

## MOBILE BANKING AND FINANCIAL PERFORMANCE OF COMMERCIAL BANKS IN KENYA

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### Abstract

*Commercial banks today face challenges that range from debt crises to extremely tight competition in the market. Customers are more knowledgeable than ever before and their impatience has considerably increased given tight the schedules that they operate in. They are always looking out for better and more convenient services in all aspects of life. With introduction of mobile services in the banking industry, the commercial banks are faced with the challenge of embracing the new technological advances in the industry or lose business. Mobile banking in Kenya has completely transformed the banking industry and any commercial bank operating in Kenya can only ignore that fact at its own peril. This study, therefore, aims to investigate the mobile banking effects on Commercial Banks financial performance in Kenya. The study took a descriptive survey design and it is driven by four objectives namely; determining the influence of m-banking services' cost on financial performance of commercial banks, assessing the effect m-banking system security on financial performance of commercial banks, establishing the relationship between speed of m-banking service and financial performance of commercial banks, and finding out the influence of skills required to use m-banking services on financial performance of commercial banks in Kenya. The population of the study was the 43 commercial banks in Kenya targeting all information technology managers/Directors of the commercial banks in their headquarters in Nairobi. Questionnaires were used for data collection in a drop and pick system. The collected data was analyzed using descriptive method with the help of a computer package; SPSS. Lastly, the analyzed data was presented using statistical methods such as pie charts and bar graphs. From the findings and summary the study concludes that the prices of M-banking services had a high positive influence on the financial performance of commercial banks in Kenya. M-Banking helped to promote efficiency and confidence in the financial system thus winning public trust. The study also concludes that Security and Speed through M-banking had a positive impact on the financial performance of commercial banks in Kenya with many of the baking institution recording high amount of deposits and thus creation enough pool of for willing investors to borrow thus increased profits.*

Keywords: Mobile banking, financial performance, M-Pesa

## 1.1 Background of the Study

Banking is a form of accepting of money from the public on deposit repayable on Request or After a certain duration has expired or at an greed fixed period. It is a process of accepting of money from the public Members on accounts such as current account and payment, acceptance of money held on deposit and cheques or on account such as current accounts or by lending part of it, investment. The period between 2006 and 2008, Kenya experienced increased expansion in financial sector infrastructure resulting into increase of total bank branches from 581 branches in 2006 to 849 branches in 2008 translating to 46% increase (CBK, 2009). There was further increase of the total bank branches from 849 branches in 2008 to 1072 branches in 2012 (Dembyness & Thegeya, 2012). However, this growth in bank branch network occurred in more densely populated areas while less populated areas like the northern parts of the country were left out. Nevertheless, the net effect of this branch expansion was significant in raising the number of people with ability to access financial services in Kenya as a whole. According to CBK (2009), this branch expansion together with wider economic growth in Kenya increased the proportion of Kenyan non youth with access to financial services from 18% in 2006 to 26% in 2011.

For last 15 years mobile technology has flourished throughout the developing world faster than any other technology in history (Michaels, 2011). In the late 1990s 3% and less of the Kenyan households had a telephone and few of those had mobile phones. Ten years later Kenya has experienced a revolution in ICT development with about 93% of the Kenyan households owning a mobile phone in 2012 (Dembyness & Thegeya, 2012). Due to the huge mobile phone industry growth most financial institutions have ventured their opportunity to the untapped members of the public and have partnered with mobile phone network providers to offer banking services to their clients. The study further indicates that by 2012, over 70% of mobile phone owners in Kenya were mobile money customers

Indeed, Kenya is a global leader in mobile banking. In March 2007 M-Pesa was launched by Safaricom the leading mobile service provider, after a development process of about two years. It was joined later by many other M-banking systems and now mobile money transactions are a day-to-day part of Kenyan lifestyle. Other mobile operators that offer mobile services in Kenya include Airtel with Airtel Money, Yu with Yu Cash and Orange with other players recently emerging to offer complementary services. The success of mobile banking in Kenya can be told in the story of M-Pesa. Just nine months after the launch of M-Pesa service, the system had about 10,000 registered beneficiaries and about five years later there are over 11 million registered Beneficiaries of e-money in Kenya conducting over 2.2 million transactions per day (Mbiti, 2012). The huge growth in mobile banking has enabled about 40% of the adult population in Kenya to access this form of banking. The number of registered users in M-banking services systems has far exceeded the number of individual accounts held by commercial banks in Kenya and therefore the performance of commercial banks has definitely been affected in one way or the other by the mobile banking services (Weil, 2011).

According to CBK financial report (2013), the banking Industry recorded an increased profitability in the fiscal year 2011/12. The Industry's total assets improved by 16 % from Ksh 1,874 billion in June 2011 to Ksh 2,196 billion in around June 2012. The major components of the Financial position were loans and advances, government securities and placements, which accounted for 57%, 20% and 7% of total assets, respectively. The loans and advances Improved by 19% to Ksh 1,290 billion in June 2012. The stock of gross non-performing loans (NPLs) decreased by 1.5% to Ksh 56 billion in June 2012 thereby decreasing the ratio of gross NPLs to gross loans from 5.5% to 4.6% over the period under review. Customers deposits which accounted for almost 76% of total funding liabilities, improved by almost 21.5% to Ksh 1,668 billion in June 2012 mainly due to more branch networks, remittances and receipts from exports. Other perceived developments in the banking industry include increased uptake of history of the customer credit by Financial institutions; additional approvals to banks to roll out the agency banking in Kenya; and Deposit taking Micro finance institutions licensing. In these developments, mobile banking among other technological advancements contributed significantly. Though the report indicated the growth in profitability of commercial banks in Kenya it did not expound on the impact of the introduction of m-banking services on this profitability. The report just notes that mobile banking and other technological advancements played a significant role without explaining the nature of the role and its net effect.

