

**INFLUENCE OF DIGITAL DISTRIBUTION STRATEGIES ON UPTAKE
OF BANK PRODUCTS AND SERVICES IN KENYA**

Edwin Murangiri Ileri

**A Thesis Submitted in Partial Fulfillment of the Requirements for the Degree of
Doctor of Philosophy in Business Administration (Strategic Management
Option) of Murang'a University of Technology**

November, 2022

DECLARATION

I hereby declare that this thesis is my original work and to the best of my knowledge has not been presented for a degree award in this or any other university.

Edwin Murangiri Ileri
BE500/5246/2017

Date

APPROVAL

The undersigned certify that they have read and hereby recommend for acceptance of Murang'a University of Technology a thesis entitled **“Influence of Digital Distribution Strategies on Uptake of Bank Products and Services in Kenya.”**

Dr. Grace Wahinya, Ph.D.
Department of Commerce,
Murang'a University of Technology.

Date

Prof. Richard Juma, Ph.D.
Department of Commerce,
Murang'a University of Technology.

Date

Dr. Tabitha Karanja, Ph.D.
Department of Commerce,
Murang'a University of Technology.

Date

DEDICATION

This work is dedicated to God for his grace and giving me good health and capacity to prepare this work. I also dedicate this work to my mother Nancy Ileri who has sacrificed a lot to see me achieve this level of education.

ACKNOWLEDGEMENT

I first wish to thank my employer Family Bank Limited (FBL) for giving me all the support and time I needed to study and carry out this PhD Thesis. I sincerely thank Mr. Elijah Kariuki, the Chief Human Resource Officer in Family Bank for according me support whenever I visited his office. I also thank my supervisors; Dr. Grace Wahinya, Prof. Richard Juma and Dr. Tabitha Karanja for according me a listening ear and encouragement throughout this research work. Am also grateful to my previous supervisors Prof. Clifford Machogu, Dr. George Gathogo and Dr. Silas Kinyeki for guiding me tirelessly and invaluable contributions to this work. Finally, am grateful to my family members for giving me moral and spiritual support and my mother Nancy Ileri for being there for me all the time during this worth course.

God bless you all!

ABSTRACT

A distribution strategy involves a network of individuals or entities that deliver products and services to customers. Commercial Banks deliver their products and services through physical branches and use technology to derive uptake via mobile banking, online payments, Automated Teller Machines, and agency banking, among others. Despite this, just 36% of clients use technology for agency banking, 31% for mobile banking, 30% for ATM banking, and 3% for internet banking. This led the researcher to investigate how banking distribution strategies influence the uptake of bank products and services. The study was conducted in 23 branches where primary data was collected using questionnaires and secondary data was collected from Family Bank and CBK's annual reports. The study addressed the four specific objectives which are: examining how Family Bank products and services products uptakes were influenced by internet banking, to explore the impact of mobile banking strategy on the adoption of products and services, examine the influence of agency banking on the adoption of bank products and services, and assess the influence of ATMs on the uptake of bank products and services. The study analyzed the literature written by other researchers on this subject, empirical studies, and the theoretical framework that served as the foundation for the conceptual framework. This study made use of the technology acceptance theory, economic distribution theory, agency theory, bank-focused theory, bank-led theory, and non-bank-led theory. The study applied both descriptive and correlational research designs. The population of the study was 177,950 customers drawn from Mt Kenya Region. Fischer's formula was used to choose a sample of 384 participants. The study's response rate was 92% and the study adopted a positivism research design by testing hypotheses from the pre-determined conceptual framework. The quantitative data was analyzed using both descriptive and inferential statistics. Descriptive statistics were used to describe the characteristics of the variables and inferential statistics described the relationship of the variables. The study established from the coefficient of determination (R^2) that the strategies explained 98 % of variations in products and services uptake. The study also found that mobile banking, ATMs, agency banking, and internet banking had a positive and statistically significant effect on uptake of products and services with a p-value of 0.00. The study further established that training, advertisements, and marketing too influence products and services uptake. The study concluded that to improve the uptake of bank products and services, mobile banking, agency banking, internet banking and the use of automatic teller machines are of critical importance and investment should be made by the bank to boost their infrastructure. The study also concluded that internet banking though was statistically significant; it only constituted 3% of the users. The study recommended that further study be carried out to find out the influence of product knowledge on services and products uptake. It was noted that several customers possessed ATM cards but never used to transact with them. Further study should be carried out on the influence of customer training on products and services uptake. A policy should be formulated to ensure that once customers are registered in the strategies, they are trained on services available and use. The study finally recommends that the bank should data mine to establish the customers eligible but not registered and intensify onboarding. The study also recommends that the institution and partners ensure 100% network uptime. The study also recommends that the banks should adequately train customers on distribution strategies to increase uptake.

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT.....	iv
ABSTRACT.....	v
LIST OF TABLES.....	x
LIST OF FIGURES.....	xii
ACRONYMS AND ABBREVIATIONS.....	xiii
OPERATIONAL DEFINITIONS OF TERMS.....	xv
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the Study.....	1
1.1.1 Banking Industry in Kenya.....	5
1.1.2 The Banking Sector Developments	8
1.1.3 Digitization of Bank Products and Services Distribution.....	10
1.1.4 Digital Distribution Strategies in Commercial banks.....	11
1.1.5 Bank Products and Services	23
1.1.6 Uptake of Products and Services	25
1.1.7 Family Bank Limited.....	26
1.2 Statement of the Problem	27
1.3. Objectives of the Study	29
1.3.1 General Objective	29
1.3.2 Specific Objectives	29
1.4 Research Hypotheses.....	30
1.5 Significance of the Study	30
1.5.1 Research Scholars.....	30
1.5.2 Customers	31
1.5.3 Society	31
1.5.4 Family Bank Limited.....	31
1.5.5 The Central Bank of Kenya	33
1.5.6 Family Bank Staff.....	33
1.6 Scope of the Study.....	34
1.7 Limitations of the Study	34
1.8 Assumptions of the study	35
1.9 Contribution of the Thesis.....	35

1.10 Organization of the Thesis	36
CHAPTER TWO: LITERATURE REVIEW	37
2.1 Introduction	37
2.2 Theoretical Review	37
2.2.1 The Technology Acceptance Model.....	37
2.2.2 Diffusion of Innovation Theory.....	42
2.2.3 Agency Theory	48
2.2.4 Bank Focused Theory.....	50
2.3 Empirical Literature Review	53
2.3.1 Mobile Banking Strategy.....	53
2.3.2 Internet Banking Strategy.....	57
2.3.3 Agency Banking Strategy.....	61
2.3.4 Automatic Teller Machines Strategy.....	67
2.3.5 Customer Education	71
2.3.6 Marketing and Advertisement	74
2.3.7 Training	75
2.3.8 Digital Distribution Strategies	78
2.4 Conceptual Framework	79
2.4.1 Mobile Banking	81
2.4.2 Internet banking.....	81
2.4.3 Agency Banking	81
2.4.4 Automatic Teller Machines	82
2.4.5 Uptake Products and Services	82
2.5 Operationalization of Variables	83
2.6 Research Gap.....	84
2.7 Chapter Summery.....	85
CHAPTER THREE: RESEARCH METHODOLOGY	87
3.1 Introduction	87
3.2 Research Design and philosophy	87
3.2.1 Descriptive Research Design.....	88
3.2.2 Correlation Research Design	89
3.3 Location of the Study	89
3.4 Target Population	90
3.5 Sampling Procedure and Sample Size.....	93

3.5.1 Sampling Procedure.....	93
3.5.2 Sample Size	94
3.6 Data Collection.....	96
3.6.1 Pilot Study	96
3.6.2 Validity of the Instrument	97
3.6.3 Reliability of the Instrument.....	99
3.6.4 Data collection procedure.....	101
3.7 Analysis and Presentation	101
3.8 Ethical Considerations.....	103
3.9 Chapter Summery.....	103
CHAPTER FOUR: RESULTS AND DISCUSSION	105
4.1 Introduction	105
4.2 General and demographic Information	105
4.2.1 Response Rate	105
4.2.3 Education Level.....	105
4.2.4 Gender of Respondents.....	106
4.2.5 Respondents relationship with the bank.....	108
4.2.6 Number of Years Banked with a Family Bank	109
4.2.7 Customer Usage of Distribution Strategies	110
4.2.8 Respondents' Marital Status.....	111
4.2.9 Income Source	112
4.3 Descriptive Statistics	113
4.3.1 Descriptive Statistics for influence of Mobile Banking	113
4.3.2 Descriptive Statistics for Internet Banking.....	121
4.3.3 Descriptive Statistics for Agency Banking.....	122
4.3.4 Descriptive Statistics for Automatic Teller Machines.....	128
4.4 Diagnostics Tests.....	133
4.4.1 Homoscedasticity Test, Levene test	133
4.4.2 Normality Test.....	134
4.4.3 Multicollinearity	135
4.4.4 Regression Analysis	137
4.5 Z-Test Analysis	148
4.6 Analysis of moderating Factors.....	151
4.7 Regression Analysis: moderating Factors	152

4.8 Chapter Summary.....	155
CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS.....	157
5.1 Conclusion.....	157
5.1.1 Mobile Banking and Uptake.....	157
5.1.2 Internet Banking and Uptake.....	159
5.1.3 Agency Banking and Uptake.....	161
5.1.4 Automatic Teller Machines and Uptake.....	163
5.2 General Recommendations	164
5.2.1 Mobile Banking Strategy.....	164
5.2.2 Internet Banking Strategy.....	165
5.2.3 Agency Banking Strategy.....	167
5.2.4 Automatic Teller Machines	168
5.2.5 Marketing	170
5.2.6 Training	171
5.2.7 Education.....	171
5.3 Policy Recommendations	172
5.4 Recommendations for Further Study	173
5.4.1 Mobile Banking	173
5.4.2 Internet Banking	175
5.4.3 Agency Banking Strategy.....	176
5.4.4 Automatic Teller Machines	177
REFERENCES.....	179
APPENDICES.....	191

LIST OF TABLES

Table 2.1: Operationalization of Variables	83
Table 3.1: Target population	91
Table 3.2: Percentage of customers target population per branch	92
Table 3.3: Sample Size of respondents	95
Table 3.4: Customer sample size per branch	95
Table 3.5: Test for reliability	100
Table 4.1: Level of education	105
Table 4.2: Gender of Respondents	106
Table 4.3: Age of the respondents	107
Table 4.4: Relationship with the bank	108
Table 4.5: Years as a Family Bank customer.....	109
Table 4.6: Distribution usage	110
Table 4.7: Marital status	111
Table 4.8: Source of income	112
Table 4.9: Descriptive Statistics for availability and uptake	114
Table 4.10: Descriptive statistics for security influence on uptake	115
Table 4.11: Descriptive statistics influence of reliability	117
Table 4.12: Descriptive statistics for influence of convenience	118
Table 4.13: Descriptive statistics for influence of cost-effectiveness.....	119
Table 4.14: Descriptive statistics user-friendliness of mobile banking platform	120
Table 4.15: Descriptive statistics for internet banking	121
Table 4.16: Descriptive statistics for convenience of Family bank agents’ distribution.....	122
Table 4.17: Descriptive statistics for the influence of the proximity of family bank agents	123
Table 4.18: Descriptive statistics for the influence of security of Family bank agents	124
Table 4.19: Statistics for the cost-effectiveness of Family bank agents	125
Table 4.20: Descriptive statistics for the reliability of agents.....	126
Table 4.21: Descriptive statistics for family bank agents operating hours	127
Table 4.22: Descriptive statistics for the proximity of ATMs	128
Table 4.23: Descriptive statistics for the cost-effectiveness of ATMs	129

Table 4.24: Descriptive statistics for the security of ATMs	130
Table 4.25: Descriptive statistics for possession of debit card/ATM	131
Table 4.26: Descriptive statistics for the user-friendliness of ATM.....	132
Table 4.27: Homoscedasticity test	133
Table 4.28: Results of Kolmogorov Smirnov normality test.....	134
Table 4.29: Results of Shapiro-Wilk Normality test	135
Table 4.30: Test for Multicollinearity	136
Table 4.31: Correlation analysis for the independent variable	136
Table 4.32: Regression Model	138
Table 4.33: Summary of the results of tests of hypotheses.....	148
Table 4.34: Z-Tests for Influence of mobile banking on services uptake	149
Table 4.35: Z -Test for the influence of agency banking products and services uptake	150
Table 4.36: Moderating factors	151
Table 4.37: Regression analysis for moderating variables	153
Table 4.38: ANOVA for moderating variables.....	154

LIST OF FIGURES

Figure 2.1: Conceptual framework	80
Figure 4.1: Education level	106
Figure 4.2: Gender of Respondents	107
Figure 4.3: Age of the respondents	108
Figure 4.4: Relationship with the bank	109
Figure 4.5: Years as a Family Bank customer	110
Figure 4.6: Distribution usage.....	111
Figure 4.7: Marital status	111
Figure 4.8: Source of income	112

ACRONYMS AND ABBREVIATIONS

A M L:	Anti-Money Laundering
ABC:	Alternative banking Channels
AML:	Anti-money laundering
ANOVA:	Analysis of Variance
ATM:	Automatic Teller Machine
B2B:	Business to Business
C B A:	Commercial Bank of Africa
C B K:	Central Bank of Kenya
C B R:	Central Bank Rate
C M A:	Capital Market Authority
CFT:	Counter Financing of Terrorism
FBIA:	Family Bank Insurance Agency
G D P	Gross Domestic Product
I B:	Internet Banking
ICT:	Information Communication Technology
IRA:	Insurance Regulatory Authority
K B A:	Kenya Bankers Association
KCB:	Kenya Commercial Bank
KRA:	Kenya Revenue authority
MFS:	Mobile Financial Services

MSME:	Micro Small and Medium Enterprises
NACOSTI:	National Commission for Science Technology and Innovations
P O S:	Point of Sale
PBT:	Profit before Tax
PIN:	Personal Identification Number
ROA:	Return on Asset
ROE:	Return on Equity
S P S S:	Statistical Package for Social Sciences
SACCO:	Savings and Credit Cooperative Societies
SME:	Small and Medium Enterprises
TAM:	Technology Acceptance Model
USSD:	Unstructured Supplementary Service Data

OPERATIONAL DEFINITIONS OF TERMS

Central Bank of Kenya:	The regulatory body set to supervise commercial Banks (Constitution of Kenya, 2010).
Commercial Bank:	A financial institution which preforms the functions of accepting deposits and advancing loans (Rasiah,2010)
Distribution strategy:	Network of people or businesses that help deliver products and services to customers (Nickols, 2012).
Financial Inclusion:	It refers to the fact that people and businesses can access affordable financial services and solutions to satisfy their needs (Sarma&Pais, 2011).
Money laundering:	The process of changing large amounts of money from crimes such as drugs trafficking, terrorism acts and human trafficking acts to appear to originate from legal source (Schneider&Windischbauer, 2008).
Online Banking:	It is a way of banking that helps customers to complete banking transactions online using intelligent devices (Szopiński, 2016).
Strategic Management:	Planning, monitoring, evaluating, and assessing what an organization has to do in order to attain its targets and goals (Jasper&Crossan, 2012).
Uptake:	This is the embrace of a novel idea, service, or concept. (Distaso, Lupi, &Manenti, 2006).
World Wide Web:	It is a network of information that links the content that a user uses to conduct informational searches on search engines.
Mobile banking:	It is a distribution strategy that allows bank customers to access products via a mobile phone device (Donner & Telles, 2011).
Automatic Teller Machine:	These are electronic machines that let customers' access bank products and services without interacting with any bank employees (Adbukkahi and Nyaga 2017).
Internet banking:	Internet banking is a technology-based method of delivering banking services remotely via the World Wide Web. It makes use of computers and other intelligent gadgets (Nath, 2007).

Agency banking:

It is a branchless provision of bank products and services to customers via use of appointed agents (Celina, 2012).

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The study aim was to investigate the influence of digital distribution strategies on banks products and services uptake in banks in Kenya. A distribution strategy is a group of people or enterprises that work to deliver goods and services to customers. Marketing strategies are also referred to as distribution tactics. They are divided into Direct and indirect distribution strategies. The manufacturer sells products and services directly to customers under the direct distribution approach without involving middlemen. Direct mail, product catalogs, branch networks and the use of e-commerce websites are the techniques employed. The products go through multiple hands in the indirect distribution network before it is delivered to the customer. Wholesale distributors, dealers, retailers, consultants, and manufacturers' representatives are a few examples of intermediaries involved (Vinhas & Anderson, 2005). The act of allowing customers access to bank services and products across a variety of channels is considered the distribution of banking services. Different distribution strategies aim to increase customer convenience, embrace technology, and reduce operational costs. These strategies include Teller Machines (ATM), online banking, mobile banking, agents, mobile branches and specialty branches among others (Chakrabarty & Ennew, 2007).

The delivery of bank products and services to clients involves making sure that they are available at the appropriate time, location, and in a format that is suitable and practical for them (Hitt & Frei, 2002). The institutions providing banking services compete fiercely for clients and financial gain. To keep existing clients and attract new ones, these

institutions practice customer centricity. To improve service delivery and client satisfaction, commercial banks have adopted distribution strategies that leverages on modern technology to serve their customers better (Chakrabacrtty & Ennew, 2007). Businesses adoption of distribution strategies has been revolutionized by Information and Communication Technology (ICT). ICT-based distribution technologies have improved conventional brick-and-mortar branches (De Vries, 2006). Clients need a financial institution so as to handle their financial needs for loan advances, cash deposits and withdrawals, and money transfers among other transactions. Financial institutions employ various channels to meet customer demands, which guarantee privacy, comfort and speed of service among others to promote products uptake and remain competitive.

Commercial banks have maintained their operations over the long term while continuing to develop to cope with emerging technologies. These developments in Technology have compelled the commercial banks to keep up with the fast-paced corporate environment, particularly those that affect performance and productivity (Adetunji, 2013). This has been done to solve difficulties related to strategy, regulation, and operations in the banking sector. The usage of technology systems and other improvements that make it possible to employ these technologies have effectively increased over the past decades. These transformations have seen a massive transformation in the global financial sector. Through regulatory reforms, the banking sector in developed nations has been able to successfully re-evaluate and realign its operating models enhancing its competitive dynamics in the sector (Edet, 2008).

Many banks in third-world countries have aligned their strategies to enable them to apply the technologies for banking that are in place currently. This has seen the banks change from traditional to digital strategies. This has added value to both the banks and the customers by benefiting both parties. The customers can transact with ease and incur less cost to transact as well as access more products and services (Guinaliu, 2013). Many banks use several digital distribution strategies because each strategy is received differently by the customers. In some cases, a customer would prefer one alternative over the other based on the factors such as user-friendliness and security of the model among others (Chen and Liu, 2009).

In the global perspective, commercial banks have adopted distribution strategies due to emerging technologies and the changes of customers' expectations. Many banks started employing alternative banking strategies in the early 1990s. According to Aladwani (2011), Assyria, Egypt, and Babylon were the first civilizations to employ alternative banking methods. The first banker to introduce and publicize these methods was Christopher Thorton, who offered his furniture in exchange for weekly payments in 1730. Tallymen would sell clothing from the 18th through the 20th centuries in exchange for monthly payments. Around the 1920s, a buy-now, pay-later system for consumers was introduced in the United States of America.

