publish, 60% is good and 70% is excellent

#### Response rate

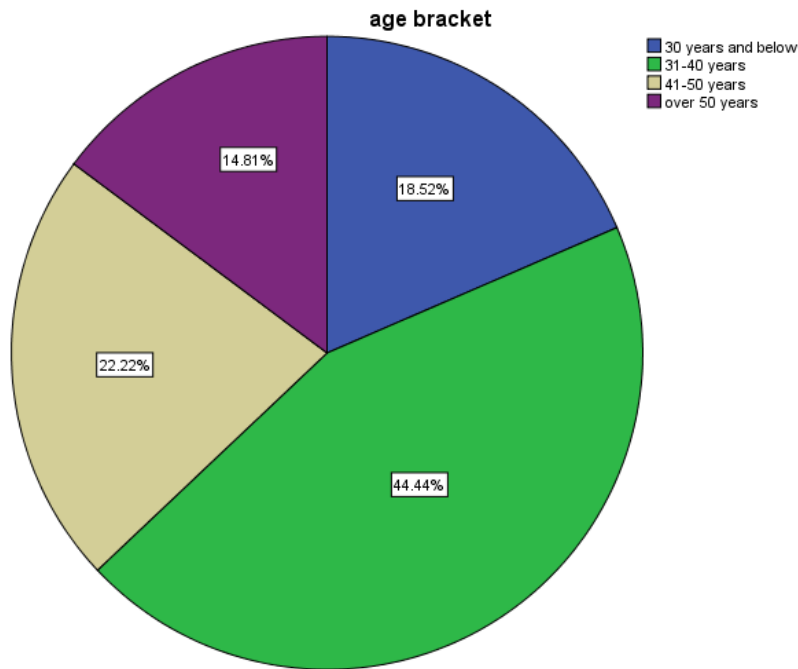
Category	frequency	Per cent
Sample population	30	100%
Responses	27	90%
Non-responses	3	10%

### 4.3: Demographic Characteristics

This section consists of information that describes basic respondent's characteristics. They include age category, marital status, level of education and affixed-line Internet Connection.

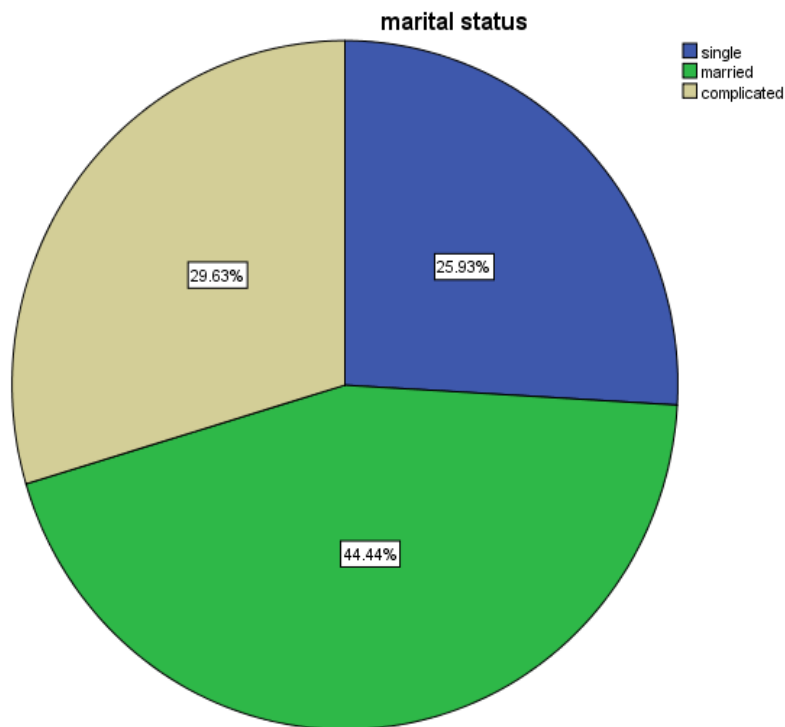
#### 4.3.1 Age of the respondents

The respondents were asked to indicate their age bracket. The results are as shown in figure below. Results indicated that majority of the respondents that is where between the ages of 31-40 years and below, followed by 22% of the respondents who were between the ages 41-50 years. The rest that is 18.52% were mainly from age categories 30years and below, over 50 years were 14.81%.