## 1.2 Statement of the Problem

The convenience, affordability, security and ease of operation that have come along with the introduction of m-banking concept have forced the commercial banks in Kenya to change from their traditional way of doing business to integrate the mobile transactions in their business (Mbiti 2011). A mobile money user can enquire the bank balance, acquire credit facilities, save, pay for goods and services, remit contributions such as NHIF contributions, pay salaries as well as bills such as electricity and water. With all these services available in mobile money, there are over 65,000 agents of mobile money like M-Pesa shops in Kenya. These mobile money shops, unlike commercial banks, are distributed all over the country in both rural and urban areas. However, this comes at a very high cost as observed by Kumar (2010). The study indicates that communication companies have kept the technological bar quite high and now they are offering banking services to the Kenyan population that has been locked out by the commercial banks.

As the commercial banks in Kenya adopt mobile money technology in their ways of doing business, such key issues as cost of m-banking services, system security, speed of service and skills requirement need to be looked into with a view of establishing their overall effect on the performance of commercial banks. This study therefore seeks to answer the question; what is the influence of mobile Banking on the financial performance of the commercial banks in Kenya?

## 1.3 Scope and Significance of the Study

There are 43 licensed commercial banks in Kenya with their headquarters in Nairobi. This study covered all of these banks Nairobi city. Only the headquarter branches was covered in

this study. The area has been picked since all the commercial banks' headquarters are based there. This study is expected to give important information in the financial service sector in Kenya that will be important to all the key stakeholders in the sector namely the government of Kenya, commercial banks, mobile money service providers, financial services customers and other financial institutions in Kenya. These stakeholders can use the information in making their choices, decisions and strategies in order to achieve their financial targets. The findings of the study also enriches the body of knowledge and sets stage for more enquiry by researchers and scholars in the banking sector.

## **1.4 Theoretical Review**

The current study is largely driven by the bank-focused model. The bank-focused model is a general theory of banking technologies that overarches banking based theories. However, various theories have been linked in a unified manner to provide more inclusive explanation of the relationships among the variables. These theories include cognitive theory of development and delegated monitoring theory.

### **1.4.1 Bank-Focused model**

The bank-focused model emerges when a traditional bank uses non-traditional low-cost delivery channels to provide banking services to its existing customers. Examples range from use of automatic teller machines (ATMs) to internet banking or mobile phone banking to provide certain limited banking services to banks' customers. This model is additive in nature and may be seen as a modest extension of conventional branch-based banking (Lyman, Ivatury & Staschen, 2006).

Although the bank-focused model offers advantages such as more control and branding visibility to the financial institutions concerned, it is not without its challenges. Customers' primary concerns are to do with the quality of experience, security of identity and transactions, reliability and accessibility of service and extent of personalization allowed. Banks address these issues by providing a branchless banking service with an easy to use interface, made secure with the help of multi-factor authentication and other technology, capable of running uninterrupted 365 days a year (Kapoor, 2010). The model therefore provides a platform of the advantages that banks can derive from adopting technologies such as mobile banking in advancing services to their customers.

### **1.4.2 Cognitive Theory of Development**

Cognitive theory was developed by psychologist Jeane Peagit and it explains how a person thought processes develops from an early stage of life. The theory also looks at how these thought processes affects the way the people perceives and interacts with the world. The theory proposes four stages of development in a person's mind and how each stage influences the relationship between the person and the environment (Mlot, 2011). This theory is important in explaining the development of mobile banking in Kenya where the system grew step-by-step from a concept least understood until now that has reached revolutionary levels. It is a process that has grown through the stages of cognitive theory of development. The theory can also be used to explain further developments in future since m-banking concept seems to have a long life ahead. The theory is further important to this

study since it explains how both commercial banks and their customers accept the concept of mobile banking in improving the overall performance and efficient service to the customers.

### **1.4.3 Delegated Monitoring Theory**

Andries (2008) in his theory is based on two premises namely diversity of the investment projects, that explains why it is more advantageous to delegate monitoring towards an intermediary than to have it be performed individually by creditors; and secondly, intermediaries who perform the monitoring of debtors are bigger which allows them to finance a large number of debtors. This theory is important to this study in that it explains the reason why commercial banks exist. It aids in understanding why commercial banks need to focus on very particular goals given that they are just agents. The banks, like any other business, go to any length to ensure that it lives to fulfil their purpose of being established. In the context of this study, the reason why the commercial banks have to incur exceeding high costs in order to ensure customer satisfaction and enhance their performance can be explained by this theory.