The United States of America was the first country to adopt alternative banking techniques. To offer products and services to clients, various private businesses began utilizing these techniques in the 1920s. The European countries also started using

alternative channels in 1938 (Edet, 2008). The channels enabled the Customers to conduct financial transactions outside of traditional banking facilities. In the 1990s, the number of ATMs in Europe rose by 50%. Historically, ATMs were only used for cash withdrawals, but currently, machines allow users to deposit money, check the status of their accounts, and do other financial transactions. Distribution strategies such as ATMs were employed by commercial banks to enable clients to utilize debit and credit cards for purchases. According to Batiz and Lazo (2009), the first ATM was used in 1967 at the Barclays bank which has so far rebranded to ABSA and spread to the other parts of the world. Agency banking strategy started in Brazil in Latin America in the year 1999 and helped numerous other banks introduce retail agents in other countries (CGAP, 2011). The technology quickly spread to the Asia continent starting with Palestine and the philistines and to Africa in countries such Kenya, Uganda, and Tanzania.

In the Africa context, banks have undergone an ongoing change to stay up with the fast-paced business environment. The banks have switched from the old operation models to new ones to satisfy the demands of contemporary business and consumer needs to maximize their products and uptake while maintaining their operations. To stay up with the developments in the banking industry, the banks in Africa have embraced technology (San-Jose, Ituralde and Maseda, 2009). Customers can now take advantage of the convenience and freedom that comes with digital banking methods. The use of digital banking strategies has cut operational costs and optimized the services they provide round-the-clock.

The Kenyan banking industry has also changed with time to adopt new distribution strategies. This was brought about by the changing economic times and the introduction of technology in the banking industry. Commercial banks adopt these technologies to enable customers to access services conveniently. Some of the methods that Kenya adopted were internet banking, agency banking, mobile banking, Automatic Teller Machines, point of sale machines, and electronic funds transfer among others (Mwangi, 2007). The strategies can be used as a stand-alone or used along with other technologies to ease the delivery of products and services in Kenya. Mobile banking strategy has seen tremendous growth in Kenya driven by over thirty million M-pesa users and mobile phone usage to the high of 80% (Chebii, 2018). Agency Banking has also been adopted by Kenyan banks since the Central Bank of Kenya authorized them to appoint agents to act on their behalf. Commercial banks such as the Kenya Commercial Bank use agents referred to as KCB Mtaani, Family Bank Pesa pap agent are adopted by the Family bank limited, Coop Kwa Jirani agents appointed by the Cooperative Bank of Kenya as well as the Equity agents for Equity Bank Limited among others (Musiega, 2014).

1.1.1 Banking Industry in Kenya

The company act, the Central Bank act, and the banking act govern the banking industry in Kenya. The government owns the Central Bank of Kenya, which has a responsibility to serve the public by compiling numerous reports on the economy, as well as government and commercial banks. Additionally, it is responsible for overseeing commercial banks and creating prudential regulations to control their Operations. It must also develop monetary policy, foster liquidity and control solvency to ensure a nation's financial system is operating effectively. There were 42 banks and a government-owned mortgage

company operating in Kenya in 2019(Central Bank Kenya, 2019). There are 9 microfinance banks, 2 credit reference bureaus, 13 money transfer companies, and more than 80 money transfer bureaus in the financial sector. In Kenya, the banking sector has seen a significant transformation. One such shift is the regulation that was implemented in 2016 that capped the interest rates. The global crises, which included a drop-in commerce, had an impact on the margins realized from financed income which forms the banks' main source of income.

Due to ICT innovation and development, the corporate climate has become uncertain, and competition has increased. Commercial banks are in business to generate a profit, and any bank that wants to survive and stay afloat must come up with strategies to fend off competition and make investments in innovation and information technology. In contrast to the previous ten years, when there were few commercial banks and minimal rivalry, there are now 42 banks operating in Kenya. Each one aims to gain market share to increase its profitability (Kaskende, 2008). Ndi (2013) asserts that the banking sector is important for both the people and the economy. Due to its significance, the commercial bank receives a lot of attention from the public, regulatory agencies, academics, and politicians. This is mostly due to the banks' capacity to determine the amount of money in the economy and the level of investment. This is accomplished by utilizing client deposits to extend loans to companies and investors. The depositors, regulators, investors, the government, and the general public all have a stake in how well this industry performs and advances technologically as a result of these vital tasks performed by commercial banks.

Globalization, increased competition, and numerous innovations have changed how banks deliver their products and services, making the banking sector more dynamic. The company act, the banking act, the Central Bank of Kenya act, and the prudential recommendations provided by the central bank of Kenya are among the parliamentary acts that control the Kenyan banking industry (CBK, 2017). As of December 2021, there were 73 foreign exchange bureaus, three credit reference bureaus, nine foreign banks offices, one mortgage financing company, thirteen microfinance organizations, and 42 licensed commercial banks. There are three public owned institutions, 25 privately owned ones with local control, and 15 privately owned ones with more than 50% foreign ownership. Due to digitization, notably mobile money transfers, the financial inclusion rate in the Kenyan banking industry has reached 82.9% which is the highest record ever. (CBK, 2019).

All commercial banks' lobbying organization, the Bankers Association of Kenya, looks out for their interests. Issues about commercial banks are handled by this lobby group with its interest vested in a seamless business environment. Additionally, it has created a platform for money transfers called pesalink that makes it simple for customers from various banks to move money. According to Nyangosi (2011), the banking industry has seen increases in assets base, deposit, profitability, loan book, and the variety of client offerings. After falling by 4.8 percent in 2017, commercial banks' income increased by 3.3 percent in 2018, reversing a large portion of the decrease that was caused by the parliamentary measure that capped interest rates. Despite this growth, it was still much

lower than the double-digit growth recorded from 2014 to 2016 (CBK, 2018). The gain at this time was primarily attributed to rising interest rates on government securities, which peaked at 15.68%. The tier three banks' income growth rate after 2017 was visible, and it was significantly higher than that of the tier one and tier two banks.

The overall net assets of commercial banks in Kenya increased significantly from 4 trillion in 2017 to Ksh.4.41 trillion, up 10.14 percent. The total assets stood at \$3.7 trillion as at 2016. The total assets stood at Sh. 3.26 trillion in 2018. Deposits rose significantly from 2.62 trillion in 2016 to 2.92 trillion in 2017, representing a considerable rise. The uptake of loan products and loans rose from \$2.41 trillion to \$2.48 trillion. Pretax profitability increased steadily from 144 billion and 133 billion in 2016 and 2017, respectively, to reach 152.7 billion in 2018. The liquidity ratio significantly decreased to 20% in 2018 from a big increase to 43% in 2017 and 40.3% in 2016. (CBK, 2018). Banks are categorized by the Central Bank of Kenya based on their asset basis. They are tier 1, 2, and 3 banks. Those in tier-one banks are substantial financial institutions with enormous assets that are unlikely to fail. Contrary tier three banks are the tiny banks; this is the category that many Kenyan banks fall under while tier two is medium-sized banks. KCB, Equity Bank, ABSA Bank, and Cooperative are some of the tier-one banks.

1.1.2 The Banking Sector Developments

Due to recent difficulties in the sector, some banks have been acquired, while others have merged. This resulted in the receivership of many banks. The Imperial Bank, Dubai Bank, and Chase Bank were the commercial banks placed under receivership in 2015 and

2016(CBK, 2016). These banks were purchased as follows. SBM Bank purchased the assets belonging to Chase Bank Ltd., and Kenya Commercial Bank (KCB) purchased assets belonging to Imperial Bank Ltd. following the approval of the Central Bank and The Capital Markets authority in 2019, the Commercial Bank of Africa (CBA) and NIC Bank consolidated their operations to a merger named NCBA, while KCB purchased 100% of the National Bank of Kenya (CBK, 2019). The banking amendment act of 2015 attempted to impose limits on the interest rates that might be applied to lending facilities and a minimum rate of interest on deposits held in interest-bearing accounts. Many banks earlier significantly relied on interest income only, this forced them to innovate and diversify their sources of income. They discovered methods to increase unfunded income (Okiro&Ndungu, 2013).

The commercial banks came up with ways to make money through alternative banking techniques, such as ATMs, agency banking, mobile banking, online banking, and agency banking. Banks started aggressive selling campaigns to increase demand for the products and services provided by these initiatives. They included online payments for products and services, financial transfers, and mobile loans. Trade financing, fees and commissions, and treasury revenue are additional ways to make money (Koror, 2012).In 2018, the national legislature decided to keep the interest rate floor at 70% of the CBR and the ceiling on the interest rate at 4% over the Central Bank Rate (CBR). After the president signed the 2019 finance bill, the interest rate cap was eliminated in November 2019. In the same year the International Financial Reporting Standard (IFRS9) was released, this made it necessary for the banking sector to evaluate its credit lending

guidelines. These policies, which favored collateral-based lending had an impact on how often loan facilities were used (CBK, 2019). The new notes of KES 1000, 500, 200, 100, and 50 were announced by the Central Bank in May 2019. The modifications were made to combat counterfeiting and money laundering. Towards the end of 2019, the 1000 notes were taken out of circulation.

1.1.3 Digitization of Bank Products and Services Distribution

Information and communication technology improvements have allowed the banking sector to develop and significantly improve its method of banking. To maintain their competitiveness in the banking industry, commercial banks provide simplicity, effectiveness, flexibility, and a positive client experience. Commercial banks invest in technology to enhance their offerings (Lipton, Shrier and Pentland, 2016). The traditional banking approach, according to Sathye (2013), made transactions challenging because it required customers to visit branches, which was inconvenient and cost them money they could have saved. Customers' demand deposits have traditionally been the principal source of deposits. The effectiveness of the institutions that merely employed the traditional techniques has suffered as a result of this, which has significantly decreased over time. This inspired commercial banks to develop and deploy cutting-edge, technologically advanced distribution strategies for bank products and services. This includes, among other things, ATMs, electronic funds transfers, agency banking, and online banking.

These methods of distribution have enhanced the customer experience because customers can access services around-the-clock with greater convenience, time saving, and lower

transaction fees. The digitalization of commercial banks' financial product distribution techniques may be very convenient, but it also introduces several risks, such as fraud, weakened client data security, network and system flaws, and bank system hacking. By incorporating technology into internal controls and the risk management oversight process, commercial banks have developed risk management standards to stop this (Cheng, 2016).

1.1.4 Digital Distribution Strategies in Commercial banks

A) Mobile Banking

Mobile banking is a distribution strategy that allows bank customers to access products via a mobile phone device. This is possible when the banks collaborate with network providers for connectivity purposes. To enable account management remotely and without a branch visit, the mobile line is connected to the bank account (Donner & Telles, 2011). When a financial institution and a mobile network operator collaborate, mobile banking services are provided seamlessly. Therefore, the customer uses self-service on their mobile devices to access these products and services. Customers may conduct business conveniently, at a low cost, and without having to travel to a branch via this distribution strategy. According to Odera (2013), mobile banking is any transaction carried via mobile phone. Mobile banking is built on Electronic Data Interchange (EDI) technology enables computer-to-computer communication protocol to take effect Banks can provide their customers with 24-hour access to banking services like withdrawals, investments, deposits, savings, mobile payments, deposits, and loans provided by remote

financial services. As early as 2002, mobile banking was regarded as a crucial component and enabler of a suitable banking environment (Mabwai, 2016).

A market gap for services delivered via mobile phones was enhanced by a rise in telephone usage in Kenya from the 2000s (Odera, 2013). Additionally, the introduction of mobile money transfers increased drastically in 2007 (Safaricom, 2019). Most banks and financial institutions in Kenya have adopted a growth trajectory based on transformation, which is fueled by mobile solutions (KBA, 2014). Banks are collaborating with numerous mobile telecommunications firms to expand their reach as much as possible inside this market niche due to fierce rivalry for market share. To develop retail mobile banking solutions that make use of Pay bill numbers, USSD, and remote money transfers between bank accounts, mobile devices, and debit cards, Family Bank has partnered with Safaricom and Airtel telecommunication companies. All mobile subscribers have access to the USSD interface via the USSD code *325#, whereas some other services are only available online (Family Bank, 2019). Anyone with a smartphone can access the bank's pesa pap application on the Google Play store and install it.

The population's increased use of the internet and the shift from text messaging services to fictitious pseudo-internet banking are the key forces behind mobile banking. These are the crucial advancements in mobile banking at the moment. Therefore, the development of mobile banking technology depends greatly on the cooperation between banks and telecom firms. In Kenya, 25% of people believe that this synergy is extremely high, 50% believe it to be high, and 25% believe it to be average (KBA, 2014). It is also clear that

remote banking is highly regarded and could give any bank that uses it wisely a competitive advantage.

The customers and banks use the access strategy because both sides are getting advantages. As a result, the bank's books have a stronger cash flow, which increases income because there are more transactions. The bank saves money and avoids public relations issues associated with serving huge numbers of clients with diverse demands by forgoing the necessity for tellers or queue systems (Shaikh & Karjaluo, 2015). Customers can facilitate interbank transfers remotely by withdrawing money from a target account and sending it to their Telco's mobile money transfer service. In the past, one had to physically visit a branch to complete such transactions. Mobile banking-based products and services provide customers with greater control over their money. Technically speaking, receiving bank statements and deactivating a lost ATM card are more cost-effective solutions (Shaikh & Karjaluo, 2015).

There are various obstacles in the way of mobile banking access to bank services and products. The best mobile banking experiences, according to Shaikh and Karjaluo (2015), are only available to individuals who use high-end Smartphones. The less expensive USSD option is frequently cumbersome and unattractive. Additionally, mobile banking can be hacked, jeopardizing security measures like PINs and two-factor authentication. Clients must use caution when using their funds, even in the presence of close family members. Due to the dynamic nature of the process and the emergence of

new vulnerabilities over time, it is also difficult to inform consumers of current dangers and security threats.

B) Internet Banking

Internet banking is a technology-based method of delivering banking services remotely via the World Wide Web. It makes use of computers and other intelligent gadgets. (Nath *et al.*, 2007) Using the login information provided by the bank, registered customers can access the bank's website and log in. This makes it possible for customers to do both financial and non-financial transactions online. Online banking is another name for this type of banking. Customers can conveniently obtain bank products and services with this strategy because they are offered around the clock. Time wasting is minimized, the cost of services like statements is decreased, and the bank's operating expenses are decreased (Mukherjee & Nath, 2003). Online banking is also known as a web-based service that enables users to conduct safe financial transactions 24/7. According to Grabner & Faillant (2008). The steadily increasing percentage of people utilizing the internet is the main reason banks are able to provide this method. According to Abeka (2012), by 2010 financial institutions in Eastern Africa had adopted this approach. To remain competitive and tap into new market sectors, the majority of well-known Kenyan banks now provide internet banking services.

Family Bank provides internet banking at the retail and corporate levels so that customers can perform allowed transactions based on requested access level (Family Bank, 2019). The bank gathers information, such as the personal information of the account holder, to prevent fraud. When signing on behalf of a corporation, signatories are required to provide

complete identification and indicate whether they have View, Approve, Input, or Full Access rights. This study has to look at how these safeguards and procedures affect the use of banking products and services in Kenya because the bank has made steps to protect it from intellectual and legal responsibilities associated to the utilization of their outsourced online banking systems. The prevalent perception that the younger clientele (those between the ages of 24 and 45) were more familiar with electronic banking was confounded because they were informed about internet banking services. (Abeka's, 2012). This study analyzed the current market to see if this observation still holds. Despite its apparent usefulness to banks' earnings, a different study that looked at how clients of 30 financial institutions in Nairobi utilized online banking discovered that balance inquiries were the most popular use and paying bills was the least prevalent (Okiro&Ndungu, 2013).

Utilizing mobile money transfer synergies, banks have been able to increase the cash flow portfolio available through internet banking services (Mbiti, Edwards, Johnson and Weil, 2016). For instance, the use of M-pesa pay-bill numbers and the purchase of products and services have increased smartphone users' need for internet banking and the amount of money flowing between the bank and their clients' mobile phones. To increase uptake across the nation, this study will try to pinpoint the locations where the target bank's distribution strategy may be made more effective. The benefits of utilizing these tactics, according to Amin (2016), include minimal operational expenses since cash deposits and withdrawals don't require the use of physical agents. Lower ledger and third-party fees result in increased bank profitability. The method is also incredibly practical because it allows customers to access their accounts even while they are abroad. The family bank

disclaims responsibility for any damage that results from using networks outside of the nation, nonetheless. Lastly, the 24/7 accessibility of internet banking fosters business continuity even when banks are closed, speeding up economic activity, investments, and wealth generation, which improves the economy.

There are several drawbacks to the online banking strategy, such as the potential for clients to develop reckless spending patterns given the ease with which they may access credit and debit tools from anywhere at any time. This is bad for bank customers who sign up for the channel without having been taught appropriate spending habits. Koskosas (2011) opines that banks indemnify themselves from responsibility for any losses or injury that may occur as a result of a consumer using internet banking on their account. The customer has little say over the security of the data because the majority of online banking platforms are both purchased and maintained by a third party. Fraudsters can coerce account holders into making fraudulent transfers of money to other platforms that allow for simple withdrawals, users of internet banking are susceptible to fraud and physical theft (Koskosas, 2011).

C) Agency Banking

It is a branchless provision of bank products and services to customers. The bank hires an agent to do transactions on its behalf. Agency banking strategy was started in Brazil, Latin America in 1999, and it has helped many other banks to introduce retail agents across the globe (CGAP, 2011). This was made possible when the parent commercial banks in Brazil allowed appointed agents to perform transactions on their behalf and it was received well by the customers. The rapid expansion of this strategy has led to numerous studies about

agency banking strategy. A study was carried out in Brazil by the national treasury in 2012 and established that there were 151,958 bank agents in the year 2010 (The Brazil National Treasury, 2012). The major benefits that motivated the adoption of agency banking included increased sales from foot traffic, expansion ease, lower expansion cost, and efficiency. On the customer's side, the advantages are; accessibility for less literate, lower cost of services and reduced queues at the banking halls. A study by Celina (2012) established that agency banking conducted approximately eight million transactions in Peru. In 2010, only fifty percent of transactions were conducted in banking halls with the rest being conducted through bank agents. In the Republic of Colombia, most transactions such as loan repayments, taxes, and utility bills were paid through bank agents.