### 4.3.2 Marital Status

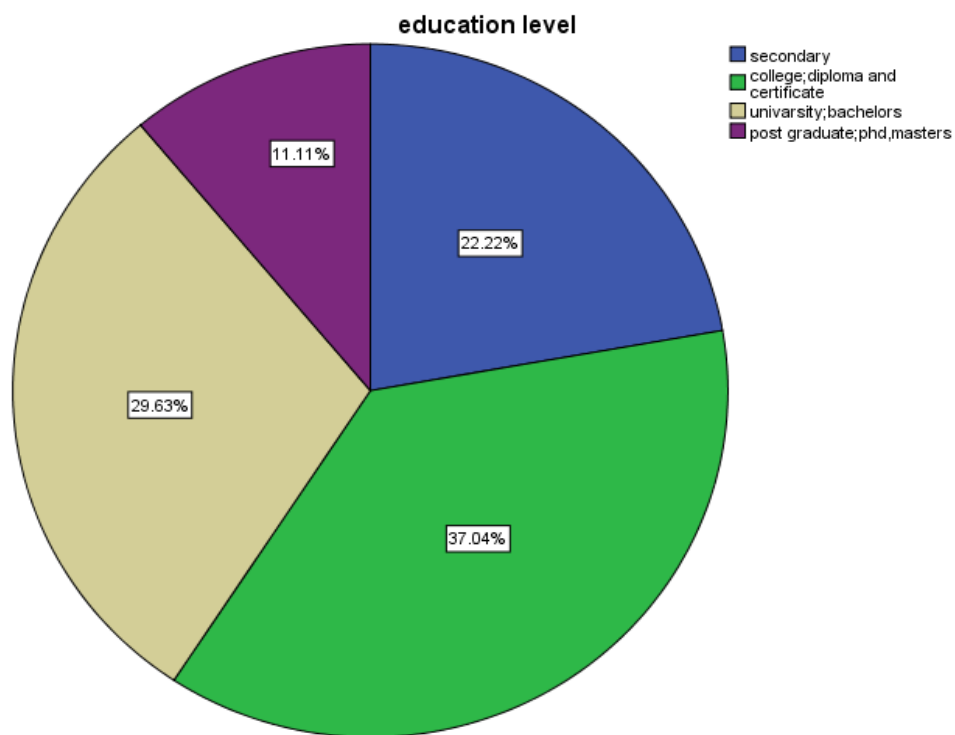
The respondents were asked to state their Marital Status. The findings are as shown in table below. Results in figure below indicated that majority of the respondents 44.4% were married while 25.93% were single, and 29.63% indicated there status as complicated. Note that those who indicated as complicated either divorced, separated, or widowed.