## **1.5 Empirical Review**

### **1.5.1 Cost of M-Banking Services**

Kumar (2010) on study on Micro Finance and Mobile Banking – noted that financial institutions can significantly lower their costs through m-banking services. For example, automatic messages through texts that notify customers about upcoming payments, loan disbursements and warn of late payment notices can save loan officers time and phone bills. Once the operating costs are reduced the ripple effect will reach the customers who will end up less than before the integration of m-banking system by the bank. Customers on the other side save travelling costs to visit bank halls which are mostly located in urban areas and often the distance from home or business premise to the bank hall is long. However, Kumar (2010) notes that M-banking needs a technological platform on which to operate and such technological solution is time consuming and expensive. First, the bank's own banking software must have the ability to be integrated with an m-banking platform. For example, Opportunity Bank had to do an entire systems upgrade—a process that took a year and cost more than \$100,000 to complete. Institutions can purchase an off-the-shelf solution or develop their own, but study has shown that both options are expensive.

The studies done on the cost of M-banking so far, with exception to Kumar (2010) have fallen short of identifying the net effect of the cost on the income of commercial banks. However, even Kumar's work remain a bit vague on whether the cost of operating m-banking services raises or lowers the net income of commercial banks. The studies have laid much emphasis in highlighting how the concept has lowered costs to the customers and raised the levels of convenience.

### **1.5.2 Security of M-Banking Services**

Mobile money empowers Men and women by giving them the confidence and an independent place to store and control funds that is private and inaccessible to other members of the family. Kings (2011) noted that the value proposition for use of M-Pesa by

organizations focuses on a number of benefits and demerits which include corruption, increased operating efficiencies, including less paperwork, better transparency and accountability via the electronic records, and more independence and self sufficiency for users. On the other side, Ochuma (2007) laments that the major concern in mobile banking is security and banks and vendors need to address this issue more urgently. He argues that the requirement that a customer needs to transact is personal identification number (PIN) which does not guarantee that the person transacting is the real card holder. It is therefore, important to additional security mechanisms.

### **1.5.3 Speed of M-Banking Services**

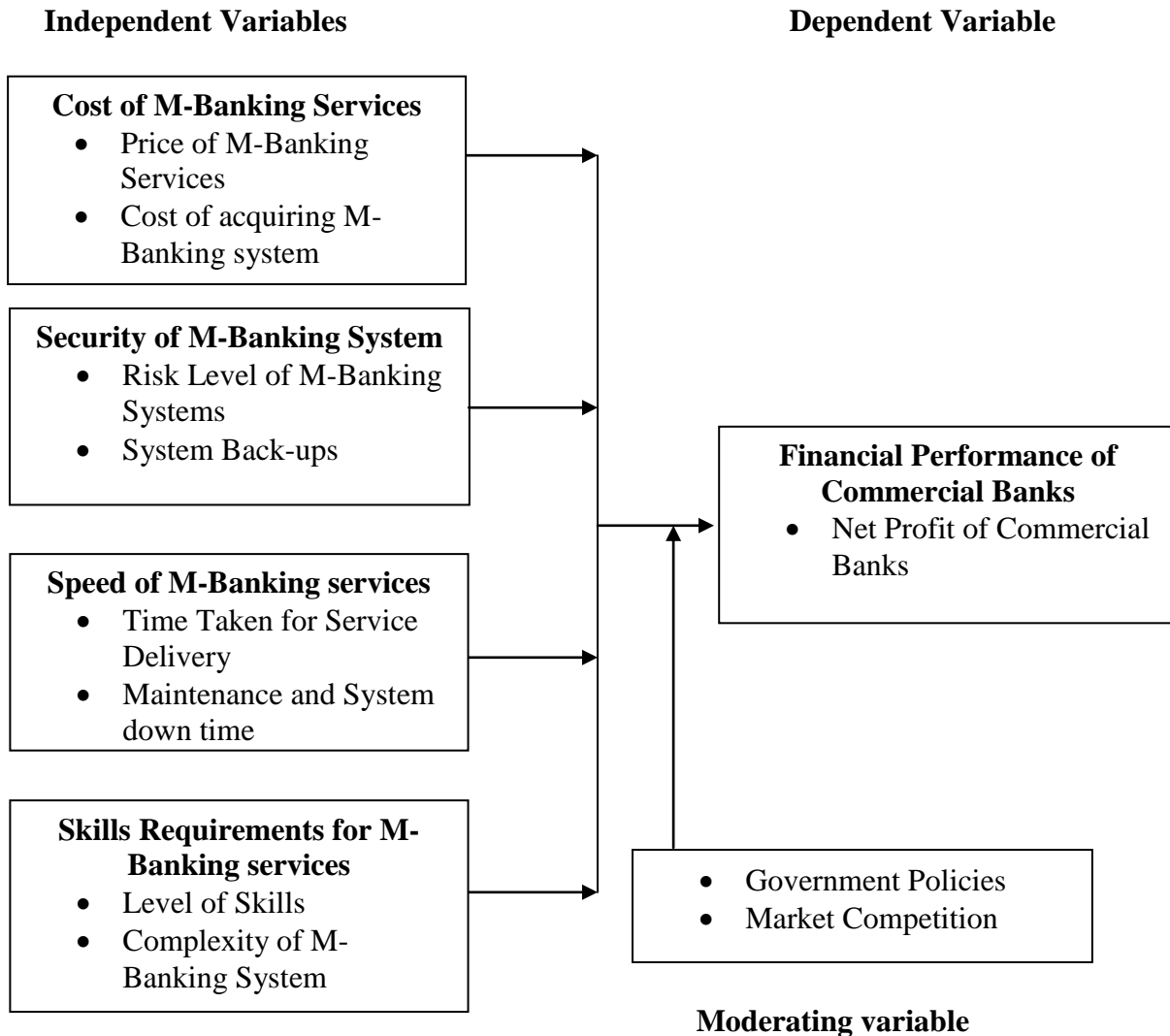
Evidence suggests that the first benefit that results from m-banking for financial institutions is improved customer service to existing customers. This has been the experience of SMEP in Kenya once it linked into the M-PESA platform for repayment services for its customers Kumar (2010). Before M-PESA was used, a SMEP customer had a lengthy repayment process. He/she would carry her cash to the group gathering location. Meetings would be long as each customer's cash was counted and recorded by the loan officer. This can take a long time since the treasurer had to inspect that the notes are not fake. The treasurer would travel with the cash to the bank and deposit it. This process made the customers to spend a lot of time in the process besides the great security risk of walking around with cash. An M-pesa service enables the customers to deposit money directly from their phones to the respective bank accounts. The studies on the speed and convenience of M-banking services are numerous and have largely focused on the benefits to the customers with little said about the benefits to the commercial banks and other m-banking service providers. The studies again, do not identify the impact of the speed and convenience on the financial performance of commercial banks hence leaving a gap (Ochumo, 2007).