In Asia, Palestine and the Philippines among others have adopted agency Banking and in Africa, Kenya (2010), Uganda (2011), Tanzania (2013), South Africa (2005) and Nigeria (2013) among others have adopted agency banking. In Ghana, where agency banking was introduced in 2008, relationships with telecommunications companies have inhibited its adoption to its full potential (Watiri, 2013). In Uganda, agency banking has increasingly gained importance since its introduction in 2011, although Agency banking was introduced in Tanzania in 2013, the agency banking strategy for distribution remains largely unknown (Odongo, 2016). The Bank of Tanzania (BOT) developed comprehensive guidelines that permitted licensed banks to appoint retail agents to carry out banking services. In Tanzania, a report by BOT (2015) established that bank agents are located mainly in big towns and supported by 11 major banks, which include CRDB bank, Equity bank, KCB bank, and Access Bank among others. About 35% of agents are

in Dar es Salaam, 8.5% in Arusha, and 8.39% in Mwanza. The CRDB Bank controls over 50 percent of agents estimated to be slightly above three thousand five hundred. Access to agency banking in rural areas is not fully tapped in Tanzania because many agents are located in towns. In Kenya, agency banking has been relatively new since its inception in 2010. (Constitution of Kenya, 2010). The benefits of agency banking are proximity, convenience and reliability among other benefits. The agent benefits of agency banking are the bank through increased commissions, increased market share, low operating costs among others (Mwando, 2013).

The established agency banking guidelines draw its authority from the constitution of Kenya 2010(Central Bank of Kenya, 2010). Two years after establishing these guidelines, over 10,000 banking agents were in operation. This growth trajectory has been ongoing and by the year 2020, 21 commercial banks and 5 microfinance institutions had 72,617 agents and 1,275 agents respectively. Ninety percent of these agents are recruited by tier one banks, namely Equity bank, Cooperative bank and Kenya Commercial Bank (CBK Annual Report, 2020). According to the CBK annual Report (2020), the combined number of transactions carried out by agents from 2010 to 2020 was 894,940,147. The value the mobile agent provides to the financial institution through high penetration into new market segments and cost saving is a key driver of this exponential growth. Its capacity to remain financially viable depends on its ability to reduce risks for those involved in the banking industry by making the most of already-existing infrastructure (Barasa & Mwirigi, 2013). Numerous studies on the benefits of agency banking to banks and their markets have been conducted as a result of the fast spread of agency banking

among commercial entities. The key advantages of agency banking are its capacity to expand access to financial services, greatly increasing earnings at minimal cost to banks. Enhanced agency banking, also results in financial inclusion that the population can benefit from. By making the services accessible round-the-clock and bringing them close to the users, agency banking also contributes to the expansion of the banking culture (Muthoka, Oluoch, & Muiruri, 2018).

Additionally, the agents can offer a local perspective, bringing in clients who wouldn't otherwise use a bank. The agents' inadequate representation of the bank's interests is the primary drawback. To ensure that agents are always educated about the bank's interests as well as its products and services, it is necessary to educate them and provide ongoing refresher courses (Agalla,2014). The banks are protected from legal responsibility and monetary damages in the event of termination or breach of contract as a result of engaging a third party through a contract. These contract provisions are challenging for the banks to carry out and create a changing regulatory platform to regulate the acts of the bank agents. There were only 4 of the 43 banks that had authorized outlets to provide banking and financial services 2012 (Danga2014). A research conducted in 2015 sampled the CBK annual reports of seventeen of the forty-two banks that were active by December of the same year. The researcher found that the bank's customer base's financial inclusion was unaffected by agency banking.

According to Nzioki (2017), agency banking should be strengthened to help consumers' financial situations because its factors can be used to predict 80.43 percent of the variance.

According to a report by Cytonn Investments from 2015, process innovations have a big impact; therefore, financial performance is not solely dependent on financial innovations (Muthoka et al., 2018). The study also discovered that the financial performance of listed banks was impacted by agency banking. To develop into new market niches or increase their market share, it is advised that the NSE (National Stock Exchange) listed banks explore agency banking. Return on Equity for the agency varied from 63% to 91%. This suggests that banks can intentionally promote agency banking as a lucrative business opportunity to expand they're around the country, which might aid banks in increasing savings. This may help the clients to access to other banking products hence lowering poverty rates in the society. However, it was found that most agents were not very capable of providing due diligence on market leads (Nzioki, 2017). Through the utilization of current infrastructure and third-party agreements, agency banking models enable banks to reinvent the banking process. Due to strong ROEs—over 60% annual returns—running a banking agency is a successful economic venture. The value chain benefits from the banks' low administrative costs and the clients' greater access to banking services. This body of literature emphasizes the strategic benefits that agency banking provides for Banks (Barasa & Mwirigi, 2013).

D) Automated Teller Machines

Customers can do simple banking transactions using Automated Teller Machines, which are computerized banking systems. This method is employed by commercial banks to enable clients to utilize debit and credit cards for purchases. According to Batiz and Lazo

(2009), first ATM was used in 1967 at the Barclays bank which has so far rebranded to Absa. According to Adbukkahi and Nyaga (2017), ATMs are electronic tools that let clients use a bank's products and services without interacting with any bank employees. To automate the payment procedure, the ATM verifies the customer's data using a debit or credit card. To protect the security of the customer's data and funds, the bank always issues a Personal Identification Number (PIN). A chip has been incorporated into the card's characteristics during the past five years as an additional security to guard the customers against cyber-crimes and malicious people (Mugo et al., 2019).

This technology's development is attributed to the John Barron-led engineering company De la rue. This tactic has also dramatically reduced the number of patrons visiting banks' branches, reduced operating expenses for banks, and increased revenue from consumer fees. The 24-hour availability of ATM services provides clients with flexibility, inexpensive transaction costs, and a reduction in waiting times at branch offices (Latoku&Igbinedion, 2009). The local affiliate of Barclays Bank PLC was the first to publicize the use of ATMs in Kenya in 1990s (Murigu&Yabs 2008). The technology was enthusiastically embraced by the public, and by 2006, 737 Machines were operational across the nation. The demand for these machines grew quickly as bank clients became more aware of them. Due to the increased use of this banking technology, academic and professional researchers are becoming more interested in the many tactics that may be used to increase the influence of ATMs on market share growth and the adoption of bank products.

As of December 2018, there were 2833 ATM facilities in Kenya, up from 2796 in January 2018. This is a result of commercial banks' conscious commitment to offer consumers ease. Competition in the banking sector has been fierce, which has accelerated technological innovation. To ensure effectiveness and the retention of their market share, commercial banks have invested in cost-effective distribution systems (Annual Banking Report, 2018). When they require immediate access to their bank account, bank customers typically prefer to use ATMs to the teller (Mugo et al., 2019). Benefits like simplicity, affordable withdrawal fees, and a customized touch with respect to the consumers' accounts are the key driving forces behind this. For instance, Family Bank charges 36 shillings for cash withdrawals through ATMs, while customers must pay 122 shillings to withdraw the same amount from a teller (Family bank, 2019). Strategically, the usage of ATMs was statistically inconsequential in enhancing the performance of the banks due to the simplicity of scamming users whose cards included magnetic strips. Since the introduction of chipped cards, this situation has changed. The inability to access one's account from competing ATMs is another issue that has been successfully handled. Through special cards visa cards and pesa-link, companies like the Co-operative Bank actively promote leveraging synergies with other banks and SACCOs.

As part of its current strategy, the bank focuses in regions where there are lots of customers who could need cash for consumption. As a result, ATMs can be found next to bank branches and in local shopping centers and malls. A notable drawback of this innovation is that it is challenging to prevent fraud at the ATM outlets due to the high volume of customers in these places (Mugo, Muathe and Waithaka, 2019). Additionally,

95% of consumers preferred that their ATMs be located in an enclosed space. The main drawback is that smaller financial institutions are unable to meet the requirements to provide their consumers with the ATM product. In addition to maintaining a healthy ratio of core capital to liabilities and capital to assets, banks must incur additional costs to satisfy their clients. 75% of respondents want enough lighting compared to 65% who want surveillance cameras and 58% who want security personnel. This suggests that banks must invest a large amount of resources to guarantee that the ATM product meets the needs of the clients. ATMs are a crucial product that central commercial banks supply, especially in light of the empirical data showing that they have a significant favorable impact on those banks' operational success (Abdullai & Nyaga, 2017).

In conclusion, ATMs provides banks with long lasting practical, low-cost, and easily accessible service stations. It is crucial to the development of financial services and products that the bank can provide to the account holders. The results of the study provide compelling evidence that banks should take the initiative if they have not yet met the conditions for operating ATM outlets. The results also imply that those who already have ATM branches shouldn't be afraid to grow such branches or develop new ATM-related products. In terms of strategy, ATMs are a good strategy for the commercial banks to sell their products and making profits.

1.1.5 Bank Products and Services

Services and products have many similarities (Kotler, 2012). This is due to the fact that most products contain a service-oriented feature. A service is an offering with intangible

components, whereas a product is something that can be measured and made available to customers for purchase (Uppal, 2010). Services include things like money transfers in a commercial bank and the safekeeping of valuables. Commercial bank services and products are what the bank provides to its clients. For instance, deposits, foreign exchange and withdrawals among others (Wenninger, 2000; Poon, 2008). Commercial banks have played a crucial role in the banking sector over time. The goal of banking's evolution was to make sure that households' idle resources were directed toward economic growth-promoting activities.

Commercial banks now offer a vastly different range of products, while others have become obsolete. The way these products are delivered to customers has also altered as a result of technological improvements (Goddard et al., 2004; Bae & Goyal, 2009). All commercial banks are required by the Central Bank of Kenya to include in their critical factor statement (KFS) information in plain language about the kind of product they are delivering, the cost, the risk, the parties' rights, and the conditions of usage. The Central Bank of Kenya opines that if a service or product is provided through a digital platform, the user shall be given access to the terms and conditions of use via USSD (Unstructured Supplementary Service Data). Additionally, it calls for complete disclosures regarding agreements between clients and the bank. These are available, among other places, on the websites of commercial banks, safe custody agreements, and credit agreements. Customers can obtain these disclosures in additional locations, such as corporate offices, stores, branch agent outlets and marketing offices.

1.1.6 Uptake of Products and Services

Uptake means actual consumption of a specific product and service by the target market that the manufacturer or provider intended for. The quantity of users of a specific product or service is another way to measure uptake (Gamble and Thompson, 2011). The number of customers who use a certain bank service or product is known as uptake. Commercial banks create products and services to meet the various demands of their clients. Some of the services and products offered include withdrawals loans, deposits and advances (Magutu et al., 2011). According to Llewellyn (2005), a bank can make more money through fees and commissions when more people utilize it. As a result, financial institutions have started implementing numerous techniques to encourage the use of their products, optimize profits, and expand their market share. In order to improve customer experience and uptake, banks have adopted digital distribution tactics due to advancements in ICT and industry competition.

The advancements in Technology have enabled customers to have access to services and products remotely without hence minimizing them visiting the banks (Wan and chow, 2005). Due to bank regulations, traditional modes of distribution are hindered by their inefficiency and expensive operating expenses. The prices of transactions are particularly high when compared to digital alternatives, with an average cost difference of 80 shillings for each transaction. This is supported study by Jappali & Pangano(2003) that found that distribution service innovations have been successful in bringing products and services closer to consumers. Customers now demand higher levels of efficiency, convenience, and customer service due to competition and shifting customer dynamics. To stay

competitive in the market, commercial banks must adapt to these changes in the external environment.

1.1.7 Family Bank Limited

Family Bank Limited, a tier-two bank operating in Kenya, will be the subject of the study. The Bank began as a Family Finance Building Society in 1984. Mr. Titus Muya started the organization, and he presided over it until the Central Bank of Kenya granted it a full-fledged commercial bank license in 2007. The bank is a participant in the deposit protection fund, which was set up to safeguard customer deposits. Through Family bank insurance agency Limited (FBIA) (a fully-fledged subsidiary of Family Bank Limited), the family bank has been in a position to provide insurance services. The Insurance Regulatory Agency oversees the insurance firm, which was founded in 2008. (Integrated Report and Financial Statements, 2019). The firm offers claim handling, financing for insurance premiums, medical insurance, agricultural insurance, life insurance products, group, and staff medical scheme administration services, and advisory insurance.

In Kenya, paperless banking was initially made available by The Family Bank. The technology associated with smart cards enabled all of this. Customers can now conduct bank transactions without filling out slips due to technology. The bank's pretax profits increased over time, reaching 2.9 billion in 2015 from pre-tax profits of 1.78 billion in 2013. The bank has received numerous honors, including the title of 2015's fastest-growing bank based on financials. In 2017 and 2018, pretax profits decreased, but by December 2019, they had increased by 227 percent to 1.42 billion. In 2014, it was chosen as the top microfinance bank and the top farmers' bank. The bank was named the best visa

marketing bank by VISA International for the campaign with the slogan "the way to pay every day." The implementation of the Universal Banking model is a strategy used by the bank. With this business strategy, Family Bank is positioned as a one-stop shop for retail products.

They also include Small and Medium Enterprises (SMEs), Medium Small and Micro Enterprises (MSMEs), and SMEs among others (Family bank, 2019). The integrated report and financial statements for 2019 show that customer deposits increased from 48.5 billion to 58.1 billion, an increase of 19.8%. By the end of the first half of 2022, the deposits had increased to almost \$90.6 billion. By the end of June 2022, the loan book had increased to 75.6 billion, up 14.7% from 44.1 billion in 2018. As of December 2019, the bank had 78.9 billion shillings in total assets. In June 2022, the total assets increased to a final value of 124 billion. In 2019, operating income was 7.8 billion shillings and shareholder funds were 12.6 billion shillings. The bank has locations in 31 counties, employs 5,067 workers in 92 branches and 144 ATMs, serves 600,000 customers, and conducts more than 70% of all transactions online (Integrated reports and financial statements, 2019). In the first half of 2022, the bank reported a 2.3 billion profit before taxes.

1.2 Statement of the Problem

Over time, the banking industry has become increasingly aggressive. Commercial banks and other financial institutions are now competing with one another for clients as a result. To enhance productivity, convenience and competitiveness, commercial banks have developed a variety of distribution strategies and committed resources to support them.

To keep a positive customer relationship, ICT-based systems must undergo constant innovation and improvement. Due to these factors, commercial banks are ruthlessly competing, winning market share and maintaining customer loyalty (Aliyu and Tasmin, 2012). Distribution techniques recently adopted by banking institutions are essential in achieving those mile stones. According to Dermish, Kneiding, Leishman, and Mass (2011), digital distribution strategies make it simple for customers to buy services. More services and items can thus access throughout the day as opposed to the convectional branch distribution strategy, where services are only provided for around eight hours each day. Although the customers have access to the distribution strategies offered by the bank, they are visiting physical branches to transact. The purpose of the commercial banks adopting the new technologies in distribution of its products and services is to enable its customer's access variety of services remotely without having to travel to visit physical branches (Berger, 2003). In his study of how e-banking affected Iranian commercial banks' ability to compete, Mehrdad (2010) discovered that it gave them a competitive advantage. The study found that consumers knew little about the products and services provided by internet platforms. The study also concluded that these strategies conveniences, improves customer satisfaction and customer retention. The study left a gap by not looking into how the uptake of products and services was affected by the e-banking approach a gap this study aimed to close. Makini (2013) asserts that teaching customers about digital distribution tactics is essential for increasing the use of bank products. This was established following the completion of the study in the peri-urban area of Siaya County, in Nyanza region, Kenya. The investigation concluded that commercial banks and telecommunications firms had not gone far enough to inform

clients on products. The study disregarded other important aspects of uptake such as cost-effectiveness, agency outlet security, proximity, convenience, and reliability which this study aimed to bridge.

Family Bank Limited uses digital distribution strategies to distribute its products and services to increase uptake. Despite the availability of agency banking strategy, customers prefer visiting the banking halls while others defer transactions to later dates as opposed to using agents to access offered products and services which affects level of uptake. This prompted the researcher to investigate the influence of digital distribution strategies on uptake of bank products and services in Kenya

1.3. Objectives of the Study

1.3.1 General Objective

To investigate the influence of digital distribution strategies on uptake of bank products and services in Kenya.

1.3.2 Specific Objectives

The specific objectives were:

- i. To examine the influence of mobile banking on products and services uptake in Family Bank Ltd.
- ii. To analyze the influence of internet on uptake of products and services in Family Bank Ltd.
- iii. To investigate the influence of agency banking and uptake of the bank products and services in Family Bank Ltd.

- iv. To assess the influence of Automatic Teller Machines transactions on uptake of the bank products and services in Family Bank Ltd.
- v. To evaluate the effects of moderating variable on the uptake of bank products and services in Family Bank Ltd.

1.4 Research Hypotheses

The Following hypotheses guided the study:

H₀₁: There is no statistically significant relationship between mobile banking and uptake of the bank products and services in Family Bank Ltd.

H₀₂: There is no statistically significant relationship between internet banking and the uptake of the bank products and services in Family Bank Ltd.

H₀₃: There is no statistically significant relationship between Agency banking and the bank products and services uptake in Family Bank Ltd.

H₀₄: There is no statistically significant relationship between Automatic Teller Machines transactions and the bank products and services uptake in Family Bank Ltd.

H₀₅: Training and education does not moderate the relationship between digital distribution strategies and bank products and services uptake in Family Bank Ltd.

1.5 Significance of the Study

This section looks into the beneficiaries of the findings of the study. The beneficiaries are listed and a discussion of how they will benefit from the research findings.

1.5.1 Research Scholars

When writing their literature, scholars always conduct study to address the questions they have about various phenomena. The findings of this study will be useful because they add to the body of existing knowledge. Researchers can gain from this study by reading the

results, comprehending and identifying gaps they will fill through additional research, which they can conduct to continue resolving the problems of technology uptake affecting the society we live in.

1.5.2 Customers

Customers will benefit from the study's findings by shifting to remote distribution strategies provided outside of the traditional branch network, which will lower their transaction costs. In comparison to over-the-counter transactions, the services offered through these distribution strategies are substantially less expensive. Customers will gain from saving time spent traveling to branches to access products they may access through digital distribution tactics, as well as money spent on transportation while traveling to branches. Finally, it will benefit customers because they can get services and products whenever they need them, rather than postponing transactions because of limited branch opening hours.

1.5.3 Society

The results of this study will help society by educating people about the different convenient methods they can acquire bank services and products. It will also lead to the development of policies that would increase the use of the products and services. This will assist society by generating additional employment opportunities. The study's findings will also help businesses onboard new consumers who can use products like loans to expand their operations, launch brand-new ventures, and pay for their kids' tuition, all of which will be advantageous to society.

1.5.4 Family Bank Limited

The organization's management will be made aware of the best distribution approaches. It will help them as they evaluate and enhance their rivalry strategies to enhance the use of Family Bank's services and products. The analysis will highlight the distribution strategy drivers and barriers, allowing management to take the necessary action. It will also assist the Family Bank's management team in developing policies that are appropriate for the institution's strategic positioning. The marketing and business development teams will also benefit from the study's assistance in implementing initiatives that will increase sales and profitability. This will be accomplished by the study's conclusions advising management on distribution options to pursue.

1.5.5 The Central Bank of Kenya

The government will benefit through the Central Bank because the study will help to better understand the issues that commercial banks are facing and create customer-friendly policies. The study will help the regulator develop policies that will specify the extent to which commercial banks are allowed to distribute products and services in order to halt money laundering together with other financial crimes. Some of the financial crimes involve bulk payments, money transfers from person to person, and real estate investment as a means of cleansing funds and making it seem to come from legitimate sources. The results of this study will assist the regulator in understanding the techniques that customers choose, any potential hazards associated with their use, and possible solutions.