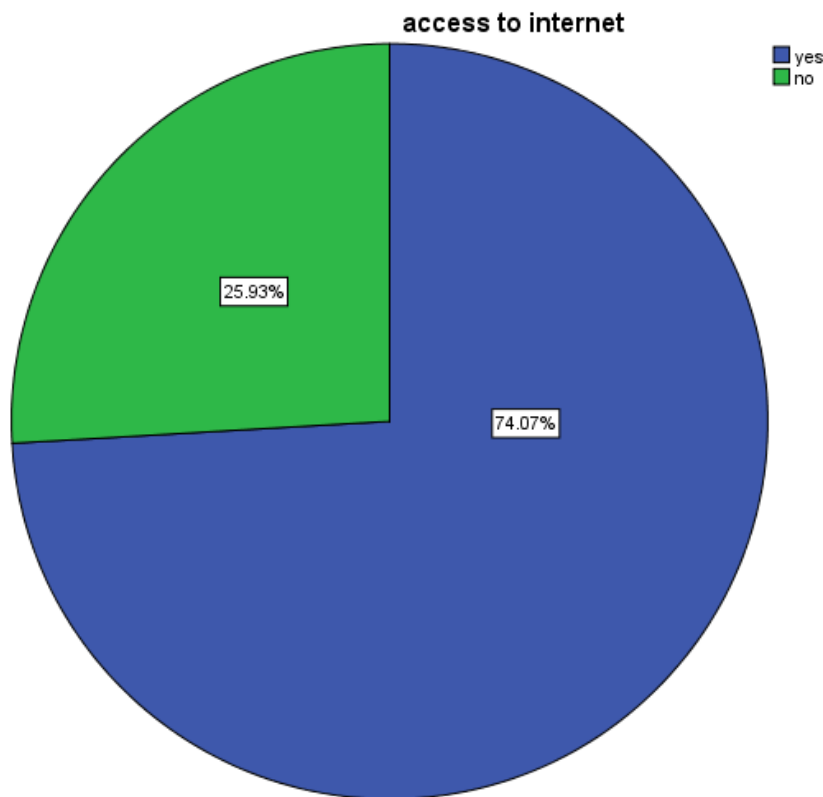
### 4.3.3 Level of Education

The respondents were asked to indicate their highest level of their education. The results are as shown in figure below. Results in table below indicated that majority of the respondents 37.04% had attained tertiary college (diploma, certificate). university level of education (bachelors) education levels were 29.63%. On the other hand, 22.22% had gone up to secondary level of education, with only 11.11% of the respondents had attained postgraduate level of education.



#### 4.3.4 Affixed - Line Internet and mobile banking acceptance

The respondents were asked to state whether they had an access to affixed line of internet connection or not. The findings are as indicated in table below. Affixed line internet is essential in facilitating the use of mobile banking applications. Findings in table below showed that majority of the respondents 74.07% had affixed line internet connection, while 25.93% did not. On further inquiry of whether the respondents had accepted any mobile banking technology, it was found out that all respondents agreed that they had mobile banking applications.



#### 4.4 Descriptive Statistics

This section presents the descriptive results of the factors that influence the user acceptance of mobile banking (cost, security, social influence) in Absa bank Thika town.

##### 4.4.1 User Acceptance of Mobile Banking

The responses was rated on a likerd scale and results presented in the table below. The first statement I'm satisfied with mobile banking has a mean of 4.22 which is above 2.5 on the likert scale, this showed that the majority wore satisfied with Absa mobile banking system. It also had

a standard deviation of 1.013. The second statement I check my account details at my own comfort had a mean of 3.96 and a standard deviation of 1.160. This statement indicated that majority agreed with the statement. The statement I get instant mini-statement had a mean of 4.11 with a standard deviation of 0.974, this indicated that majority of the respondents got their mini-statement instantly.

The transfer of funds statement had a mean of 4.15 and standard deviation of 0.949. This again is a statement in which the respondents agreed to. On the “I do my own self-service” majority agreed with this statement with a mean of 4.30 and standard deviation of 0.823. The next statement I'm able to access services in real time had a mean of 4.56 with a standard deviation of 0.577 which also is another statement the respondents seem to agree to.

The Mb has improved the way I handle my personal finances had a mean of 4.11 and a standard deviation of 0.751, this also shows another statement in which the respondents agreed with. The last statement mobile banking is more flexible had a positive response with majority agreeing to it with a mean of 4.37 and a standard deviation of 0.742. The statements on the benefits of using mobile banking which is a dependent variable had an overall positive response with an aggregate mean of 4.22 and a standard deviation of 0.8736 which is above 2.5 in likert scale.

<b>Descriptive Statistics</b>			
	N	Mean	Std. Deviation
I am satisfied with mobile banking	27	4.22	1.013
I Check account details at my on comfort	27	3.96	1.160
I get instant mini-statement	27	4.11	.974
I Transfer funds easily	27	4.15	.949
I do my own self-service	27	4.30	.823
I'm able to access real time services compared to traditional banking	27	4.56	.577
Mobile banking has improved the way I handle my personal finances	27	4.11	.751
Mobile banking is more flexible	27	4.37	.742
<b>Valid N (listwise)</b>	<b>27</b>		
<b>Aggregate</b>		<b>4.22</b>	<b>0.8736225</b>

#### 4.4.2 Cost Using Mobile Banking

The study sought to establish the cost of using mobile banking among individuals who use ABSA mobile banking. The aggregate mean for the variable was 4.027 while the standard deviation was 0.79725. This signified the influence the cost has. The statement the rates on mobile banking loans are affordable had a mean of 3.93 with SD of 1.141 this showed majority of the respondents agreed. On the statement on charges of mb transfer majority agreed with the statement this was indicated by 4.22 on the mean with an SD of 1.013. the mean for cost of loan acquisition was 3.89 with a standard deviation of 1.013. The respondents also agreed with the statement of bill payments being affordable the mean was 4.07 with SD of 1.035.