### **1.5. 4 Skills Requirements for Use of M-Banking Services**

Crowe (2013) observed that the massive uptake of mobile phones usage in developing countries such as Kenya has played a very important role in the success of many development interventions over the last decade. Mobile phones have given people, irrespective of their skills level, availability of a range of services and information and revolutionized the whole business world. Complex mobile services are likely to lock out a large market share while a simple and secure concept is likely to do better. The simplicity of service offering concept that M-Pesa adopted has made it a success story (Nyaoma, 2010). The study notes that the M-Pesa customers just need to understand the sending, receiving and balance concept to conveniently use the mobile banking services offered by M-Pesa and other mobile banking services. Kyte, (2013) however, notes that the advance people (in terms of technological skills) get more opportunities through access of information, making cash payments, spurring job creations through mobile services. The study further indicates that the challenge now is to enable people, businesses, and governments in developing countries to develop their own locally-relevant mobile applications so they can take full advantage of these opportunities. Going with this study it would be important to improve the skills in order to tap fully from the mobile banking services available in the market. However, this study leaves a gap in that it does not identify the impact of the level of skills requirements on the financial performance of commercial banks.

## 1.6 Conceptual Framework

The conceptual framework is the mental picture of the relationship between the independent variables, the dependent variable and the intervening variables.



**Figure 1:** Conceptual Framework

## 1.7 Research Design and Methodology

### 1.7.1 Research Design

The study applied descriptive survey research design that is cross-sectional in approach. The main reason why this design is preferred is because it makes enough provision for protection against bias and maximizes reliability. This is because it determines and reports the way things are. It attempts to describe such things as possible behavior, attitude, values and characteristics. Descriptive research helped in generating knowledge useful to describe and develop the profile of this study.

### 1.7.2 Target Population

In research, population is the total collection of elements on whose reference is made. Target population for this study was 43 commercial banks in Kenya. For every commercial bank, one finance manager was picked as a respondent making the total number of respondents in this study to be 43.

### 1.7.3 Sampling Technique

This study was a census meaning all the targeted elements (commercial banks in Kenya) was studied. The sample size and the target population is equal, that is, there will be a 100% representation of the commercial banks in Kenya, which are the subject of this study.

**Table 3.1: Sample Size**

Number of Commercial Banks in Kenya	Commercial Banks to be Studied (Sample Size)	Percentage Representation
43	43	100%

Source: Author (2015)

### 1.7.4 Data Collection Instruments

Questionnaires were used as the data collection instrument to get data from the respondents. The questionnaires were both open and closed ended questions to ensure that they capture as much information as required by the study. Mugenda & Mugenda (2003), noted that the use of questionnaires in data collection is objective and convenient to both the respondents and the researcher. This is the main reason why this data collection method is preferred.

### 1.7.5 Data Analysis and Presentation

The qualitative and quantitative data was analyzed using content analysis and descriptive statistics by help of computer software namely SPSS. The research hypotheses was tested by use of the generated p-value while the effect of the independent variables on the dependent variable was determined by use of the regression model below:

$$NP = a + \beta_1Pr + \beta_2Sc + \beta_3Sp + \beta_4Sk + e$$

Where:

- NP** = Net Profit of Commercial Banks
- Pr** = Price of M-Banking Services
- Sc** = Security of the M-Banking System
- Sp** = Speed of M-Banking Services
- Sk** = Level of Skills required to use M-Banking Services
- e** = Error Term