1.5.6 Family Bank Staff

The employees of Family Bank will find this study to be significant because it will give them knowledge on how clients use the products and services through different distribution methods. Customer data will be analyzed for the study. Staff members can therefore put the study's recommendations into practice to increase uptake and address the issues raised in the study. The staff can accomplish this by outlining a plan for overcoming obstacles and increasing distribution tactics that will be recognized as the most popular by the target audience. The investigation will aid in identifying the distribution strategy's problems. Once they are reduced, the staff will find it easier to sell these products and services to consumers, aiding the bank in achieving its ultimate goal of making more profit.

1.6 Scope of the Study

The study was on the influence of distribution strategies on the uptake of bank products and services in Family Bank Limited. Internal and external customers were involved in the study. Farmers and business owners operating medium-sized, small-scale, and micro-enterprises (MSME) and corporates are among the clientele that Family Bank targets. The 23 branches of the Mt. Kenya region, where the study was conducted, were involved. These branches are Kiria-ini, Muranga, Kangema and Kangari. In Muranga county. Nyeri County included; Nyeri, Othaya, and Karatina branches. Kiambu county, it included Githunguri, Gatundu, Thika, Banana, Kagwe, and Makongeni; Chuka in Tharaka Nithi County; Nanyuki in Laikipia County; Kirinyaga County included Kutus, Kerugoya and Mwea branches; Embu County it was only Embu branch; and Meru County had Nkubu Meru and Maua. These clients' transactions come about as a result of recurring payments from the sales of tea leaves, coffee beans, avocados, business ventures, and milk among other income-generating activities. The Family Bank has a variety of distribution strategies available to make it easy for its customers to obtain products and services but customers are not aware of them. This is what prompted the researcher to investigate the influence of digital distribution strategies on uptake of bank products and services in banks in Kenya.

1.7 Limitations of the Study

The study's sole focus was on how distribution techniques affected consumers' utilization of bank products and services. In addition, various factors like advertising, staff dedication, and customer happiness may have an impact on uptake. The study only included Family Bank located in the Mount Kenya Region; however, it applied to all

counties. The study's objective was a subject of managerial scrutiny. An introduction letter from the University was given to the administration, assuring them that the study would only be used for academic purposes and that the results will be shared with the management of the bank. Another restriction was that the managers might presume that the research could be used against the target bank by competitors in the market. In order to prevent the rivals from using the study to exploit gaps in the acceptability of Family bank alternative strategies, the researcher informed the management that the research effort was solely intended to discover a solution to the customers' problems.

1.8 Assumptions of the study

The first assumption was that the customers who responded to the questionnaires were knowledgeable about the digital distribution strategies to enable gathering relevant and accurate information. The study also assumed that the customers were honest and willing to share information regarding their take on various digital distribution strategies. Finally, the study assumed that the respondents voluntarily participated in the research and give correct information.

1.9 Contribution of the Thesis

The study has contributed to the existing knowledge about the adoption of digital distribution strategies. The study also contributed to Family bank limited by letting management beware that the digital strategies contributes to the uptake and advises them to invest on the digital strategies to improve uptake. The study has contributed by disseminating information regarding to customers on the existing products and services offered in Family bank to enable them have access with ease.

1.10 Organization of the Thesis

The content of this thesis is organized into five chapters as highlighted below:

Chapter one discusses the background of the study, problem statement, objectives of the study, research hypotheses, significance of the study, the limitations of the study, the assumptions of the study and finally the contribution of the study. Chapter two discusses the literature review. The chapter discusses the theories applied in the research and the empirical literature to explore the work done by other researchers in the field.

Chapter three is the methodology. it covers the methods followed in the study which include: Research design, sampling sample size, procedure, data collection, presentation and ethical issues.

Chapter four presents the results and discussions of the thesis findings. In the chapter the study discusses how the digital distribution strategies which are the mobile banking internet banking Agency banking and the ATMs influences uptake of products and services. It also explains the regression model and its significance. Chapter five covers the conclusions made by the study and gives recommendation of policy and further study

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the theory that supported the study and related studies in order to identify any existing gaps and improve the knowledge of the context.

2.2 Theoretical Review

The study was anchored on the Technology Acceptance Model., Diffusion of Innovation Theory, Agency Theory and Bank Focused Theory.

2.2.1 The Technology Acceptance Model

The Technology Acceptance Model was coined by Davis, Bagozzi, and Warshaw in 1989 (Davis, Bagozzi and Warshaw, 1989). As society grows and develops, individuals strive to find ways to make life easier and more effective. The world has undergone several revolutions; however, the technology revolution stands out as it has had and continues to have the greatest impact. Technology has provided individuals with options and different methods of carrying out a variety of tasks. In the same breath, several technologies have been invented to address a single challenge, hence offering options to an individual to choose which they prefer. It is important to note that not all technologies will be embraced or utilized by individuals or communities. This is important to note as it is why the information system community started studying different reasons for accepting and rejecting technologies and innovation. This discussion examines the reasons that drive an individual to choose one technology or invention over another.

The Technology Acceptance Model (TAM) explains why individuals accept and use various technologies. The model states that acceptance of technology is not by default, but two main factors influence its acceptance. For technology to be embraced, the behavioral intention and the attitude of the individual in question are important. The Behavior intention looks at what the person wants the technology for. Once there is an identified need, the individual in question looks at the perceived usefulness and the perceived ease of use (Surendran, 2012). Perceived usefulness of technology looks at whether the technology can help an individual perform better in a given task. A good example is making a phone call during an emergency versus sending an email. In this case, the call application is perceived as more useful than the e-mail application. Perceived ease of use is the other factor conceived. This factor determines how much effort one requires to operate a given technology. Most individuals prefer technologies that require less effort, for example, in the evolution of motor vehicles. An individual would prefer a vehicle with an automatic gear transmission over one with manual gear transmission.

According to the Technology Acceptance Model, an individual's attitude towards technology also plays a key role. However, in this case, one's attitude may not be fixed and may vary depending on social, political, and economic factors. Skills and even literacy levels may influence the social attitudes. Political attitude can be influenced by the political atmosphere. The economic factor is mainly a question of affordability and costs. The Technology Acceptance Model is derived from the Theory of Reasoned Action Model, which was proposed in 1975 by Fishbein and Ajzen (Fishbein & Ajzen, 1975).

The theorists explain that an individual's behavior is determined by their intention. Their intention is directly linked to what they intend to achieve. As a result, they act in a way that helps them achieve their intended outcome. Therefore, an individual can act or fail to act in a certain way depending on the purpose their actions or inactions will serve. All this is also influenced by an individual's attitude towards the result of a behavior. Looking at the Technology Acceptance Model, it is closely linked to the theory of Reasoned Action.

The concept of perceived usefulness and perceived ease of use when it comes to technology adoption was discussed prior to the theory of the Technology Acceptance Model. The two concepts that form the TAM theory foundation were first raised in 1975 by Schultz and Slevin. The theorists noted that perceived usefulness played a key role in determining the decision made on whether to use something or not. From this assertion, theorists later asserted that a system that did not help individuals perform better in their jobs was less likely to be embraced and adopted. In 1982, Bandura introduced the concept of self-efficacy in the theory of perceived ease of use (Albert, 1982). The self-efficacy theory looks at the actions that precede the result. If the process of achieving a goal is smooth and without challenges, it promotes self-efficacy. In adopting and accepting technology, individuals look at how easy it will be for them to operate it. The more the technology or system promotes self-efficacy equated to ease of use, the more likely it is to be adapted. Swanson (1982) went further to state that perceived ease of use and perceived usefulness were critical in determining the behavior of individuals towards information systems (Swanson, 1988). In his case, he associated the use of information

based on its quality with perceived usefulness. He then equated the cost of accessing information to the perceived ease of access.

The technology acceptance model has been criticized despite the fact that it has been embraced and used to explain the adoption of technology by individuals. After its inception in 1989, theorists have tried to devise ways of improving the model and making it suit the evolving technology concept. Despite the model being embraced by most and seen as a foundational theory for technology use, some criticize its applicability and ability to withstand the test of time (Ajibade, 2018). The first criticism of the model was the assertion that behavior, intention, and attitude play a role in the acceptance and use of technology. With modernization and change in social norms and structure, it has become evident that it is difficult for a society to dictate an individual's attitude towards certain technologies. Only under unique circumstances, individuals prefer deciding what works for them, whether it fits within the social norms or not.

Technology is undergoing rapid changes, and it is more advanced and serves several purposes in today's world than it did in the 1970s and 1980s. As a result, the motivation to use technology or any other information system is not just based on its usefulness and productivity. When the TAM theory was being embraced, technology was not seen as a means of relaxation or fun but of productivity. In the current world, online gaming, cinemas and movie sites, virtual reality, and other advancements have been made. They are not necessarily easy to use or useful in a manner of speaking. The new inventions create a sense of challenge, a means of passing the time in a manner that is not necessarily

constructive. Despite these technologies not being easy to use or useful, individuals still accept and adopt them.

Another criticism of the model is that it mainly speaks to individual use and is not effectively applicable to the corporate and institutional setting. While looking at technology based on its ease of use or usefulness, an individual can determine what to accept and access and what not to (Chuttur, 2009). However, when it comes to running an institution, the leadership may adopt technology that is not necessarily easy to use but is effective. Institutions focus on productivity and goals and aim to achieve them at whatever cost. This makes the Technology Acceptance Model fall short as it only focuses on the perception of use based on ease and usefulness. Critics argue that much more goes to decision-making in institutional structures on what technology to incorporate, making the TAM method fall short as it does not expound on other factors that are not simply influenced by behavior.

Finally, it has been argued that theorists and proponents of the Technology Acceptance Model based their findings on a few select individuals who are in a controlled environment. For example, using learners in a specific university to determine the model's effectiveness gives a single point of view. The model is said not to have been tested among broader and more diverse subjects. A model's effectiveness and applicability must be tested across different demographics facing different challenges and needs to determine its authenticity. The TAM theory is seen to fall short in this aspect. In conclusion, the Technology Acceptance Model theory had its time and purpose when it was coined. At

that time, technology had not developed as much and was not for multiple and diverse purposes. Therefore, it was a sufficient theory to explain technology adoption and acceptance. However, with the development of different aspects of technology and their needs and uses, the theory can no longer be said to reflect the true needs of the users when accepting and adopting different technologies. Therefore, it is important to find a better way of expounding the theory. Alternatively, researchers need to keep coming up with different theories that apply to a specific purpose and period and make it known when the theory is overtaken by time and development. However, for the purpose of this research, the researcher will use the TAM model because it expounds on the reasons that make people accept a certain technology. This theory looks at the ease of use and the attitude people have created towards a certain technology, which is applicable to the mobile banking distribution strategy.

2.2.2 Diffusion of Innovation Theory

This theory was created in 1995 by Everett M. Rodgers (Everett, 1995). The theory explains how and why new ideas and technologies are created, as well as how quickly they are accepted in the society. According to this view, innovation can be defined as anything that is novel to the public and is either created by a group or an individual for reception by society in place of formerly utilized concepts. In order to determine whether a new concept or invention will be successful, Rodgers discusses the patterns of technology adoption. This is dependent on how ideas are disseminated in different social levels and whether they are accepted or rejected. Service (2004) observed that while improvements may be beneficial, not all are welcomed by the public and that sometimes it takes longer for a new idea to catch on. This depends on how a bank feels about a certain

technology or concept. A given invention is implemented by the Bank once it is determined that it is beneficial.

The theory also looks into what motivates someone to adopt innovative concepts, technologies, or ways of doing things. It clarifies when, why, and how quickly innovation can be adopted by a particular community or social system. The theory also outlines what must be done to increase the rate at which people adopt new concepts and assimilate them into their daily lives. According to Rodgers (2003), adoption is defined as changing one's behavior from the past. According to the theory, for an individual or community to adopt a concept, they must first believe it to be novel and important to them. This causes the notion to spread to a large population and then become accepted. The hypothesis also explains why some individuals are more prone than others to adopt innovation. They are divided into four groups: innovators, early adopters, early majorities, and lastly laggards.

These groups are categorized by their adoption rates, according to Al-Jabri and Sohail (2012). The first category includes the risk-takers who test a novel concept as soon as they become informed of it, regardless of the danger. These people have strong social ties, are willing to learn new things, and enjoy doing so. This makes up about 2.5% of people who use a new product. Due to their high income, members of this class are not discouraged by the degree of risk involved in implementing a new product. People who are regarded as leaders in their communities make up the early adopters' category. They are fairly early adopters of new concepts, albeit they are cautious. Before deciding, other

individuals who want to adopt a product or service consult with them first. Social closeness for this group is about 13.5%.

The early majority is a group that rarely takes the lead but adopts new products at a rate that is slightly higher than normal. These people are respected by their peers because they are involved in societal matters. This group, which makes up 34% of the population, does not like to take unwarranted chances and wants to be certain that a product will be successful once they accept it. The late majority is made up of skeptics (Al-Jabri&Sohail, 2012). When the majority of society has used a product and found it to be successful, they are willing to accept it. Due to social or economic pressure, this group cautiously embraces a products or service. 34% of people are considered to be the late majority. The laggards making 16% make up the last category. They are constantly wary of change and steadfastly oppose it until it becomes customary.

Wangari (2015) conducted research on the factors influencing mobile banking adoption with a focus on female users. The Kenya Commercial Banks Nakuru town is the subject of the study. The survey found that women embraced technology at varying rates, with some accepting it quickly and others taking longer. The adoption rate of the products made available through digital platforms was considerably impacted by this. The explanation provided by the spread of innovation theory was supported by this investigation. Mwangi (2015) conducted a study to establish the impact of service digitalization on Kenya's banking industry's performance. Internet banking, mobile banking, ATMs, and agency banking all helped commercial banks be more profitable,

according to the study's application of the diffusion of innovation theory. Commercial banks that have embraced these banking platforms experienced significant growth. The findings supported Rodgers' diffusion of innovation theory.

The Diffusion of innovation, as it has been explained, helps individuals and organizations assess the rate at which new technology will spread throughout a society or how adaptable it is. With this in mind, the theory works mainly to the advantage of innovators and marketers. When thinking of coming up with an innovation, the innovator has to ensure the product will be beneficial and adaptable to society. Using the diffusion of innovation theory, the innovator can test the product's applicability and adoption from the early adopters, the laggards, late majority, and early majority (Halton, 2021). If the hypotheses run shows that the innovation is likely to be adopted by all players, then there are higher chances of the innovation being successful. The diffusion of Innovation theory is also beneficial to marketers as it helps them identify the right audience for the products they are marketing. Not all products are likely to be adopted by the entire society. The theory helps marketers analyze the adoption of a product by different groups (CFI, 2018). The group that seems to have all the key players in the hypothesis shows the right target audience. Factors such as the setting of the society as urban or rural, the level of education, and the cost of a product play a key role in the adoption and marketing strategy of the marketers.

The first criticism of the theory is the assumption that technologies are discreet packages and therefore adopted for the same reasons by the different players. It is erroneous to

assume that innovations or technology are a discreet package; therefore, their use cuts across all (Lyytinen & Damsgaard, 2001). For example, a mobile phone serves different purposes. One would assume that everyone would opt to buy and use Smartphones due to their diverse features. However, that is not the case, there is a group of individuals would prefer the old-fashioned mobile devices that do not access the internet and are not easily traceable. Concerning the diffusion theory, the early adapter would have been using the accessibility of the internet as a selling point for the purchase of mobile phones, but the late adapters may choose not to go for that option as it is not what they need a phone for.

The theory also operates on the assumption that adopting innovation is a matter of influence when the right incentives exist. For example, if you market automobiles in an urban area with good roads and where the individuals have enough capital, everyone would opt to purchase the vehicles. However, this is not the case (Lyytinen & Damsgaard, 2001). Other factors influence the choice to adapt a new technology or not, such as beliefs, personal goals, and priorities.

Therefore, even with all the key players being involved and the external factors looking favorable, it is not guaranteed that all members of the target groups will adopt new technology. The theory also operates on the assumption that adaption is based on the availability of information concerning a certain innovation. Therefore, if all the early adopters work on giving as much information as possible on technology, individuals will be swayed to adapt the technology in question. However, this is not the case in several circumstances. Sometimes individuals purchase or adopt certain technologies for strategic

reasons. Sometimes the laggards are not the last to adapt due to lack of information, but since they do not believe in the innovation or its importance (James & Bewsell, 2021). For example, a cab-hailing company may not believe in the self-driving vehicles and choose not to incorporate them as an option; however, with time, they realize they are losing customers to other companies with the self-driving technology and therefore decide to incorporate it as an option too to avoid losing business opportunities. In this case, their motivation was not the availability or lack of information but a strategic decision to avoid business losses.

In conclusion, the theory does shed light on how an innovation is adopted in an organized and perfect society. However, such societies do not exist; therefore, adoption is not as smooth and organized. Sometimes the laggards put new technology to better use than the early adapters. Sometimes technology is embraced all at once or rejected altogether. Other factors that affect the adoption of innovation are not covered under the diffusion of innovation theory. Therefore, the theory should not be used in isolation for accurate analysis. Despite the shortfalls, the theory explains how technology is accepted by the society (Al-Jabri & Sohail, 2012). The study made reference to diffusion of innovation theory postulates because once the banks come up with innovation; they present it to the society that consists of its customers. Society, too, consists of the people who are going to accept the technology in different timelines as is pinned in theory. The distribution of services using alternate banking strategies by Family Bank limited is guided by the theory because it has customers who are accepting various technologies at different rates. The theory affected the internet banking variable in this study.

2.2.3 Agency Theory

Agency theory was developed by Jensen and Meckling in 1976 (Jensen & Meckling in 1976). The theory postulates that there is a relationship between the enterprise and the agents. The theory takes a keen interest in evaluating if there are sufficient market mechanisms for the agents to perform as expected by the firms' owners to maximize the returns. Even though the agents work for the principal, the owners work towards ensuring that there is a clear distinction between ownership and control. The principle passes control to the agent legally to make some decisions and transact on the behalf of the firm. The principal always expects that the agents are going to work on their behalf and in their best interest. There are some times that the interests of the agent and the principal differ. Due to this difference, there exist some agency problems that occur when the agent is not aligned with the objectives of the principal.

The theory was important for this study because there has been increased onboarding of commercial bank agents to conduct transactions on their behalf to enhance products and services uptake as well as increase profitability and cut the cost of operations. The theory looks at whether there are enough mechanisms to allow the agents to perform towards the goals and the vision of the firm they are acting for. The theory takes cognizant of the fact that there is a need to have seamless coordination between the managers of the firms and the agents. If this coordination is not looked into keenly, there will always be challenges and the returns of the principal will not be maximized. This is brought around by the first problem that arises when the goals of the principle and the agent are not aligned and the principle is not able to verify what the agent is doing. The second risk arises when the

agent and the principal have taken different stands regarding the risks. The agent may take a different risk tolerance from that of the principal (Mitnick, 2015).