<b>Descriptive Statistics</b>			
	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
			.
The rates on mobile banking loans are affordable	27	3.93	1.141
The charges on mobile banking money transfer is affordable	27	4.22	1.013
Cost of acquiring loans in mb app is affordable	27	3.89	1.013
Charges on bill payment is affordable	27	4.07	1.035
<b>Valid N (listwise)</b>	<b>27</b>		
<b>Aggregate</b>		<b>4.027</b>	<b>0.79725</b>

#### 4.4.3 Security Factor

The security variable had a number of statements which were measured using a likert scale. The first statement had a mean of 3.41 with a standard deviation of 1.394 in which is a positive response. The second statement had a mean of 3.59 and a standard deviation of 1.309, this showed that the respondents were in agreement with the statement. The third statement which read is Absa doing enough to protect your mobile banking account; it had a response with a mean of 3.30 and a standard deviation of 1.397 which is above 2.5 in likert scale. The whole variable had an aggregate mean of 3.433 and a standard deviation of 1.397 which is an overall positive response.

<b>Descriptive Statistics</b>			
	N	Mean	Std. Deviation
			.
Are your transactions secure	27	3.41	1.394
Is your personal data protected	27	3.59	1.309
Is Absa doing enough to protect your mobile bank account	27	3.30	1.489
<b>Valid N (listwise)</b>	<b>27</b>		
<b>Aggregate</b>		<b>3.433</b>	<b>1.397</b>

#### 4.4.4 Social influence

This variable had interesting questions and response from the respondents. The first statement had a mean of 4.00 and a standard deviation of 1.177 which is an agreement by the respondents. The second statement had a mean of 3.81 and a standard deviation of 1.177, this is also a positive response with the respondents agreeing to the statement. The third statement had a mean of 3.89 with a standard deviation of 1.368 which is also an agreement by the respondents. The fourth statement which is also the last one under social influence had a standard deviation of 1.072 and a mean of 3.93 which indicated agreement by majority. The social influence variable had an overall aggregate mean of 3.9075 and a standard deviation of 1.20675 this shows that majority of the responses were in agreement with this variable.

<b>Descriptive Statistics</b>			
	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
			.
Mobile banking improves my self image	27	4.00	1.177
Mobile banking improves my personal prestige	27	3.81	1.210
Mobile banking makes me trendy among my peers	27	3.89	1.368
Mobile banking reduces my chances of catching covid-19	27	3.93	1.072
<b>Valid N (listwise)</b>	<b>27</b>		
<b>Aggregate</b>		<b>3.9075</b>	<b>1.20675</b>

#### 4.5 Model summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.965 <sup>a</sup>	.932	.923	.200

a. Predictors: (Constant), social\_mean, sec\_mean, cost\_mean

The coefficient of determination R<sup>2</sup>, was 0.923 this shows variation in the influence of cost, security and social influence on mobile banking user acceptance. This shows that the independent variables contribute 92.3% to mobile banking user Acceptance. Other factors that were not included may have contributed to 7.7% to mobile banking user Acceptance.

4.6 ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.588	3	4.196	104.581	.000 <sup>b</sup>
	Residual	.723	23	.040		
	<b>Total</b>	<b>13.510</b>	<b>26</b>			

a. Dependent Variable: satis\_mean

b. Predictors: (Constant), social mean, sec mean, cost mean

ANOVA results indicated that the regression model had a level of significance of 0.000, which helped to conclude that the model was significant. F value at 5% level of significance was 104.581. This shows that the entire model was significant and there was a significant relationship between the independent and dependent variables. Dependent variable satis mean

4.7 Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standard	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.532	.205		7.48	.000	1.108	1.955
	cost_mean	.842	.216	1.194	3.89	.001	.395	1.290
	sec_mean	.158	.089	.887	1.76	.031	.227	1.343
	social_mean	.318	.231	.520	1.37	.049	.114	1.159

**Dependent Variable: satis\_mean**

The results of this study indicated that cost, Security and social influence factors at 95 per cent level of confidence, had a positive relationship with mobile banking user Acceptance. Independent coefficients were 0.842, 0.158 and 3.18 respectively.