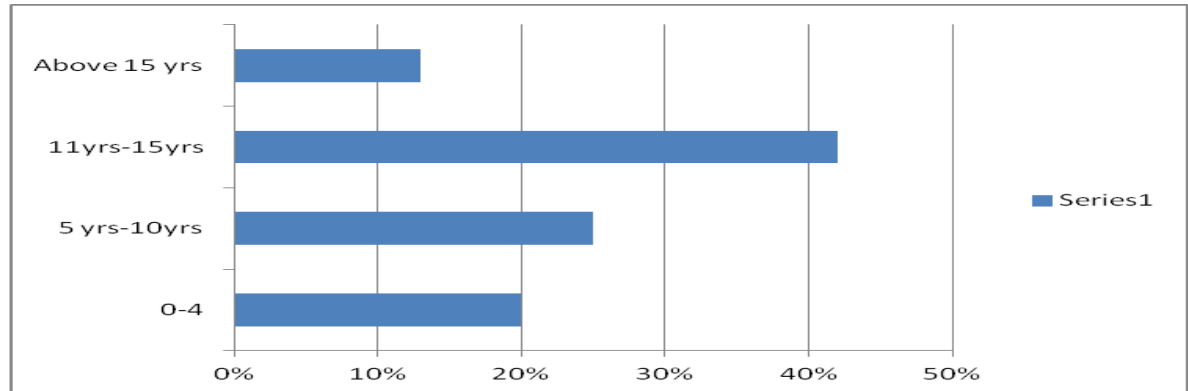
## 1.8 Study Findings and Discussion

### 1.8.1 Response Rate

A total of 42 out of the 43 managers of the commercial Banks complete and returned their duly completed questionnaires. This constituted 97% response rate.

### 1.8.2 Characteristics of the respondents

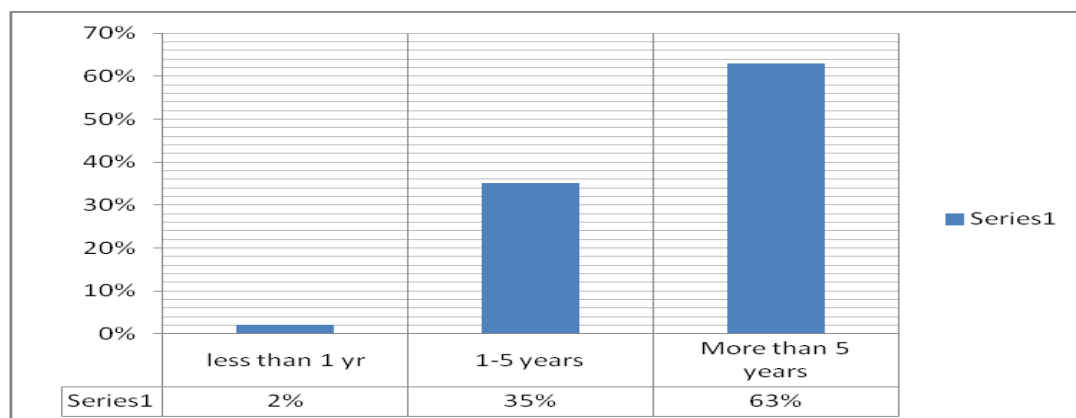
The Graph below shows the working experience of various respondents



**Figure 1: Characteristics of the respondents**

From fig.1 most of the directors have 11-15 years experience (42%), those who have 5-10 years are 25%, 0-4 years are 20% and above 16 years of experience are 13%.

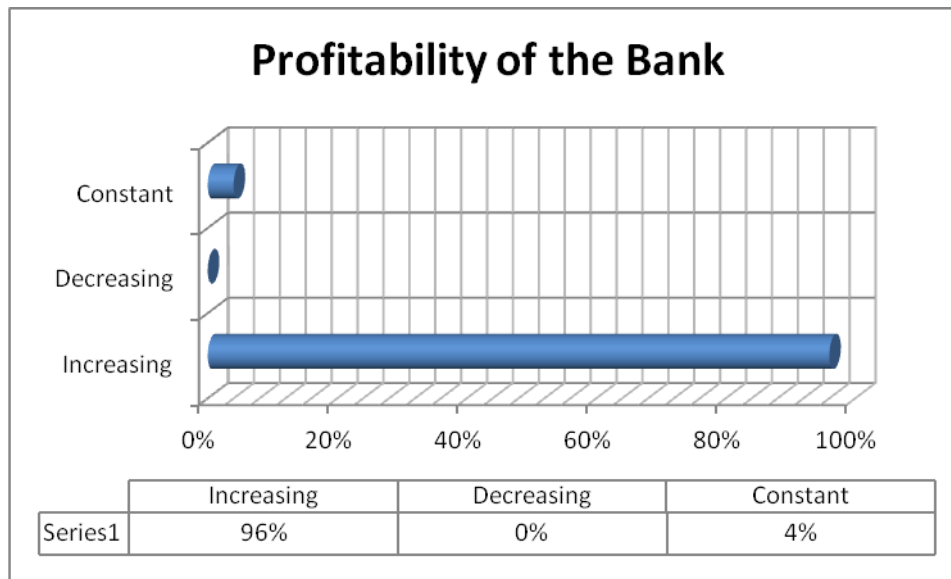
### 1.8.3 Duration of adoption of M-banking services