The theory posits that the agent may adopt the interests of the principal and behave in the best interest of the principal if the contract is outcome based particularly at a fee. The agent may also comply with the goals of the principal if the agent is aware of the mechanism in place that enables the owner to verify the behavior of the agent. The purpose of having agents in banking is to foster efficient and reliable financial services. In the study, the agency theory has been used to demonstrate how the agency banking strategy has transformed the way the banks interact with their customers from the way they used to do it traditionally before the invention of this technology. Although critiques opined that control mechanisms in agency theory are not only expensive but also ineffective because the mechanisms used to defend the shareholders may interfere with the strategic decisions.

The critics also argue that the scattered agents may lack the requisite information and institutional mechanism to bargain terms of employment to monitor or control the management activities (Panda & Leepsa, 2017). Despite the criticism, the study adopted the agency theory because the capabilities and competencies of agency banking strategy have enabled commercial banks to compete and promote their products uptake. (Cetorelli & Goldberg, 2012). The agency theory informed the study on the influence that the agency banking strategy has on the uptake of bank products and services. This is because the theory looks at how the bank streamlines the relationship between the banks and bank agents to maximize the returns. The theory is relevant to the study because it explains

how banks use commercial banks delegates control to appointed agents to conduct transactions on their behalf and having best interest of the principal. Family banks uses pesa pap agents to conveniently distribute their products and services and therefore this theory will affect agency banking strategy.

2.2.4 Bank Focused Theory

This theory was put forth by Kapoor (2010). The theory posits that for the services and products to reach the customers with ease the institutions embark in using non-traditional ways to achieve that milestone (Kumar *et al.*, 2006), The use of digital distribution method is complementary and is seen as modest extension of conventional combination of branchless and branch service delivery. According to (Joseph and Ambrose, 2018), the bank-focused theory looks at traditional banks which utilize modern methods to deliver services to their customers. The methods used are low-cost to ensure the delivery strategies are easily accessible. The banking method has become popular due to the dynamic nature of society and the need to have cash at the tip of one's fingers. Some of the non-traditional banking means include the use of the Automated teller machine. To transact with an ATM, a customer simply needs to have an ATM card issued by their respective banks and whose access is protected by a secret code only known to the customer. Initially, one could only use an ATM that belongs to their specific Bank; however, with advancements in technology, one can use their card on any ATM.

Online banking and mobile banking are other methods of non-traditional banking being applied under the Bank Focused theory. In online Banking, one simply needs to have

internet access to log in to their bank website. On the website, they can easily make transactions and review their bank statements after inputting their account number and password. Mobile banking, on the other hand, also requires internet access. However, unlike internet banking, one needs to have their bank application installed on their mobile devices. The mobile banking application can also help customers make transactions and review their bank statements at the click of a button. The main disadvantages, as discussed by Kapoor, clients' fears and misgivings about the systems (Kapoor, 2010). First, most clients question the experience of a bank that is traditional in nature in carrying out its business on non-traditional platforms. The question, therefore, becomes whether the traditional bank can keep up with emerging technology threats and opportunities. This uncertainty leads to the next issue of concern: the security of transactions and customers' identities. With the existing threats on the internet platform, bank hacking is not a new phenomenon. Banks, therefore, need to prove their ability to maintain the security and integrity of their clients and their accounts and transactions.

The theorist also criticized the reliability and accessibility of the services through the use of modern technology. This challenge is seen mostly in areas with low mobile and internet connectivity. In such situations, it becomes difficult for customers to access their accounts or make transactions easily. The question, therefore, becomes, in the absence of the necessary data and internet accessibility, what options are the clients left with. This will benefit the institution because the client will obtain the service affordably, conveniently, and round the clock. It eventually gives positive publicity to the institution, hence helping to retain existing customers while attracting new ones. The Bank Focused theory other

advantages are the ease of access and the fact that it gives the customer control regardless of location. Unlike the traditional banking methods where one had to be physically present at the bank, the non-traditional method does not require a physical presence for one to transact. The method also allows the banks to market themselves and have more visibility.

Zombo (2017) conducted a study on branchless banking and how it affected the performance of financial institutions in Kenya. He concluded that the performance of commercial banks is influenced by technology-based banking. The research design used in the study was explanatory. In order to address the research questions, both primary and secondary data were gathered for the study and analyzed. According to the study, the usage of agency banking and online banking separately had negligible effects on the efficiency of commercial banks. The study also found that the performance was greatly improved when the two were utilized together as a multi-channel. The researcher examined the bank-led theory and the bank-focused theory for this investigation, and the postulates of the theories was supported.

Despite the benefits that come with the technologies used to distribute bank products and services, there are also a few drawbacks, including network outages, risks related to these platforms; user unfriendliness; users' level of education, and service usage limitations, among others. Commercial banks solve these issues by enhancing the network of these tactics, offering a user-friendly interface, and spending money to bolster security features to shield the user from malicious individuals (Kapoor, 2010). Internet banking strategy

uses technology to disseminate bank products and services, which led the researcher to conclude that this theory is relevant the internet banking variable.

2.3 Empirical Literature Review

The empirical review entails reviewing existing studies concerning the topic and the historical background of the topic. The purpose of doing so is to demonstrate a thorough understanding of the study area. This helps to find out the existing knowledge and identify a gap to be filled by the study. This section will review studies that have been done locally and internationally.

2.3.1 Mobile Banking Strategy

Rosen (2013) investigated whether agency banking and mobile banking in Kenya could improve the well-being of low-income Kenyans. The ability to save, invest, and consume, as well as overall health and food security, were the key topics of the study. The study found that agency and mobile banking made it easier to provide financial services to previously unbanked people, which improved their economic well-being. Gutierrez and Singh (2013) conducted a study on the elements influencing the use of mobile banking strategies. The regulatory framework used in mobile banking was the main topic of the study. This was accomplished by developing an index that allowed the researcher to assess the degree to which mobile banking activities are supported by laws and regulations in 35 different nations. According to the survey, both the general public and the unbanked have high usage rates when there is a supportive regulatory environment. The beneficiaries of mobile banking were not adequately guaranteed of security. Due to the substantial cash flows involved with these distribution techniques, security assured is of the utmost

importance. Considering that there are numerous other branchless distribution strategies, the study's concentration on mobile banking as a branchless distribution strategy hinders it from being conclusive.

According to Mabwai (2016), a banking institution's capacity to use mobile banking to enhance its financial performance is directly correlated with the number of its assets. Another survey indicated that 85% of people were signed up for a mobile banking service through national banks, despite its sampling being substantially skewed in favor of people with at least an undergraduate degree (93%) and 94% earning more than 50,000 Kenya Shillings per month (Odera, 2013). The Family Bank uses mobile strategy as a distribution strategy for its services and has a considerable presence in the majority of counties across the country (Family Bank Report, 2019). These results thus support further investigation into how distribution techniques affect the use of Family Bank products and services. According to Klein & Mayer (2011), some benefits of mobile banking include; Customers of the bank can learn how to use mobile banking products and services with ease. As a result, it is simple for these consumers to persuade additional users to utilize the bank's products, thereby developing a multilevel marketing strategy for continuously disseminating the bank's offerings. The cost of serving customers who hail from far has been made easier by the use of technology where bank Customers have access to their financial information online round the clock.

Okiro and Ndungu (2013) conducted a study on how mobile and internet banking in Kenya affected the efficiency of financial institutions. The survey also looked into how

frequently Kenyan commercial banks used the internet and mobile banking. Thirty financial institutions were a part of the probe. It was determined that, among the financial institutions, commercial banks used mobile and online banking services the most frequently. The study's findings also indicated that while microfinance institutions had not fully embraced online banking, SACCOs were gradually implementing the two methodologies. There is a significant correlation between the financial success of commercial banks and electronic banking, according to a study on the impact of e-banking in Kenya on the performance of commercial banks. The study's independent variables included agency banking, online banking, mobile banking, and ATMs. The factors were found to be statistically significant because the p-value was less than 0.05 (Njogu, 2014).

In their study on the impact of mobile banking expenses on the adoption of the strategy, Laukkane *et al.* (2007) found that the cost of the services and products made available through mobile banking had a sizable impact on adoption. According to the survey, people would choose to use traditional banking methods if the costs associated with using technologically connected channels were higher. The study also found that users valued the money they paid while using this method of banking and that they would use the platform if it provided ease. Ngurari (2015) investigated the elements affecting Kenyan female commercial bank customers' adoption of mobile banking technology. The research design used for the study was descriptive. According to the study's findings, PCs are the most often used technology among female bank customers. It also showed that household concerns did not prevent women from adopting technology, with the primary motivation being a desire to save money for unforeseen and future situations. The study also

discovered that the adoption of the mobile banking service was significantly influenced by technical ICT skills.

Luvanda (2014) conducted a study on the influence of perceived risk of mobile banking and uptake of Mobile Banking in Kenya and established that most customers were concerned about the ease of use of mobile banking platforms as opposed to the associated security risks. The study also found that increased mobile banking use was positively correlated with risk issues because of the hackers. It further established that most users were unaware of the potential risks before the attacks. Kiprop, Ayuma, and Ambrose (2016) evaluated the impact of mobile banking on the performance of commercial banks in Kapsabet town. A descriptive survey design was chosen for the study. The study population comprised the management teams, bank customers, Heads of departments, and bank employees. The stratified random sampling method was adopted. It was established that banks' financial performance and mobile banking were closely correlated at ($p < 0.05$). The study also found that it was much easier to send and receive money after the mobile banking platform was created. Atavachi (2013) investigated how electronic banking influenced the financial performance of microfinance institutions in Kenya. The study employed descriptive research design and a sample of nine microfinance institutions. The questionnaires were used to collect primary data, and the secondary data was drawn from the financial statements and other annual reports. The research established that all the institutions sampled had embraced electronic banking. It was further established that e-banking platforms enhanced the institutions' performance. The study did not look at the

influence of distribution strategies on the uptake of services and products, a gap that this study seeks to fill.

Adewoye (2013) investigated how Nigerian commercial bank services were impacted by mobile banking. A sample of 140 staff members was used from both upper and lower carders. The questionnaire was used as the main tool of data collection. The study established that access to credit, rapid transaction alerts, lower service costs, and time-saving were the main ways mobile banking increase services delivery in banks. The study focused on service delivery and did not cover the aspect of products and services uptake, a gap that my study wants to fill by investigating the influence of distribution strategies on bank products and services uptake. Maina and Mungai (2019) investigated the influence of mobile banking on the performance of tier one commercial institutions in Kenya. The study employed a descriptive research design and a target population of eight tier-1 commercial banks. The study utilized secondary data from published financial statements of the selected tier-one commercial banks in Kenya. The study established that mobile banking withdrawals influenced the mobile banking platform's usage, which led to higher financial returns. It further established that mobile banking loans significantly influenced the performance of commercial banks in Kenya.

2.3.2 Internet Banking Strategy

Bello and Dogarawa (2005) researched the impact of e-banking on customer satisfaction in Nigeria. They discovered that the majority of Nigerians were skeptical of the advancements in banking technology. The study also revealed that a lot of clients continue to favor branch banking. The survey also discovered that the quality of these e-banking

tactics did not satisfy the users. This was demonstrated by the amount of users who enrolled for this service yet continued to frequent the banking halls. Ongare (2013) carried out a study to determine the influence of e-banking on the financial performance of commercial banks. The goal of the study was to ascertain whether there was a connection between internet banking and bank financial performance. The profit after taxes was used to gauge performance. ATMs, the number of debit cards issued to clients, the number of point-of-sale cards issued, and the use of mobile and online banking were among the independent variables. Internet banking significantly impacted the profitability of Kenya's commercial banks, according to the study, which used secondary data from the Central Bank of Kenya's annual report.

Aduda and Kingoo (2012) conducted research on the relationship between Kenyan banks' performance and online banking. It aimed to find out whether investments made on these platforms altered how well Kenyan banks performed. Both descriptive and inferential research designs were utilized in the study to analyze the data. According to the study's findings, e-banking and banks' performance are closely related. The study was limited in that it did not cover all branchless banking options available in Kenya. Acharya et al. (2008) conducted research on how internet banking affected commercial banks' performance. The study found that commercial banks' financial performance improved once they started adopting internet banking. The survey also discovered that using internet banking led to more people using commercial banks' products and services. This distribution technique was advised by the study for use by commercial banks to improve overall performance.

Humprey (2014) looked at the patterns of internet banking adoption in developing nations. This study's major goals were to provide a comprehensive picture of the research needs in this field in developing nations and to pinpoint any remaining research gaps. According to the study, Asia is the continent with the highest concentration of internet banking research, whilst the Caribbean has the lowest concentration. According to the study, Ghana, Nigeria, Tunisia, and Mauritius had conducted the most internet banking research in Africa. The survey also found that some African nations still needed to conduct research on the adoption of online banking. Therefore, this study found that there was a substantial gap in the research on internet banking that has to be filled in order to identify the variables that influence the uptake of products and services offered using this technique.

Nor and Pearson's (2008) study of the variables determining internet banking intention. They looked at the connection between belief systems and attitudes toward online banking. The study found that people's adoption of online banking is influenced by their perceptions of the relative advantage, compatibility, convenience of use, trainability, and image. This study further proved the importance of the trust factor in deciding how clients would use internet banking to conduct their financial operations. According to research by Attila (2003) on the factors influencing internet adoption, users will use internet banking if they have faith in the system. Customers are less inclined to accept internet banking for usage in their daily transactions if they don't feel that their security is secured. According to the study's findings, banks ought to be able to offer a solution to reduce the

security risks associated with this platform. According to the survey, banks should review their encryption policies to protect customer information and stop fraudsters from using online banking.

Cheruiyot (2010) researched the impact of internet banking on the financial performance of commercial banks in Kenya. He measured the internet variable using banking intensity derived from web feature data collected from bank websites. The study observed from the multiple regression results that the profitability and offering of Internet banking had a significant association with the performance of commercial banks. Munyoki (2013) conducted a study on the influence of internet banking on the financial performance of commercial banks in Kenya. The study found that internet banking generally had a weak positive and significant influence on the financial performance of commercial banks in Kenya. This is because internet banking cuts on banks' costs; increases commission income reduces staffing levels, and makes banking more convenient for customers.

2.3.3 Agency Banking Strategy

Owiti and Datche (2015) evaluated the strategic choices made by commercial banks to differentiate their agency banking offerings. The agents of three banking institutions in Mombasa County were the focus of this investigation. At the time of data collection, the agent populations of the KCB, Equity, and Co-operative banks were 451, 552, and 260, respectively. One hundred and ten study participants were recruited using a random selection method and a descriptive research methodology was adopted for the study. A parametric one-way ANOVA and Pearson's correlation coefficient and a parametric one-way ANOVA were used to analyze the data. The study found a significant positive correlation between product and service pricing and agency banking performance, as well as between customer service quality and agency banking performance. More monthly transactions were made at banks with excellent customer service and lower agency banking service fees.

The study also found that cash withdrawals and deposits made up the majority of the agents' compensation. Everyone who responded said they received no commission for opening an account. According to this survey, banks may do more to set their agency banking offering apart and motivate agents to bring in new customers. Agency banking is one of the CBK's tactics for democratizing banking in Kenya (Mugo & Kilonzo, 2017). They emphasize that democratization was required because, by the 1990s, brick-and-mortar branches had dominated the industry but a sizable segment of the populace was still without access to banking. To fully understand the operationalization of agency banking in 2009, the CBK and Kenya Bankers Association (KBA) benchmarked the

national treasuries of Brazil and Columbia. A banking policy for agencies was established in 2010 and updated in 2012. By the end of 2016, five microfinance banks and 18 commercial banks had hired agents. It was determined that during the preparation of the report, bank agents had mediated 322 million transactions amounting to more than Ksh 1.9 trillion, or \$18.56 billion. The analysis concluded that agency banking would continue to increase logarithmically in terms of transaction value and volume. To enhance their financial success, banks must aggressively invest in agency banking.

Remsen (2019) evaluated the elements affecting agency banking product adoption in Ethiopia. In this study, a survey research approach was adopted, and 363 of 399 questionnaires that could be used for analysis were gathered. Customers of the Commercial Bank of Ethiopia, United Bank S.C., Lion International Bank S.C., and Cooperative Bank of Oromia were among the respondents of the sample population. For ordinal regression analysis, version 13 of STATA was used, and for descriptive statistical analysis, version 20 of SPSS was used. It was shown that perceived risk, effort and performance expectations had a substantial impact. The study concluded that banks might use public awareness campaigns including cross-selling, marketing, and promotion to gain competitive advantages. It was found that banks that give their agents rigorous training will increase the use of their services by making the services better and gaining the public's trust.

In a five-year study from 2009 to 2013, Makur (2014) evaluated how financial innovations had impacted the banking sector in South Sudan. The study used a descriptive survey

approach, and 18 of the 28 banks that were active in South Sudan by 2013 were sampled. We used both primary data from surveys and secondary data from the yearly reports from the Central Bank of South Sudan produced between 2010 and 2013. According to the report, agency banking was one of the elements that helped Sudanese banks achieve a healthy ROA. It was discovered that about 24 million in profits in Sudanese dollars were made possible by tools employed in agency banking, it was discovered that about 24 million in profits in Sudanese dollars were made possible by tools employed in agency banking, it was discovered that a strong predictor of a good ROA for the banks was the volume of daily transactions. As a result, it is concluded that promoting agency banking is a tool for the stakeholders of the bank to create wealth.

Chiteli (2013) looked at Kisumu city's agency operations as a strategy for commercial banks to compete in his study and found that the commercial banks' and agents' contributions to control regulations, processes, and technology developments helped make agency banking feasible. To draw conclusions on agency operations as a competitive strategy, the study employed both primary and secondary data. Mwangi (2012) conducted a study on the function of agency banking in Kenyan commercial banks' diversification strategies. A descriptive study design was used in the study. According to the study's findings, agency banking helped commercial banks diversify their businesses. Commercial banks employ the agency banking approach because the services it offers are less expensive and more practical to use than traditional branches, allowing them to geographically expand and market their products and services. The report advised commercial banks to use agents and make the agent technique available to clients. It also

suggested that the infrastructure for agency banking be enhanced to make it easier for customers to use. This study can't be applied to other branchless banking strategies because it only looked at one type of branchless banking strategy.

Musau and Jagongo (2015) conducted a study on how agency banking was used and how it affected the performance of several banks in Nairobi County. The study focused on four commercial banks in Kenya and employed a descriptive research design. The study found that the performance of commercial banks was impacted by the agency point's liquidity levels. The study came to the additional conclusion that, because of a lack of liquidity, the majority of customers who were unable to trade owing to liquidity problems became frustrated. The survey also found that top management, quality control processes, and individual agent accountability are some of the requirements in agency banking. The results of the study also revealed that agency performance was significantly impacted by the infrastructure expenditures connected with agency banking as well as the security concerns surrounding agency banking. This study used a descriptive research design and had a narrow focus on the four banks. The findings cannot be applied generally to Kenyan commercial banks.