**4.7.1 Cost factor**

The first objective aimed at determining the relationship between cost factors and mobile banking user Acceptance. The model showed that cost had a positive relationship with user Acceptance with a beta value of ( $\beta = 0.842$ , p-value = 0.395). The p-value of 0.395 was significant since this was less than 0.05 ( $p < 0.05$ ), and therefore at 5% significance level ( $\alpha = 0.05$ ), enough evidence exists to conclude that cost factor has a great influence on mobile banking user Acceptance.



#### **4.7.2 Security factor**

The second objective investigated the relationship between security factor and mobile banking user Acceptance. The model indicated that security is significantly related to user acceptance with a beta value ( $\beta = 0.158$ , p-value = 0.227). This p-value of 0.227 at a significance level of 5% ( $\alpha = 0.05$ ) is statistically significant, indicating a positive relationship between security and user acceptance. Therefore there was sufficient evidence to conclude that security had influence in determining user acceptance. This is attributable to confidence in the mobile banking securing owing to the fact that better protection of mobile banking system is now a major concern implying that majority of the banks are now more than ever committed in securing the mobile banking systems

#### **4.7.3 Social influence**

The third objective aimed at establishing whether there was a relationship between social influence and mobile banking user Acceptance. From the model, social influence is seen to significantly influence user acceptance with a beta value of ( $\beta = 0.318$ , p-value = 0.114). The p-value at 5% significance level was less than 0.05, which demonstrated a positive relationship between social influence and user Acceptance. Therefore there was sufficient evidence to conclude that social influence influenced mobile banking user Acceptance. This can be attributed to the social needs, peer pressure and Covid 19 health protocols.

#### **4.8 Regression model**

$$Y = a + B_1X_1 + B_2X_2 + B_3X_3$$

$$Y = 1.532 + 1.94X_1 + 0.887X_2 + 0.520X_3$$

a is a constant which is 1.532 while B1 is 1.94 while x1 is the cost variable . B2 is 0.887 and X2 represents security variable. B3 is 0.520 and X3 is the social influence.

#### **4.9 Conclusion**

These study results indicated that at 5% level of significance, all the coefficients were statistically significant, which was enough evidence to conclude that there was a positive relationship between independent variables; cost, security and social influence and dependent variable.

## **CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter provides a summary to the major findings of the study and the conclusions reached, as well as recommendations based on the objectives of the study. Also outlined are the restrictions of the study and recommended research areas. The general objective of this study was to study the determinants of mobile banking user Acceptance in Absa bank Thika town. More specifically the study intended to; determine the influence of cost, security and social influence on user acceptance in Absa bank Thika town. The benefits of using mobile banking were the variable under user acceptance. Out of the 30 respondents that were targeted by the study, 27 responded by correctly answering questions in the questionnaires, and also returned the questionnaires for analysis. This represented a 90% response rate.

### **5.2 Summary of the findings**

#### **5.2.1. Cost on user Acceptance**

On determining the influence of cost on mobile banking user Acceptance, the findings of the study indicated that affordable cost resulted to mobile banking user Acceptance in highest rating, this was as a result of affordable transaction costs on fund transfers, bill payments, and low interest rates on loans and so on. The aggregate mean for cost was far beyond the half mark on likert scale. so it is wise for Absa and even other mobile banking entities to consider offering affordable prices in order to even attract more customers.

#### **5.2.2 Security on user acceptance**

On studying the influence security has on user acceptability, the research found out that trust issues and perceived risks involved were major concern on mobile banking usage. The aggregate mean for security factors was the lowest compared to all other independent variables. Major issues were on transaction security and protection of the mobile banking system. A few respondents felt the need for the bank to ensure security of its mobile banking customers.

#### **5.2.3 Social Influence**

The research was studying the influence social factors had on dependent variable. The respondents were concerned about their self-image, personal prestige, trendiness and Covid 19 pandemic. The Covid 19 somehow forced the need for cashless transactions which led to many people preferring to reduce the chances of them catching Covid through mobile banking transactions. Self-image had the highest number of mean followed by Covid 19 concerns

trendiness and then personal prestige. For any bank with a class for its customers it's important to consider social influence on mobile banking during i.e system upgrade.