**Figure 2: Characteristics of the respondents**

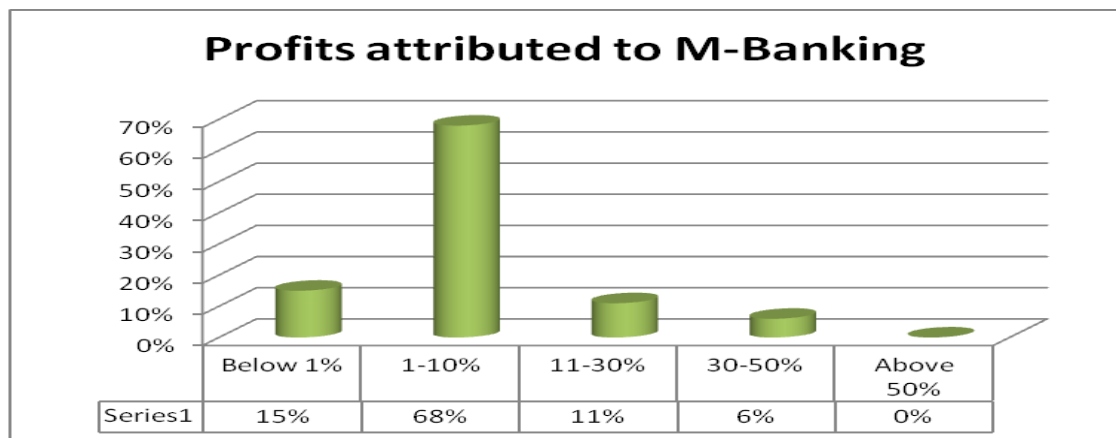
From fig. 2, Most of the banks which constitutes a majority of 63% adopted M-banking more than 5 years ago while 35% of the Banks are between 1-5 years, those who adopted in less than 1 year ago were 2%.

### 1.8.4 Financial Performance



**Fig 3: Profitability of the Bank**

As shown in fig. 3, 96% of the respondents were to the opinion that the profitability increased due to M- banking services, and 4% felt that it remained constant. None of the respondent who felt the profitability decreased.



**Fig 4: Profits attributed to M-Banking services**

Fig. 4 depicts that 15% of the respondents felt that below 1% profit of the Banks has been contributed by M-banking, 68% of the respondent felt its between 1-10%, 11% felt its between 11-30%, 6% felt its between 30-50% and none of the respondent felt its above 50%. According to CBK financial report (2013), the banking Industry recorded improved performance in the fiscal year 2011. The sector's total assets increased by 16 % from Ksh 1,874 billion in June 2011 to Ksh 2,195 billion in June 2012. The major Factors of the balance sheet were loans and advances, government securities and placements, which accounted for 57%, 20% and 7% of total assets, respectively. Gross loans and advances grew by 19% to Ksh 1,289 billion in June 2012.

### 1.8.5 Cost of M-Banking Services

The table 2 below provides the respondents view on cost of M-Banking and its effects on Operations of the Banks

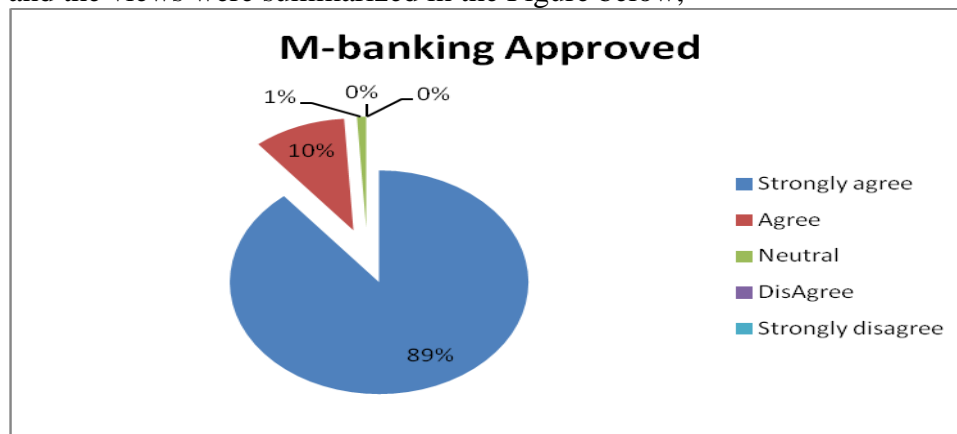
	Mean	Standard deviation
Affordable than Hall Banking	4.21	0.785
Cost effective in remote	4.32	0.734
Customers willingness to pay	3.12	1.821
Lowered the bank Operations cost	4.35	0.672

**Table 2: Cost of M-Banking and its effects on Operations**

The directors were required to respond to various questions related to M-banking, it is noted from the table above that they strongly agreed that it's cheaper to use M-banking other than hall services (Mean=4.21, SD=0.785). They also strongly agreed that its cost effective to use M-banking in Remote areas other than opening branches (Mean=4.32, SD=0.734). However, a majority of the respondents were indifferent whether the customer is willing to pay the cost (Mean=3.12, SD=1.821) while a majority felt that M-Banking has lowered the Bank operations cost (Mean=4.35, SD=0.672). Kumar (2010) on study on Micro Finance and Mobile Banking – noted that financial institutions can significantly lower their costs through m-banking services. For example, automatic text messages that notify customers about upcoming payments or loan disbursements or warn of late payment notices can save loan officers time and phone bills.