The factors impacting customers' sluggish acceptance of agent banking services as a measure for financial inclusion by Kenyan commercial banks were studied by Mosoti and Mwaura in 2014 (Mosoti & Mwaura, 2014). This study was carried out in Nairobi's Roysambu constituency. The study used a questionnaire as its primary data collection instrument, and a descriptive research design was applied. According to the survey,

agency banking service fees, transit costs, poor agent coverage, agent reliability, security and power outages, and agent trustworthiness were some of the issues that affected the adoption of agency banking services. The study also found that most of the agents had issues with liquidity, which prevented them from providing their clients with satisfactory service. This study's shortcoming was that it only looked at one branchless banking technique; additional branchless banking methods include online banking, mobile banking, and ATM usage. Since the study only examined one constituency, it was challenging to generalize the results to the whole of Kenya.

Kamau (2012) investigated the relationship between agency banking and the financial performance of the banks in Kenya. The study reviewed secondary data. The study established that active agency banking outlets were 9,748 in 2011 from 8,809 in 2010, facilitating a total volume of 8.7 million transactions valued at KSh 43.6 billion. The regression analysis was negative, and there was a weak correlation between the number of agents, deposit and withdrawals transactions undertaken through the distribution platform, and financial performance of banks as measured by return on equity. The problem with this study is that it only looked at how agency banking affects financial performance. It didn't look at how people use products and services on this platform, which is a gap that this study was meant to fill.

Kiura (2014) investigated the role of technology in implementing agency banking in Kenya. The study's objective was to assess the challenges faced by implementing agency banking in Kenya. The study used a descriptive research design that describes the data

and characteristics of the population being studied. The target population was the 44 commercial banks in Kenya. The questionnaire was used to collect primary data, and secondary data was collected from the bank's reports and corporate strategic plans of various banks. The study found that the application of technology led to quick and effective services to the clients even though the use of these technology systems had been associated with data and network security risks leaving the customers exposed to financial transaction fraud. The study recommended that banks always use high-quality systems that are updated to ensure the data and money of their clients are properly protected.

Wairimu (2019) evaluated the factors hindering the adoption of agency banking by microfinance institutions in Kenya. The study used a descriptive design and targeted 89 respondents. The study utilized both primary and secondary data. The study revealed that stringent regulation and inadequate financial and human resources impede agency banking adoption by deposit-taking microfinance institutions. Njoki&Aloko (2015) investigated the correlation between financial innovations and fiscal performance of commercial banks in Kenya and concluded that various factors, including agency banking, had a favorable impact on the bank's financial performance. The study established that the cost-effectiveness of agency banking affected the performance of commercial banks in Kenya. The study was conducted when agency banking was fairly new in the Kenyan setting and relied on limited data.

Emoru (2012) studied the elements that influenced the growth of agency banking. The study was carried out in Mombasa. The study adopted the descriptive research design and

explored the qualitative and quantitative data. The study established that the factors that had a high influence on the growth of Equity bank agency banking were increased competitive edge and increased market share. The agency banking risk profile was considered a factor influencing agency banking uptake. The study was carried out in Mombasa and concentrated only on the growth of agency banking, not looking into the products and services uptake at agent points. Nyaboga *et al.*, (2015) researched the impact of agent banking on the financial performance of entrepreneurs in Kisii County, Kenya. The study established that agency banking services attracted interest from criminals who would like to defraud customers making users security conscious. This forces customers to be very selective in engaging with agents, affecting the performance and the growth of agency banking.

2.3.4 Automatic Teller Machines Strategy

Agwu (2016) evaluated the driving forces for the adoption of electronic banking in a few Nigerian states. He points out that ICT-driven innovations were introduced into the banking industry through ATMs, with mobile and internet banking emerging as key players. Six assistant lecturers administered structured questionnaires to a sample of 450 participants in this study using a household survey methodology. With a 76.36% response rate, 51% of the respondents used ATMs, with a younger demographic predominating in the distribution. It was discovered that people over 54 preferred banking hall services over ATMs and other electronic banking methods. The greatest education level was said not to affect the use of the ATM product, but the higher yearly income was said to strongly increase the use of ATM services. It was determined that the majority of customers

avoided ATMs because of perceived hazards, which the bank managers might reduce with little care.

Malak (2014) discovered a connection between South Sudanese banks' adoption of technology and the associated returns. The Central Bank of South Sudan's annual reports were utilized to obtain secondary data and primary data was collected using a questionnaire. The descriptive research approach revealed that 42.9924% of technology-mediated transactions were ATM transactions. According to the analysis, financial returns would improve by 2.28 units for every unit more ATM transactions. The results of the study also suggest that ATMs are crucial for increasing consumer interest in a bank's services and products. Gichuki (2017) investigated Kenyan commercial banks' access to financial services and electronic banking. The bank-led approach, the bank-focused theory, financial intermediation theory, and agency theory, among others, were some of the theories that were considered during the research. The study discovered that the availability of commercial Bank's services and products was greatly impacted by electronic banking. The study confirms the tenets of the bank-led theory by asserting that commercial banks create products and distribute them using the existing ICT distribution approaches.

Farai & Farai (2016) conducted a study on Zimbabwe's adoption of electronic banking. Both quantitative and qualitative research designs were used in the study. According to the report, 43% of Zimbabweans have only had access to computers for less than five years. The study also discovered that ATMs and online banking were being gradually

embraced by consumers. It would have a long-term beneficial effect on the adoption of the two solutions. Customers lacking technical support for usage instructions and commercial banks not investing extensively in advertisements to promote their products and services are some of the problems identified in this study.

Momanyi (2016) conducted a study on the factor influencing customers' use of digital banking in Kenyan commercial banks. The study concluded that age and gender were demographic factors that affected the adoption and use of digital services and products. It was also demonstrated that the adoption of digital products and services from commercial banks was influenced by perceptions and attitudes regarding digital platforms. The survey also discovered that the security issues related to ICT-based strategies for distributing bank products and services were the element that most influenced the adoption of the digital platform. Specifically, ATMs, mobile banking, and online banking were the digital platforms used.

A study by Awinja in 2015 established that ATMs improves bank performance through competitive advantage, improved employee competency, and technical advancement (Awinja, 2015). The advantages of ATMs for banks come from their ability to increase service delivery channels, which leads to better profits from account holders' increased spending. For instance, the capability to provide alternatives for third-party payments, including Point of Sales (POS) transactions. The daily withdrawal cap shields customers from hefty losses in the event that cards are stolen (Awinja, 2015). As of December 2018, there were 2833 ATM facilities in Kenya, up from 2796 in January 2018. This is a result

of commercial banks' conscious commitment to offer consumers ease. Innovations in the banking industry and increased competition have fueled technological development. Commercial banks have implemented cost-effective distribution tactics to assure effectiveness and highlight their market dominance (Annual Banking Report, 2018).

Vekya (2017) evaluated the adoption of electronic banking by Kenyan commercial banks. SPSS was used for analysis, utilizing a census survey design. The study gathered secondary data from CBK publications on the 43 banks that were active in the nation as of August 31, 2014. ATM usage served as a key gauge of bank profitability. The Bank's ROE grew by 1.662 units for every unit rise in ATM transaction value. Products that accept ATM cards, like POS, are a major driver of product adoption. The study also found a consistent rise in deposit-withdrawal cash transactions between account holders utilizing mobile money, indicating a potential synergy. According to the study's findings, banks should increase the number of ATM locations they have, improve their point-of-sale systems, and promote cooperation with mobile payment systems to sustain current profitability trends. Odinga (2005) researched the factors influencing the adoption of electronic banking (ATMs) and established that customer awareness was crucial for adoption. Security of the platform was also very important when deciding whether to adopt or not. The study recommended further research on overcoming barriers that inhibit the adoption of e-banking. He also recommends effective utilization of e-banking, the creation of sufficient customer awareness of availability, and the benefits of adopting e-banking as some of the aspects that can improve the uptake.

Ndegwa and Zipporah (2008) investigated the factors influencing ATMs usage. The main objectives were to analyze factors that influence ATMs usage, hindrances to ATM usage, and ways of improving ATM usage. The study found that ATM usage was influenced by the level of awareness of ATM functions, availability of cash, machine uptime, training, faulty cards, cards retention, personalized services, insecurity, location, cost, speed of machines, and monthly seasons. The impediments established by the study were: insecurity, card retention, age, psychological reasons, poor training, and ATMs times. The study concluded that surveillance building lobbies for the wall's ATMs, proper lighting, customer education, 100% uptime of the machines, well-labeled machines, and less retrieval time for captured cards improved the usage of the ATMs. The study recommended that the ATMs should be introduced in supermarkets and airports to increase usage, and water bill payment and coin deposit facilities should be available at the ATMs.

2.3.5 Customer Education

Customer education involves giving a consumer (customer) all the necessary knowledge about a products or service (Eisingerich & Bell, 2006). Education of the customer is not the same as marketing or advertising. This is so because, in education, students can learn accurate facts and specifics. The goal of customer education is to provide as much information as possible to make using or gaining access to a product or service easier. In the past, businesses were cautious to inform clients about their products or services because they thought that if they were informed, they would be more likely to search elsewhere for a more suitable substitute. They used sales strategies as a result of this conviction to make sure their products and services were purchased. According to

Antonios (2011), there are various benefits to teaching clients about a product or service. Customers develop trust with employees when they provide them with full information about a product or service and have a good attitude, increasing their likelihood of making a purchase (Antonios, 2011).

Snyder (2008) contends that businesses that solely rely on marketing and advertising to sell their products and services to consumers lose. This is due to the increased likelihood of people searching for information to learn the truth about these products. Customers will stop using a product if they identify any problems with it and switch to the competition's products and services, proving that the insights are accurate. Snyder (2008) asserts that numerous businesses have recognized the advantages of customer education and have created various initiatives to keep their customers informed. Seminars, expert media, commercials, and brochures are a few examples of tactics used to educate clients. Schooling has evolved due to ICT to include modern media, such as blogs and simulation forums, among others (Olubunmi&Samuel, 2017). According to Auh et al. (2007), providing clients with information about a service has a positive effect on their intention to use or purchase it. Improvement in customer satisfaction, frequent customer involvement, loyalty, customer support, and a more dependable brand are the main causes of this. Service providers have not been overly ready to spend money on educating their clients. These businesses think there are no financial rewards to giving customers the knowledge and skills to be more informed about the services provided. Suh, Greene, Israilov, and Rho (2015) demonstrated that it is not profitable to educate customers about a service that they refer to as a "trick of the trade." They suggest that increasing customer

expertise is not profitable and just serves to motivate customers to shop about and eventually switch to the competitors.

Eisingerich & Bell (2008) conducted a study on 1,200 retail clients of Goldman Sachs JB Were Company Ltd., a financial services company based in Melbourne, Australia. The study researched customer education initiatives on the relationship between service quality and trust. The findings concluded that improving customer knowledge of products and services was advantageous. The education of customers may take the form of advisors to explain to customers the pros and cons of products and services they offer or interactive web pages that are updated with information concerning services for customers' consumption. These forums have the effect of increasing customer knowledge about the products and the market.

The study also established that educating customers can be costly because it may lead to customers switching to the competition. It has also been found that the more customers know about a particular product, the more they become appreciative of such products. Good customer service, which includes attentiveness and courtesy, has been identified as a factor leading to customers' trust in products or services offered. Companies should provide employees with behavioral latitudes to help them explain to customers the concepts and the processes to attain a working relationship with the customers. The study also demonstrates that it will enable them to use products and services with ease and trust and build on solid foundations of relationships (Eisingerich & Bell, 2008).

2.3.6 Marketing and Advertisement

The process by which a business produces value for its targeted clients is known as marketing. Meeting consumer wants is what creates value (Armstrong, Adam, Denize & Kotler, 2014). To align your product with the clients a company targets, a process combining design, marketing research and data mining is also included in this definition. To persuade potential customers to buy the items or services, advertising entails communication regarding the marketing of a product. Making the product or service known to a customer is also a literal process.

The main goals of advertising are to raise consumer awareness and set the product or service against the offerings of competitors. Marketing has the benefit of introducing new products to the market and encouraging consumers to purchase (Kim & Cho, 2008). As a result of more individuals having access to the information, the market also becomes more expansive as a corporation works to keep its current clientele for a product or service while also expanding into new areas. Strong marketing prevents customers from switching to the rivals' other products and services. When a product is advertised frequently, it fosters brand loyalty and improves reputation. Additionally, advertising serves as a technique for informing consumers about a products or service. As a result of the customer being well-informed about how to use the products and all of their features, there is an increase in uptake and customer satisfaction because the product or service meets their demands.

2.3.7 Training

Customer training involves learning exercises intended to have a significant affect the work or role that one is already performing (Kitson, 2003). When a new product or service is launched, customers are also guided as part of the customer training process. In other cases, some clients receive self-paced training, which has proven to be successful. Customers, resellers, and partners are a few examples of those outside the company that typically get ongoing training. Programs for training clients are intended to assist them in understanding how to use a products or service. Due to the innovation and creation of numerous products made possible by ICT breakthroughs, firms are now training users to improve customer experience and adoption. These are advancements in the banking industry's distribution tactics (Luarn&Lin, 2015). Companies invest in customer training to maximize the associated benefits. More onboarding of consumers can favorably influence the uptake of the product and services since training clients helps them understand how a product or a service is used. Training encourages those already using it to keep doing so (Masadeh, 2012). Customers are instructed on how to use any new features of the product, which promotes usage consistency.

Any business must train their customers since it develops a pool of brand ambassadors. This generally refers to clients using your services or products or clients who have received training on a certain product being pleased and promoting the product to a friend or another individual. This raises one's likelihood of recommending a products or service to someone else, which raises one's net promoter score (Lichtenstein & Williamson, 2006). A greater net promoter score assists businesses in attracting new customers,

increasing both their uptake and performance. The key to increasing the absorption is educating consumers about distribution strategies. Once the individual delivering the training reviews the procedures and outcomes, the training is said to be complete. A systematic strategy to measuring and assessment is necessary to ensure program success. The primary goal of having training should be maximizing effectiveness of the trainings, which is the extent to which training achieves its goal (Kalemci, 2005). Before beginning the real training, the first step should be to understand it and its aim because if it is not clearly understood, the training is unlikely to achieve the desired results. The company can train its clients and staff, but how that training is delivered is more important for its success. The purpose of employee training is to provide them with additional information so they can discharge their responsibilities more effectively and with greater customer satisfaction. On the other hand, the goal of customer training is to provide customers with the necessary information to understand how to use the products or services provided by the institution.

Employees receive training so they can impart knowledge to customers, particularly about how to use technologies that have been implemented by the businesses. Additionally, this necessitates providing clients with adequate training so they can use these technologies with ease (Tai, 2006). A trainer must take all necessary steps to guarantee that pre- and post-training evaluations are completed. These reviews are conducted to determine whether the training intervention was successful in achieving the predetermined goal. Dayal (2001) asserts that two things must be accomplished for training to be effective: the goal of the training must be clearly defined, and the training methodology must be

capable of producing the desired effects. According to Kirkpatrick's (1967) hierarchical model, training outcomes can be broken down into four categories: trainee reactions, knowledge acquisition, behavior change, improvement in personal or organizational outcomes like performance or productivity, and in the case of customer training, adoption of the products or services made available through those institutions' technological offerings.

The learning process is impacted by a number of factors, including age. Vigorous training is required to ensure that individuals with varying capacities for learning do so easily. Manna and Biswas (2018) investigated the ability of persons between the ages of 60 and 74 and another group between the ages of 75 and 89 to retain fundamental computer skills. The interactive multimedia compact disk was used to instruct the two groups in computer skills. Upon testing the trainees, it was discovered that after one week, individuals between the ages of 60 and 74 made less mistakes, took less time, and required less assistance than those between the ages of 75 and 89. Both groups were given more time to complete their training, and in the end, their performances were roughly comparable. The study concluded that while older adults take longer to learn how to utilize technology, they do so at a slower rate once they do. The study also found emotional intelligence, knowledge of individual learning preferences, and familiarity with training models and methods as characteristics that influence training success (Manna& Biswas, 2018).

2.3.8 Digital Distribution Strategies

According to Azam and Siddiqui (2014), external variables had an impact on the sustainability and consumption for the products and services provided by commercial banks. This was part of their research to identify the elements affecting commercial banks' profitability. These elements included a country's GDP, inflation rate, interest rate, and political stability. According to the study, when an economy's GDP is falling, less people are requesting credit, which has an impact on how many people apply for loans and how profitable they are. Kapurubandara (2009) conducted study on the causes behind the low adoption of electronic banking in Africa and found that it was due to inadequate ICT infrastructure, a shortage of qualified people, and a lack of consumer expertise. The study also discovered that poor nations were unable to create online banking due to the absence of regulatory and legal frameworks. The study came to the further conclusion that the poor internet penetration in developing nations limited the use of internet banking and the platform's offerings. The study did not look into other technologically advanced tactics; it exclusively focused on online banking.

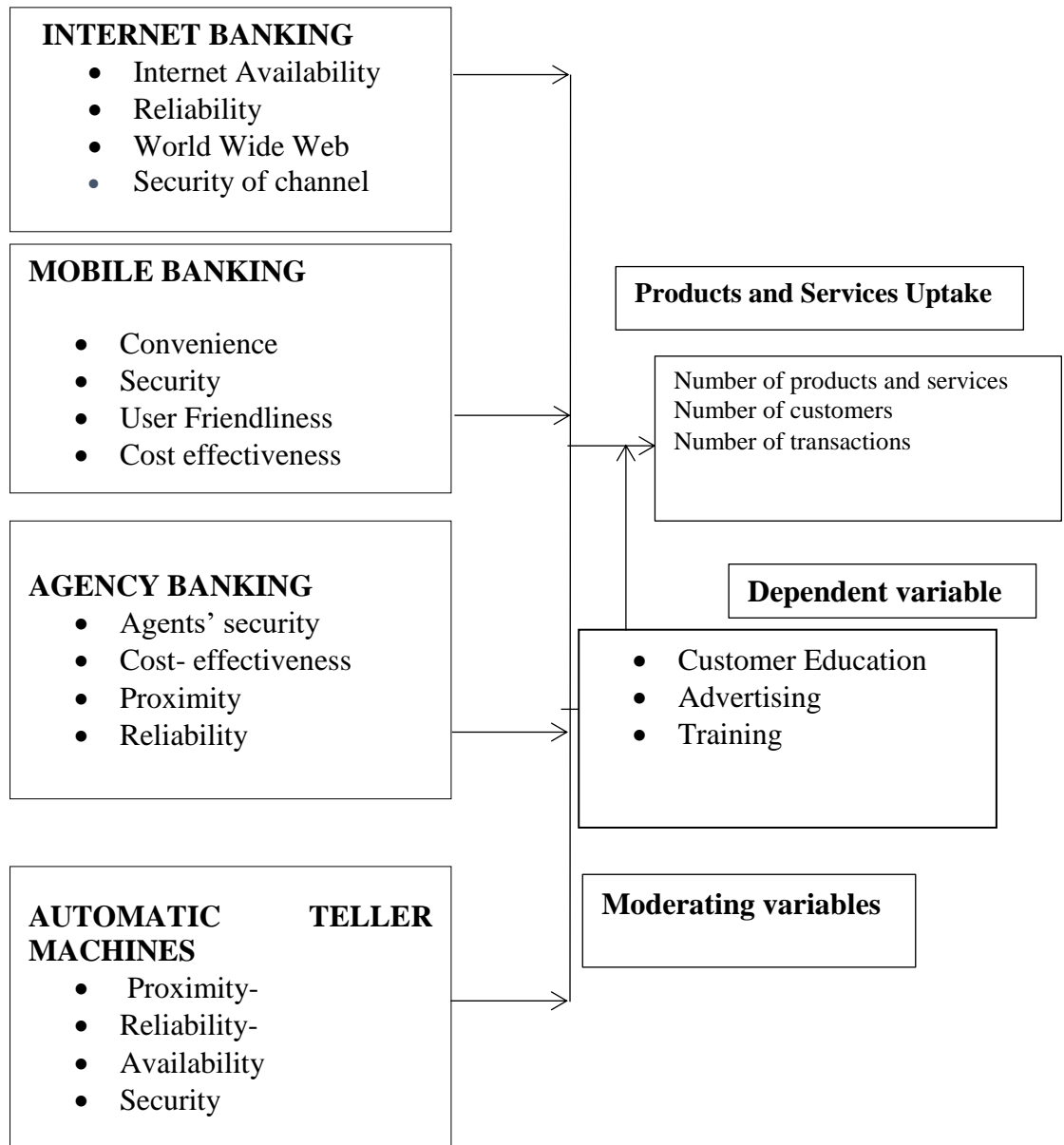
Makini *et al.*, (2013) conducted research on the role of education in peri-urban Siaya County, Kenya's digital distribution channels for bank products. The questionnaire served as the main instrument for gathering data for the study, which used a descriptive research design. According to the study, customer education about branchless banking had a favorable impact on how many people used the products and services. According to the survey, the commercial banks and telecommunications providers did not do enough to

inform subscribers and clients about the items offered on these platforms. The study suggested that users of these sites should receive training.