### **5.3 Conclusion**

This section basically reviewed the findings from analysis of the structural constructs meant to establish relationship existing between explanatory variables and the dependent variable. Regarding the acceptance of mobile banking in Absa Bank Thika, the overall mean response meant that respondents agreed on most of the statement while the standard deviation denoted that there was a very small variation in response on the same statements. On the other hand majority of the respondents agreed to most of the statements on the variables.

### **5.4 Recommendations**

It is very evident that in the 21<sup>st</sup> century, innovations and information technology has really pushed the banking industry to adopt new ways of service delivery. This section presents practical implications as well as theoretical with regard to the conclusion drawn from the relationship between independent and dependent variables. Theoretically since people are still accepting the new technology it is important that the banks consider these factors which include, cost, security and social influence in making their service more attractive to its clients hence enhance convincing of their clients to accept mobile banking.

### **5.5 Limitations of the study**

The study mainly considered cost, security and social influence factors in the study maybe leaving out some important variables that can also influence mobile banking user acceptance.

Areas for further study. The study concentrated mainly in factors influencing mobile banking user acceptance in Absa Bank Thika. A study should be done on the entire industry in banking to ensure that all the factors come out clearly.

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**APPENDIX I: LETTER OF SUBMITTAL**

**MIGOT WICKLIFFE OTIENO,**

GRETSA UNIVERSITY.

Dear sir/madam,

**RE: NOTICE TO CARRY OUT RESEARCH**

I am a student at Grets University. I am undertaking a research on the determinants of mobile banking service delivery in Absa bank in Thika town Kiambu County for the purpose of fulfilling academic requirements, am hereby requesting for your permission and also your help for me to achieve my objectives. The information will only be used for academic purposes and will be treated as confidential.

Thank you

Yours faithfully

.....

**MIGOT WICKLIFFE OTIENO**

## APPENDIX II: QUESTIONNAIRE

My name is Migot Wickliffe a student at Grets University School of Business. I am carrying out a research on determinants of mobile banking user acceptance in Absa Bank Thika Town. You have been chosen as one of my respondents to the questions below towards the establishment of the research objective.

### PART A; RESPONDENTS PROFILE

#### SECTION 1: DEMOGRAPHICS OF THE RESPONDENT

##### 1. What is your Age bracket?

30 years and below

31-40 years

41-50 years

Above 50 years

##### Marital status

Single

complicated

Married

**3. Highest level of education**

Secondary

College; Certificate, Diploma

University; Degree

Post Graduate; Masters, Phd

**4. Do you have a fixed internet connection?**

Yes

No

**SECTION B: MOBILE BANKING SERVICES**

Have you accepted mobile banking system offered by Absa bank?

Yes

No

Below are benefits associated with mobile banking.

On a scale of 1 to 5 please pick one case by ticking in the appropriate box where **1-strongly disagrees, 2 - disagree, 3 –neutral, 4 - agree, 5 – strongly agree**

	1	2	3	4	5
I am satisfied with mobile banking					
I Check account details at my on comfort					



I get instant mini-statement					
I Transfer funds easily					
I do my own self-service					
I am able to access services in real time					
Mobile banking has improved the way I handle my personal finances					
Mobile banking is more flexible					

**SECTION C; FACTORS INFLUENCING USER ACCEPTANCE**

On a scale of 1 to 5 please pick one case by ticking in the appropriate box where **1-strongly disagree, 2 - disagree, 3 –neutral, 4 - agree, 5 – strongly agree**

**Cost**

Statement	5	4	3	2	1
The rates on mobile banking loans are affordable					
The charges on mobile banking money transfer is affordable					
Charges on bill payments is affordable					
Cost of acquiring loans in mb app is affordable					

On a scale of 1 to 5 please pick one case by ticking in the appropriate box where **1-strongly disagree, 2 - disagree, 3 –neutral, 4 - agree, 5 – strongly agree**

**Security**

Statement	5	4	3	2	1
Are your mb transactions secure					
Is your personal data protected					
Do you think your bank is doing enough to protect your mobile banking account					

On a scale of 1 to 5 please pick one case by ticking in the appropriate box where **1-strongly disagree, 2 - disagree, 3 –neutral, 4 - agree, 5 – strongly agree**

**Social Influence**

statement	5	4	3	2	1
Mobile banking improves my self-image					
Mobile banking improves my personal prestige					
Mobile banking makes me look trendy					
Mobile banking reduces my chances of catching covid-19					