### 1.8.6 Security of M-Banking System

The respondents were asked to comment about the security of various M-Banking platforms and the views were summarized in the Figure below,

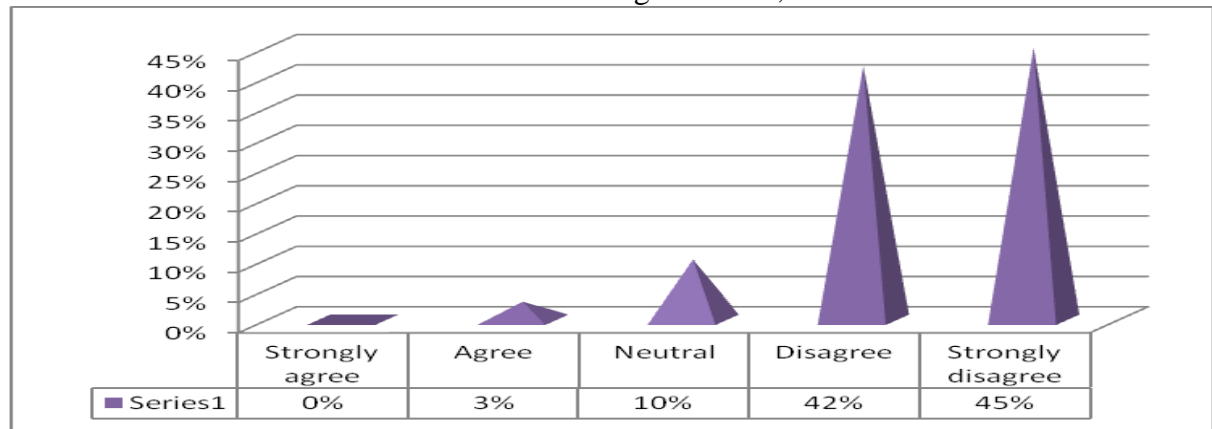


**Figure 5: Security of M-banking**

From fig. 5, 89% strong agreed that M-Banking services has been Tested and approved by the Banking Industry, none strongly disagreed or disagreed with the above opinion. Hughes and Lonie (2007) suggested that mobile money transfer is more secure and cost effective than other alternative methods of money transfer, such as using couriers or friends.

**1.8.7 M-Banking Trust**

Further the respondent were asked to comment whether the M-Banking services is trusted by Clients and the results were summarized in the figure below,

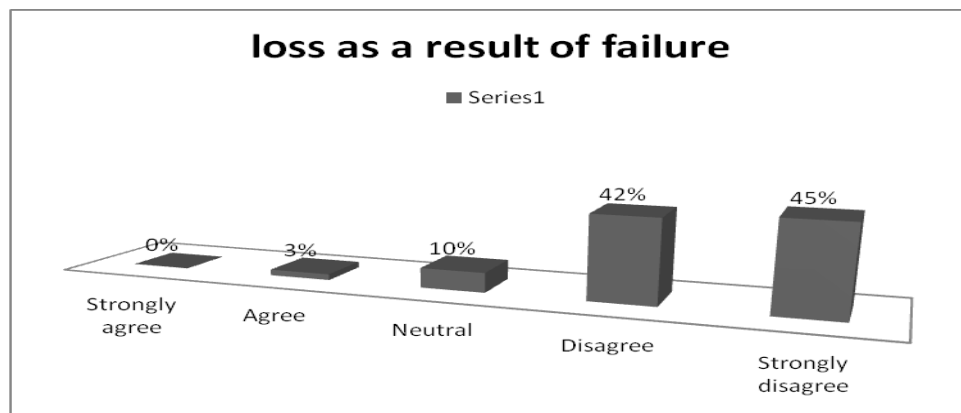


**Figure 6: M-Banking Trust**

From the above Figure, 83% of the respondents felt that M-banking is trusted and has attracted many users, 5% agreed ,3% were neutral, 8% disagreed while 1% strongly disagreed. Execution of time-sensitive financial transactions anywhere and anytime provides the opportunity to strengthen the relationship between the service providers and the customers. The study notes that the convenience of having personalized wireless access to critical financial information is an invaluable service to the customers (Ochumo, 2007).

**1.8.8 Loss as a result of failure**

The Directors were asked to agree or disagree with statement that M-banking failure will result to loss and the views were summarized as follows;