2.4 Conceptual Framework

The conceptual framework shows the relationship between Independent and dependent variables. The dependent variable is uptake of products and services while the independent variables are mobile banking, Internet Banking, Agency Banking and Automatic Teller Machines. The relationship between the independent and dependent variable is represented by Figure 2.1.

Digital Distribution Strategies



Independent variables

Figure 2.1: Conceptual framework

2.4.1 Mobile Banking

The Mobile banking strategy is a distribution strategy that allows bank customers to access products via a mobile phone device. The customers are able to access these products and services when the bank collaborates with network providers for connectivity purposes. The customer account is connected to a mobile line to allow the customer access the account remotely without having to visit the banking hall. (Donner & Telles, 2011).

2.4.2 Internet banking

Internet banking is a technology-based method of delivering banking services remotely via the World Wide Web. It makes use of computers and other intelligent gadgets such as mobile devices. The bank provides the customer with the login details to access the products and services offered by the bank. This makes it possible for customers to do both financial and non-financial transactions online. This service is also referred to as online banking and it helps the customers conveniently obtain bank products and services remotely without visiting the branch.

2.4.3 Agency Banking

Agency banking is a form of digital distribution of banking services that utilizes appointed agents to conduct the transactions on behalf of the bank. In this strategy, the bank hires an agent to do transactions on its behalf. Agency banking strategy was started in Brazil, Latin America in 1999, and it has helped many other banks to introduce retail agents across the globe (CGAP, 2011). This was made possible when the parent commercial banks in Brazil allowed appointed agents to perform transactions on their behalf and it was received well by the customers. Customers are required to have debit or credit cards

in order to make transactions such as withdraws at the agent points. Transactions such as payment of bill and cardless transactions do not require one to have a visa card. The bank charges commission for the transactions completed at the agent points.

2.4.4 Automatic Teller Machines

Automatic teller Machines are computerized systems used by commercial banks to enable customers complete transactions at the ATM points without the help of the bank staff. These machines are operated round the clock and customers can access the services even after the physical branches are closed This method is employed by commercial banks to enable clients to utilize debit and credit cards to complete transactions at a fee (Adbukkahi & Nyaga ,2017).

2.4.5 Uptake Products and Services

The uptake of bank products and services is the actual consumption of the products and services that are provided by a banking institution to the target market. The uptake is measured interims of the numbers of people using the digital distribution strategy to access the products and services (Gamble and Thompson, 2011). Commercial banks create products and services to meet the various demands of their customers. Some of the services and products offered include withdrawals loans, deposits and advances. Commercial banks earn commission when customers use this strategy to access services (Llewellyn, 2005).

2.5 Operationalization of Variables

The table represents the research variables, indicators, and measures (Table2.1). It also outlines different variables in the conceptual framework (Figure2.1) and the section in which questions are captured in the questionnaire

Table 2.1 Operationalization of Variables

Research variable	Nature of variable	Indicator	Measurement	Section
Mobile banking Strategy	Independent Variable	Time spent to transact	Reduction of transaction time	A
		Security of platform	System not being penetrated(hacked)	
		Availability of garget	Mobile phones ownership	
		Usability of platform	Ease of use	
		Process of registering	Speed of registration	
		Convenience to customers	Level of convenience	
		Cost of service	Reduced transaction cost	
		Convenience to customers	Improved convenience	
		Cost of transacting	Reduced cost at agents point	
		Agents operation hours	Increase in hours of operation	
Agency Banking Strategy	Independent Variable	Customers awareness	Increased awareness	B
		Agents distribution	Agents in proximity to customers	
		Internet Device Usability	Availability of Internet Intelligence device	
		Products and service availability	Number of products and services	
		Security of IB Transactions limit	Reduced fraud cases Enhanced limit	
Internet Banking Strategy	Independent Variable	Convenience	Increased convenience	C
		ATM proximity	The closeness of ATM to customers	
		Debit/credit cards	Ownership of debit/credit card	
		Network connectivity	ATM uptime	
ATM Strategy	Independent Variable			D

Customer Education	Moderating variable	Products and services	Service available on ATM Security of ATM environment	E
		Location security	Education level	
		Education	Forms of training	
		Customer training	Increased Advertisement	
Uptake of products and Services	Dependent Variable	Advertisement	Increase in marketing activities	F
		Marketing		
		Number of products	Increase in product per customer	
		Number of transactions	Increased transactions	
		Number of customers	Increase in customers taking products	

2.6 Research Gap

According to the literature analysis mentioned above, commercial Banks Financials are influenced by the distribution methods of bank products and services. Additionally, it should be emphasized that the user experience for those who receive financial services through alternative means has been enhanced. Azam and Siddiqui(2014) conducted a survey to investigate the factors that affected the uptake of loans in commercial banks. The researcher focused on the loan only in the study, but other products and services are available through digital distribution tactics, so this leaves a gap that the study aimed to bridge. , Kapurubandara (2009) carried out a study to identify the causes of the limited penetration of products and services through ICT-based channels in Africa. Agwu (2016) evaluated the elements influencing the uptake of electronic banking in Nigeria. The research revealed that age and educational attainment were the key predictors of embracing internet banking. This study has a gap since it focused on the adoption of banking service distribution techniques rather than the impact those tactics had on the use

of bank products and services. The investigation concluded that the low uptake was greatly impacted by low internet connectivity.

A weak regulatory environment was also cited in this study as a contributing factor to low acceptance. Since the internet is widely used and regulated in Kenya, this cannot be the factor influencing adoption. This further creates a gap in the Kenyan context for future research. The adoption of digital tactics such ATMs, agency banking, mobile banking, and online banking was investigated in several studies, but less attention was paid to the acceptance of the products and services. The impact of online platforms on the adoption of products and services is the gap that has been identified. Although different genders may have varied adoption patterns, other researches focused on the particular gender, making generalization challenging. The lack of existing knowledge on the impact of delivery strategies and the use of bank products and services a gap that this study filled.

2.7 Chapter Summery

In this chapter, the research explored different theories that the study was anchored on. These theories were the Technology Acceptance Model, Diffusion of Innovation Theory, Agency Theory and Bank Focused Theory. The theories helped the researcher to have an in-depth understanding of the postulates of the theorist regarding the technologies of distributing bank products and services. The chapter also explored the empirical literature to find out what other studies in the field have investigated relating to the topic, their findings and identify the gaps left that needed to be filled by this study. The gap identified was that the studies investigated the influence of distribution strategies on the performance of commercial banks and not uptake. The distribution strategies range from

traditional to digital strategies and previous studies focused on all, but this study narrowed down to digital distribution strategies.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The research techniques utilized by the researcher in the study are covered in this chapter. The sampling technique, reliability and validity, data collection tool, target population, analysis and presentation, and ethical considerations are discussed among others.

3.2 Research Design and philosophy

a) Research design

In order to find the answers to the research questions, the data collection, measurement and analysis are guided by the study designs. They are strategies for the methods, technologies, and people that will be employed to collect data (Kothari, 2004). Descriptive and correlational study designs were employed by the researcher. The two designs were relevant in this study because correlation was used to test the value of relationship among the study variables. This was done to ensure the correlation coefficient did not exceed 0.8 to avoid the problem of multicollinearity. The descriptive research design was applied because the research described the study variables without altering their current state and characterized the phenomenon as it exists currently.

b) Research philosophy

Research philosophy provides an explanation of the background, context, and nature of the study. The best study conclusions were developed after considering several research phenomena. These include convictions, realities, truths, and observations (Furrer et. al.,

2008). This study made use of the positivism research philosophy. According to this concept, knowledge is founded on facts. Saunders, Lewis, and Thornhill (2007) assert that the characteristics of knowledge are drawn from objective reality and statistically examined to provide conclusions or correlations between variables. This is based on a person's changing nature. According to the positivist research philosophy, knowledge is valid if it is informed by values of reason and data gathering and measurement using quantitative and statistical techniques to develop theoretical models that can be applied to comparable circumstances. For this study, the positivist research philosophy was deemed appropriate because it involved gathering data and evaluating the research's hypotheses (Saunders et. al.2007).

3.2.1 Descriptive Research Design

The goal of a descriptive study design is to describe the variables without altering their current state. With this approach, the researcher gathers and examines evidence in order to characterize a phenomenon as it currently exists. According to Mugenda & Mugenda (2012), descriptive research design aids the researcher in responding to inquiries about the current condition of the study's subjects. According to Schindler and Cooper (2014), descriptive study design is a scientific approach that uses observation to explain the behavior of the participants without in any way modifying or affecting them. This study adopted a descriptive research design because it is straightforward, protects against bias, and enhances dependability (Kothari, 2013). The researcher deemed the descriptive research design acceptable because it enables the study to be generalized to the whole population. It also enables the researcher to analyze and relate variables and protects against any bias, therefore, maximizing the reliability.

3.2.2 Correlation Research Design

A non-experimental method for finding the connection between two variables that are closely related is correlation study design. This technique makes no assumptions and instead utilizes statistical analysis to establish the correlation between the measured variables. After calculating the correlation coefficient, the type of relationship between the variables was determined. The coefficients have values between -1 and +1. If the estimated coefficient was more than 1, the relationship between the variables was considered to be positive, otherwise, it was deemed to be negative. The measures were constructed using simulated scales from independent and dependent variables. According to Cooper and Schindler (2000), the correlation coefficient value (r) range from 0.10 to 0.29 is considered weak, from 0.30 to 0.49 is considered medium, and from 0.50 to 1.0 is considered strong. Field (2005) opined that the correlation coefficient should not exceed 0.8 to avoid multi-collinearity. The study findings showed in Table 4.25 that there was a significant correlation between services uptake and mobile banking ($r=0.432, p<0.001$), services uptake and agency banking ($r=0.463, p<0.001$), automatic teller machines and services uptake ($r=0.433, p<0.001$), and also a significant correlation between products and services uptake and internet banking ($r=0.260, p<0.001$).

3.3 Location of the Study

The Mt. Kenya Region served as the sample location for this study and it was conducted in Family Bank Limited. Both consumers and employees of Family Bank were involved, but the employees responded to questions as internal customers. Ninety-two branches of the bank are strategically positioned around the country, 23 of which are in the Mt. Kenya

region. The bank employed 1273 individuals at the end of December 2019 and serves over 600,000 clients, of which 177,950 are in the Mt. Kenya region. Most of The Family Bank's services and products are now delivered digitally, allowing consumers to access them online without going to a physical branch. Farming and animal husbandry are the main sources of income in the Mt. Kenya region. The most prevalent sources of income are the production of tea, coffee, and dairy products with tea and coffee primarily being exported. Many clients visit the branches to get the services and products they can obtain remotely at a reduced cost and with more ease despite the digitization of the products and services delivery. This makes conducting investigations in this area of study of tremendous importance.

3.4 Target Population

The precise demographic from which the data is sought is referred to as the target population. The population is also defined as the total set of instances from which a sample is drawn (Saunders et al., 2003). The term "target population" can also refer to a population group designated for the study that has similar features, the overall population of participants or the entire environment of interest to the researcher. According to Draugalis et al. (2009), a target population is a portion of the entire universe that has certain traits that are of interest to a research. The target population was 177,950 customers who had various accounts with Family bank in the Mt. Kenya region (Tables 3.1 and 3.2). The reason this demographic was chosen was that it gave the researcher the data he needed to evaluate his research assumptions.

Table 3.1: Target population

Area	Category	Number
Mt Kenya Region	Customers	177,950

Table 3.2: Percentage of customers target population per branch

Branch Code	Branch Name	Frequency	Percentage
1	Kiambu Branch	13376	7.50%
2	Githunguri Branch	8035	4.50%
4	Gatundu Branch	9723	5.50%
5	Thika Branch	16538	9.30%
6	Murang'a Branch	6957	3.90%
7	Kangari Branch	7789	4.40%
8	Kiria-In Branch	6109	3.40%
9	Kangema Branch	6530	3.70%
11	Othaya Branch	7006	3.90%
20	Kutus Branch	1457	0.82%
32	ThikaMakongeni Branch	3525	2%
49	Kagwe Branch	3723	2.10%
51	Banana Branch	6518	3.70%
54	Chuka Branch	3304	1.90%
55	Nyeri Branch	12523	7%
56	Karatina Branch	7946	4.50%
57	Kerugoya Branch	9471	5.30%
62	Nkubu Branch	7636	4.20%
63	Meru Branch	13021	7.30%
64	Nanyuki Branch	4890	2.75%
75	Embu Branch	13743	7.70%
76	Mwea Branch	3128	1.76%
86	Maua Branch	5004	2.80%
TOTAL		177950	100.00%

Source (Family bank, 2019)

3.5 Sampling Procedure and Sample Size

3.5.1 Sampling Procedure

The study used simple random sampling to arrive at a sample. Simple random sampling entails randomly selecting a subset from the population. The research applied random sampling by conducting a draw where all participants has equal chance of being selected (Singh, 2003). This is the most accurate sampling method of all the probability sampling methods because it just involves a single random selection and requires little knowledge about the population. The method further gives high internal and external validity.

Sample Frame

A sampling frame is the complete list of all units that form a population from which a sample is to be drawn. The sampling frame of this research study involved the active customers of Family bank as at December 31, 2019. The sample was drawn from the 23 branches in Mt Kenya Region from a total of 92 branches of Family Bank Limited countrywide. This region was chosen because it consists of customers who are engaged in various income-generating activities ranging from agriculture (cash crops), business and employment. These customers keep visiting branches to enquire about products or services they can remotely access using available ICT-based strategies. The respondents were drawn from 177,950 customers. The structure of the branches consists of sales representatives, operations officers, customer service Officers, Relationship officers, senior relationship officers, branch supervisors, credit supervisors, customer service supervisors, relationship managers, branch operations managers, and the branch manager at the top of the structure. The members bearing the titles of supervisor and manager are

referred to as management and the rest as officers. They were considered internal customers and therefore formed part of the research population.

3.5.2 Sample Size

The population picked for the survey includes the sample size (Kothari, 2007). The sample size for this investigation was determined using Fischer's Formula. For bigger populations, the equation below provided this information. The formula for calculating sample size for populations higher than 10,000, according to Fischer et al. (1998), is provided by

$$n = \frac{z^2 pq}{d^2}$$

Where

n = this forms the desired sample size for populations greater than ten thousand

z = this represents the required standard deviation of 1.96. This is a 95% confidence level

P = represent the part of the target population estimated to have measured characteristics

q = 1-p thus (1-0.5) = 0.5

d = this is the statistical significance required (accuracy = 0.05 level desired).

Having no estimate available of the proportion in the target population assumed to have the characteristic of interest, 50% or 0.5 will be used in the equation to get the sample size.

$$\text{Thus } n = \frac{(1.96)^2 \times (0.50) \times 0.50}{0.05^2}$$

$$n = 384$$

This formula gives our n to be 384 (Table 3.3 and 3.4), but the researcher assumed a non-response rate of 5 %.

Table 3.3: Sample Size of respondents

Category	Number of elements	Sample size
Customers	177,950	384

Table 3.4: Customer sample size per branch

Branch Code	Branch Name	N	n
1	Kiambu Branch	13376	29
2	Githunguri Branch	8035	17
4	Gatundu Branch	9723	21
5	Thika Branch	16538	36
6	Murang'a Branch	6957	15
7	Kangari Branch	7789	17
8	Kiria-in Branch	6109	13
9	Kangema Branch	6530	14
11	Othaya Branch	7006	15
20	Kutus Branch	1457	3
32	ThikaMakongeni Branch	3525	8
49	Kagwe Branch	3723	8
51	Banana Branch	6518	14
54	Chuka Branch	3304	7
55	Nyeri Branch	12523	27
56	Karatina Branch	7946	17
57	Kerugoya Branch	9471	20
62	Nkubu Branch	7636	16
63	Meru Branch	13021	28
64	Nanyuki Branch	4890	11
75	Embu Branch	13743	30
76	Mwea Branch	3128	7
86	Maua Branch	5004	11
TOTAL		177950	384

Source (Family bank, 2019)

3.6 Data Collection

The study used both primary and secondary data to answer the highlighted research questions. The primary data was collected via the use of questionnaires. The secondary data used was collected from the Family bank's annual reports. Also, the study used annual reports from the Central Bank of Kenya. Other secondary information was retrieved from the bank's website, www.familybank.co.ke. The method used in administering was through interviews, while others were self-administered. The questionnaire used the method of five-point Likert scale that included open-ended and closed-end questions. The researcher, together with the research assistants distributed the formulated questionnaire to the respondents. A questionnaire is a relevant tool used in data collection as it is easier to formulate and administer (Mugenda&Mugenda, 2003; Babbie, 2010).

To enable the researcher to collect quantitative and qualitative data from the sample, open-ended and closed-ended questions were used. The questionnaire was created using the respondents' relevant background information and an examination of the acceptance of various distribution tactics, including online banking, mobile banking, agency banking, ATMs, and mobile banking. This approach was taken into consideration because it is less expensive and allows for direct information gathering from respondents. The workers of the bank, including those in the branches and the residents of the Mt. Kenya region, received the questionnaires. The CBK reports, company's website, integrated reports, bank disclosures, and the human resource database were some of the published records that were accessed to obtain secondary data.