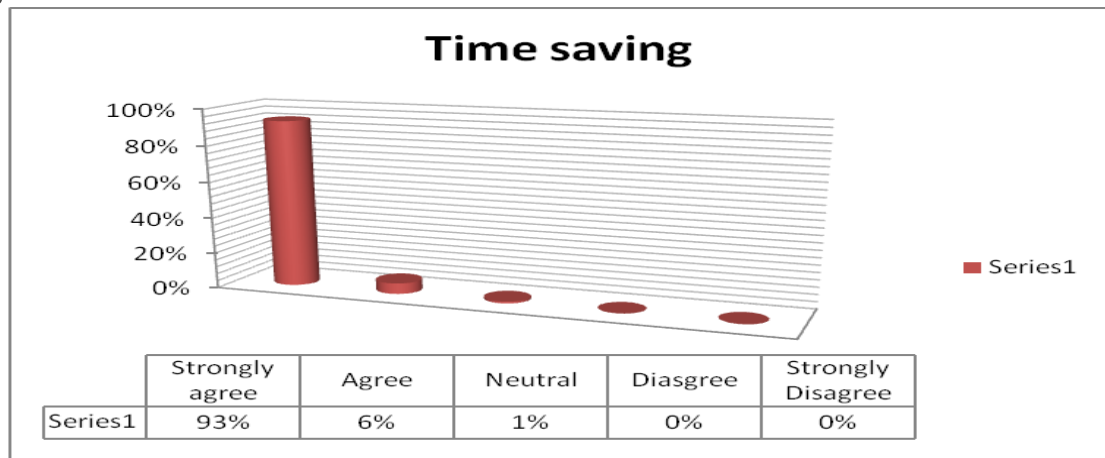


**Figure 7: Loss as a result of failure**

From the above graph, 45% the respondent felt that the Loss as a result of failure of M-Banking is not huge and its recoverable, 42% disagreed that the loss is irrecoverable and immeasurable, 10% were Neutral, and only 3% agreed that the loss is Irrecoverable and immeasurable. According to CBK financial report (2013), the banking sector recorded increased performance in the fiscal year 2011/12. The sector’s total assets increased by 16 % from Ksh 1,874 billion in June 2011 to Ksh 2,195 billion in June 2012.

**1.8.9 Speed of M-Banking service**

The respondents commented on the Speed of M-Banking services and the result summarized Below;



**Figure 8 Speed of M-Banking service**

From the above figure 93% of the respondent strongly agreed that M- banking is time saving, 6 % agreed while none Disagreed. The studies on the speed and convenience of M-banking services are numerous and have largely focused on the benefits to the customers with little said about the benefits to the commercial banks and other m-banking service providers. The studies again, do not identify the impact of the speed and convenience on the financial performance of commercial banks hence leaving a gap (Ochumo, 2007).

**1.9 Regression Analysis**

The study conducted a multiple regression analysis from the regression equation thus:

$$NP = a + \beta_1Pr + \beta_2Sc + \beta_3Sp + \beta_4Sk + e$$

**Table 3a: Regression output**

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	.808(a)	0.653	0.633	0.6944

Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable, from the findings in the

above table the value of adjusted R squared was 0.633 an indication that there was variation of 63.6% on the financial performance of commercial banks due to changes in price of M-banking services, security, Speed and Skills at 95% confidence interval .This shows that 63.6% changes in financial performance could be accounted to changes in price of M-banking, security, Speed of M-Banking and Skills. R is the correlation coefficient which shows the relationship between the study variables. From the findings shown in the table above there was a strong positive relationship between the study variables as shown by 0.694.

**Table 3b: The t- test**

Model		Unstandardized Coefficients		Standardized	t	Sig.	Diagnostic tests	
		B	Std. Error	Beta			Tolerance	VIF
1	Constant	.455	.231		1.973	.106		
	Price	.016	.009	.444	1.815	.009	.700	1.429
	Security	.182	.050	1.231	3.616	.036	.558	1.791
	Speed	.153	.017	1.075	3.159	.025	.430	2.326
	Skills	.204	.240	.230	.850	.028	.421	1.672

From the results in the above table the established regression equation was  $Y = 0.455 + 0.016 X_1 + 0.182 X_2 + 0.153 X_3 + 0.204 X_4$ : This revealed that holding Prices of M-Banking, Security of M-Banking, Speed and Skills to a constant zero, financial performance would be at 0.455. A unit increase in Price would lead to increase in financial performance by a factor of 0.016, a unit increase in Security would lead to increase in financial performance by a factor of 0.182, a unit increase in Speed of M-Banking (which was measured on how fast a customer completed a mobile transaction) would lead to increase in financial performance by a factor of 0.153 and unit increase in Skills(knowledge and interpretation on mobile features) would lead to increase in financial performance by a factor of 0.204.

## 2.0 Conclusion and Recommendations

### 2.1 Conclusion

From the findings and summary the study concludes that the prices of M-banking services had a high positive influence on the financial performance of commercial banks in Kenya. M-Banking helped to promote efficiency and confidence in the financial system thus winning public trust. The study also concludes that Security and Speed through M-banking had a positive impact on the financial performance of commercial banks in Kenya with many of the banking institution recording high performance and thus creation enough pool of for willing investors to borrow thus increased profits. The study further concludes that financial services security by customers through M-banking Services had a positive impact on financial performance of commercial banks in Kenya with many of the banking

institutions indicating that M-banking had made it easier for them to reach out to many potential clients without investing so much in opening branches hence it's a cost effective measure. The study concludes that increased Skills in Mobile operation had a significant effect on the financial performance of commercial banks with many banking institutions indicating that increased Skills on M-Banking helped a company to achieve greater scale in its operations which generally improved profitability.

## 2.2 Recommendations

From the summary and conclusions the study recommends that the Bank should consider coming with a clear and fair M-banking prices which creates a universal platform for all banking institutions. This will enhance fair market completion and thus barring financial institutions from customer exploitation. The study recommends that the financial institutions should continue offering low transaction rates within their Mobile networks and ensure deposits of the various customers are protected at all times. This will lure customers to adopt this as a culture thus ensuring the future sustainability of M-Banking. The study recommends that the banking institutions should considered intensifying the M-Banking network which will ensure services accessibility by customers and thus improving financial performance. Finally the study recommends that banking institutions should consider coming up with lock in strategies for the already captured market. This will award more power to the bank in controlling the prices and services it offers to its customers.

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