3.6.1 Pilot Study

A pilot study, also referred to as a feasibility study, is a small-scale preliminary study conducted before any large-scale quantitative research in order to evaluate the potential for a future, full-scale project. It was important for this study because it helped identify any issues with the design, feasibility cost and the time a project will take before a main research is conducted. The pilot was done on 10 % of the sample which formed 38 respondents. In order to assure reliability and validity, the data collection tool was pre-tested before it was given to the respondents. According to Kothari (2004), pre-testing makes sure that the instrument used in the items is understandable to the respondents. Additionally, it must have the same meaning for them. At this step, the questions' clarity was evaluated, and any unjust or unclear constructs were modified. In order to strengthen the validity and veracity of the research findings, the researcher conducted a pilot study. The supervisors at Murang'a University of Technology received the instrument from the researcher for evaluation.

3.6.2 Validity of the Instrument

This section explains the validity and reliability of the data collection instrument. According to Mugenda (2013), validity pertains to the precision of the measurement and the significance of conclusions drawn from research findings. The extent to which data analysis accurately depicts the topic that the researcher is researching is another definition of validity. Validity demonstrates how closely a sample item under test corresponds to the theoretical concept it was intended to test (Noble and Smith, 2015). It determines whether the equipment is measuring the desired results. 10% of the respondents were given the questionnaires to complete as a pretest, and where problems were found, the

instrument was edited to guarantee content, face, and construct validity. Face validity examines how the questionnaire appears in terms of feasibility, readability, formatting, the consistency of the language employed and style, as well as the appearance of the questionnaire in terms of readability and feasibility. The researcher's subjective evaluation of the relevance and presentation of the measuring equipment is another way to describe face validity. This speaks about the instrument being reasonable, pertinent, straightforward, and clear (Oluwatayo, 2012). The questionnaire was examined by the supervisors, who gave their opinion that it satisfied the requirements for face validity.

The degree to which a measurement item accurately represents a content universe that the tool can be used to measure is known as content validity. When creating a new data gathering tool, it is crucial to assure content legitimacy. In most cases, this entails inspecting the instrument to make sure it contains all necessary components and removing any that are unnecessary. Through a review of the literature and presentation of it to the university supervisors for their professional judgment, the researcher applied the judgment approach to establish content validity (Straub *et al.*, 2004). Content validity entails how representative the questions are (Field, 2009). The questions were carefully selected to ensure content validity and comprehensively covered the full range of the construct under investigation. This was made possible by seeking expert opinion. Cooper & Schindler (2008) posit that to test for content validity, the opinion of at least three experts is sufficient for research work. The experts from Murang'a University went through the questions and concluded that they were complete and useful for measuring study variables.

3.6.3 Reliability of the Instrument

The concept of stability or repeatability is known as reliability. According to Orodho (2009), reliability is the extent to which a particular measuring process repeatedly yields the same results. The degree to which a test, questionnaire, observation, or other measurement process yields the same results on successive trials is also the definition reliability. It is, in essence, the consistency or stability of scores throughout time or across raters. For the assurance that the outcomes of asking similar questions were the similar across time, the researcher employed the test-retest methodology. It required giving the identical instruments to the same subjects repeatedly, but at separate times. The consistency of measuring devices over time is known as stability reliability (test, retest reliability). To assess the instrument's stability, a measurement or test was repeated on the same people at a later time. To gauge stability, the outcomes were compared and connected to the initial test. 10% of the sample was subjected to pre-testing. Cronbach's alpha was used to test the internal constituency, and it was 0.7(Bain, 2017). Once a pilot study with 38 participants was completed, the study tested the dependability of the research tools. This was in line with Huang, Lee, Kim, and Judge's (2013) assertion that a pilot study with 10% of the sample is adequate for conducting research pilot study. The respondents who took part in the pilot study were not included in the primary investigation. Table 3.5 displays the test's outcomes.

Dikko (2016) asserts that when an instrument or test is reliable, an impartial observer or researcher ought to be able to obtain the same dependable results. A researcher would not

be able to establish theories, come to reasonable conclusions, or generalize the research findings if the instrument was unreliable. Random mistake has an impact on an instrument's dependability. The definition of random error is the departure from an accurate measurement caused by elements that the researcher did not definitively address. The instrument's dependability declines as this inaccuracy grows. The instrument's inaccuracy, the researcher's inaccuracy in scoring, and random error all contribute to the random error. A data gathering tool's internal consistency is evaluated using the Cronbach's alpha formula (Table 3.5). When the readings are larger than 0.7, the consistency is considered satisfactory (Ursachiet al., 2015).

Table 3.5: Test for reliability

Independent variables	Cronbach's alpha (a)	Description
Mobile banking	0.705	Acceptable
Agency banking	0.748	Acceptable
Internet banking	0.672	Acceptable
Automatic Teller Machines	0.824	Acceptable
Intervening variables	0.753	Acceptable

The reliability of a data collecting instrument is a critical component of data collection because it estimates the degree to which the research instrument yields the expected measure of the constituency (Crano & Brewer, 2002). According to Huang, Lee, Kim and Judge (2013), reliability can be established by conducting a pilot test to ensure research instruments yield consistent results after repeated trials. Reliability is considered good where the alpha coefficients are above 0.6. Ehlers (2000) states that a Cronbach alpha coefficient of 0.6 on predictor variable is considered acceptable. The study used a threshold alpha coefficient of 0.6. The Cronbach for mobile banking, agency banking,

Internet Banking ATMs, and Intervening variables were 0.705, 0.748, 0.672, 0.824, and .0753, all above 0.6 the acceptable value.

3.6.4 Data collection procedure

The primary data was collected using questionnaires. The questionnaires were dropped to the respondents and later collected. The research hired four research assistants who helped in assisting the respondent and in the distribution of the instrument in various branches. The researcher sought permission to conduct research from the human resource department of Family Bank Limited and was issued with a letter of authorization (appendix III). Permission was also sought from the National Commission for Science, Technology and Innovation. The application was done online upon payment of requisite fees and it was granted via a research license (Appendix IV).

3.7 Analysis and Presentation

Data organization, interpretation, and presentation all fall under the category of data analysis. The investigation, testing, categorization, and tabulation of the quantitative and qualitative information to address the central claim of the study are also examples of data analysis (Yin, 2003). Data analysis was mostly used to compile the information gathered and arrange it so that it could be used to answer the study questions. To make sure the data was accurate and consistent, it was first edited. To make entering the data into the statistical software for social sciences easier, the data was further coded to turn it into numerical codes. This study employed computer-based software, Statistical Package for Social Sciences, to analyze data using both qualitative and quantitative methods to find the answers to the research questions. This assisted the researcher in comprehending the

descriptive, inferential, and frequency statistics. Inferential statistics used correlation and regression analysis to explain the relationship between the dependent and independent variables, while descriptive statistics gave percentages and standard deviations.

To determine the strength of the relationships between the variables and the relationships hypothesized at a 5% significant level, the study used multiple linear regressions. The coefficient of determination (R^2) from the regression analysis was used to determine the explanatory power of the model. To ascertain the significance of the variables on the dependent variable, an ANOVA was used. The significant value of 0.05 was used to compare the p-values of the F-statistic. The outcome was used to determine the statistical significance of the model for more inferential statistical analysis. The results were presented in form of text, figures, bar graphs, pie charts, percentages, and frequency distribution tables. Diagnostics tests were conducted to test for normality, homoscedasticity, and multicollinearity. These tests were carried out to ascertain the suitability of the data.

Model Specification

The following was the model used:

$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \mu$ where dependent variable is Y and independent variables are X1, X2, X3, X4.

Y-product uptake

X₁- mobile banking

X₂-agency banking

X₃- Internet banking

X₄-Automatic Teller machine

α -constant

μ -error Term

3.8 Ethical Considerations

Mugenda (2011) asserts that systematizing, defending, and advocating ideas of appropriate and inappropriate behavior are all parts of ethics. The collection of values and principles that address what is right and wrong when performing research constitutes the ethical considerations in research. The study requested a letter of authorization from Murang'a University of Technology and permission to conduct research from the National Commission for Science, Technology, and Innovations (NACOSTI). The study made sure all information sources were recognized and the research protocols were followed. Before distributing the questionnaire, the researcher obtained the respondent's permission and advised them of their right to decline participation in the study. To respondents' identities were kept private, and the data they submitted was only used for the purpose of this study. This is done to encourage participants to participate honestly and willingly (Zickmund & Babin, 2010). For the purpose of this study, the researcher did not gather data on names, telephone numbers, physical addresses, or any other form of identification to ensure the confidentiality of the consumer information.

3.9 Chapter Summery

The chapter looked into the methods used in the research. It explained the research designs applied which included the descriptive research design and the correlation research design

The chapter also discusses details of the location of the study which was the Mt Kenya region comprising 23 branches. The target population was 177,950 customers from which a sample of 384 was drawn using a simple random method. The formula used to arrive at the sample size is also explained in this chapter. Further, it explained the data collection procedure which was via questionnaires and annual reports from Family Bank and the Central Bank of Kenya. The questionnaires were administered to the respondents by the researcher and the research assistants. A pre-test was done on 10% of the sample to test for reliability. It also explains how the data was obtained, coded, analyzed interpreted, and presented in form of text, charts, bar graphs, pie charts, and percentages. The chapter also discussed how the regression model was to be fitted to explain the relationship between the dependent and the independent variables. Finally, the chapter discussed the ethical considerations that were to be made which ensured that the research followed the research ethics required. These included asking for permission from the respondents to engage in research, confidentiality and informing the respondents of their rights to withdraw from the research.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

The chapter looks at the data analysis, findings and discussion of the digital distribution strategies on uptake of the banks' products and the services in Family Bank Limited in Kenya. The chapter comprises the following sections: response rate, education, Age Marital status level, biographic characteristics, descriptive analysis, Z-tests, and regression analysis.

4.2 General and demographic Information

4.2.1 Response Rate

The researcher administered a total of 384 questionnaires with pick and drop used primarily for internal respondents and others were administered in terms of an interviews assisted by the research assistants. The interview was conducted to customers randomly selected from the 23 branches in Mt Kenya region. The questionnaires fully responded to were 354 which was a response rate of 92%. According to Fincham (2008), a response rate above 80% is good enough for research work.

4.2.3 Education Level

The respondents' level of education is as indicated in Table 4.1

Table 4.1: Level of education

Level	N	Percentage (%)
Postgraduate	8	2.26
Undergraduate	66	18.64
Diploma	79	22.32
Certificate	120	33.90
Other	81	22.88
Total	354	100

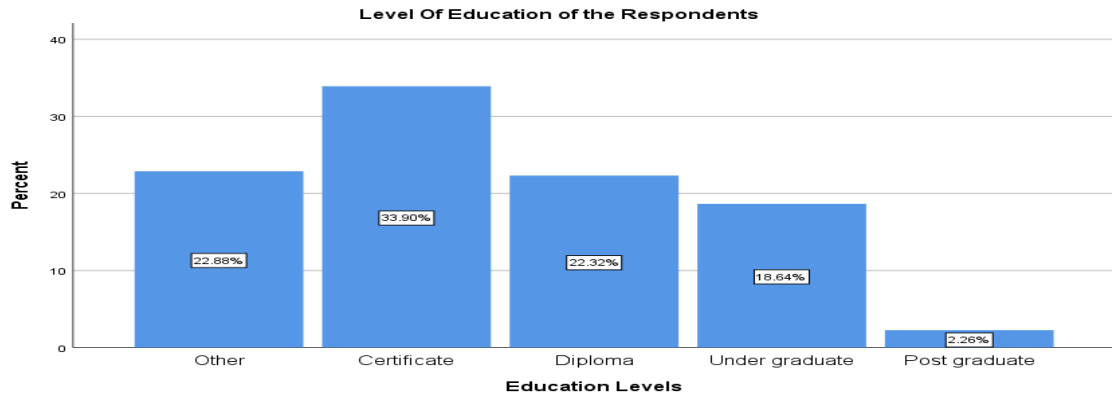


Figure 4.1: Education level

Most Family Bank customers who responded to the questionnaires are holders of the certificates with 33.90% of the respondents. Other level, lower than certificates followed with 22.88% then diploma level at 22.32%. The undergraduate level consisted of 18.64% and 2.28% consisted of respondents with postgraduate qualifications (Table 4.1, Figure 4.1). This implies that Family bank should target people with certificates and diplomas in services uptake and penetration. The institution should also target customers with other qualifications higher or lower and offer adequate training to enable everyone use the distribution strategies.

4.2.4 Gender of Respondents

Table 4.2: Gender of Respondents

Level	Number	Percentage (%)
Female	163	46.05
Male	191	53.95
Other	0	0
Total	354	100

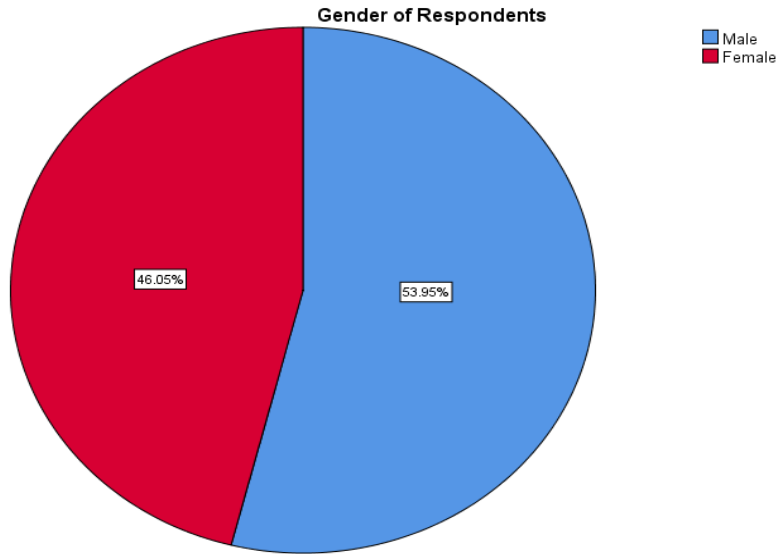


Figure 4.2: Gender of Respondents

The sample that participated in this research work comprised 46.05% Females and 53.95% Male (Table 4.2, Figure4.2). It implies the distribution of services among gender is fairly equal, and the Family bank should consider both genders in activities related to distribution strategies penetration. The bank should concentrate on both genders when developing products and services and distributing them through available distribution strategies.

Table 4.3: Age of the respondents

Age	N	Percentage (%)
18-25	59	16.76
>25-35	98	27.56
>35-45	98	27.56
>45-55	53	15.06
Above 55	46	13.06
Total	354	100

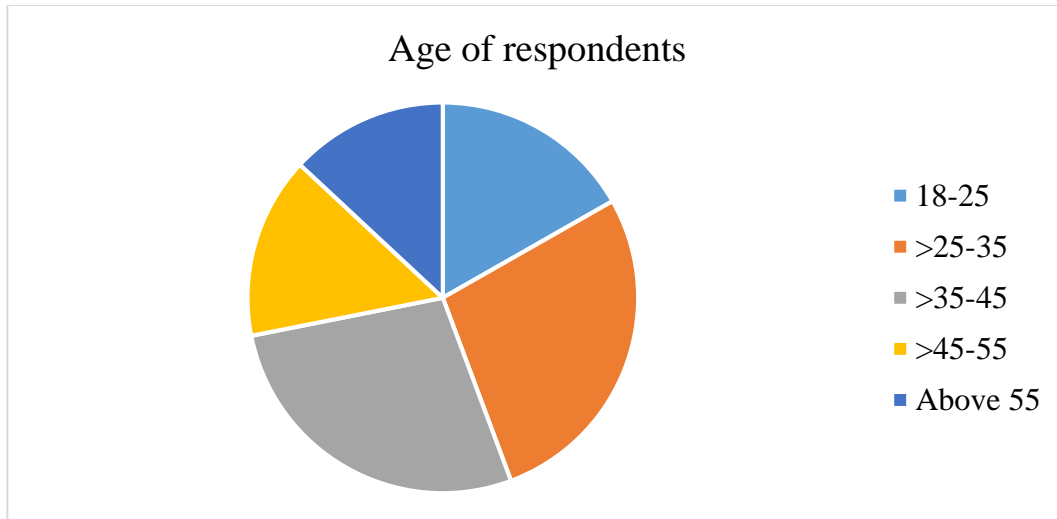


Figure 4.3: Age of the respondents

The study results showed that most of the Family bank customers from the Mt.Kenya region are middle-aged, with 27.56% of the responses drawn from people aged between 26-35 years. People aged between 36-45 took the same portion (Table 4.3, Figure 4.3). These ages are the area of concern when considering the growth of the bank and products and services uptake. The bank should come up with a plan to penetrate age groups.

4.2.5 Respondents relationship with the bank

Table 4.4: Relationship with the bank

Relationship with the bank	n	Percentage (%)
Customers	324	91.53
Staff (Internal customers)	30	6.47
Total	354	100

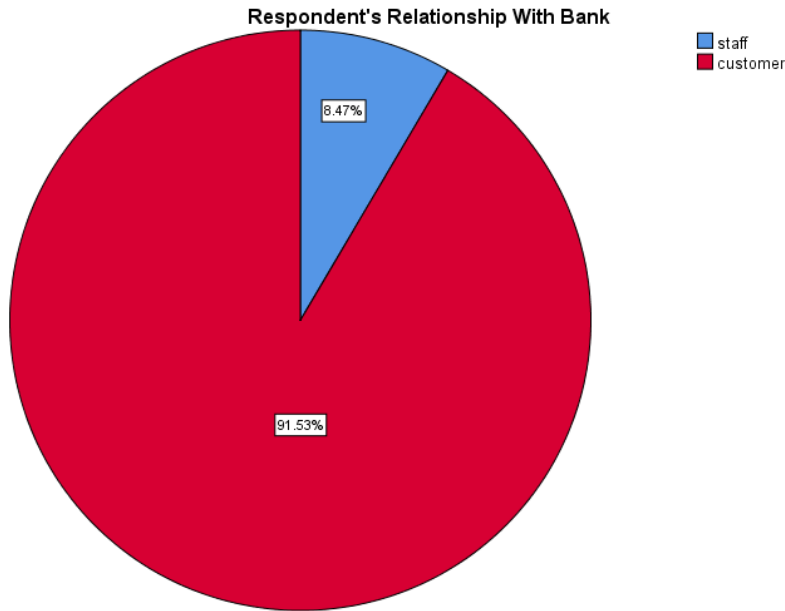


Figure 4.4: Relationship with the bank

The study established that 91.53% of the respondents were customers, while the staff members formed 8.47%.

4.2.6 Number of Years Banked with a Family Bank

The results of descriptive analysis (table 4.5, Figure4.5) indicate that 45.76% of the customers have been with Family bank for less than five years, 6-10 years: 36.16%, 11-15 years: 10.17%, and above 15 years: 7.91%. There are few customers who remained loyal for more than fifteen years. This should prompt the bank management to develop ways of ensuring customer retention through deepening relationships.

Table 4.5: Years as a Family Bank customer

Years of association with a family bank	n	Percentage (%)
<5 years	162	45.76
>5-10	128	36.16
>10-15	36	10.17
>15	28	7.91
Total	354	100

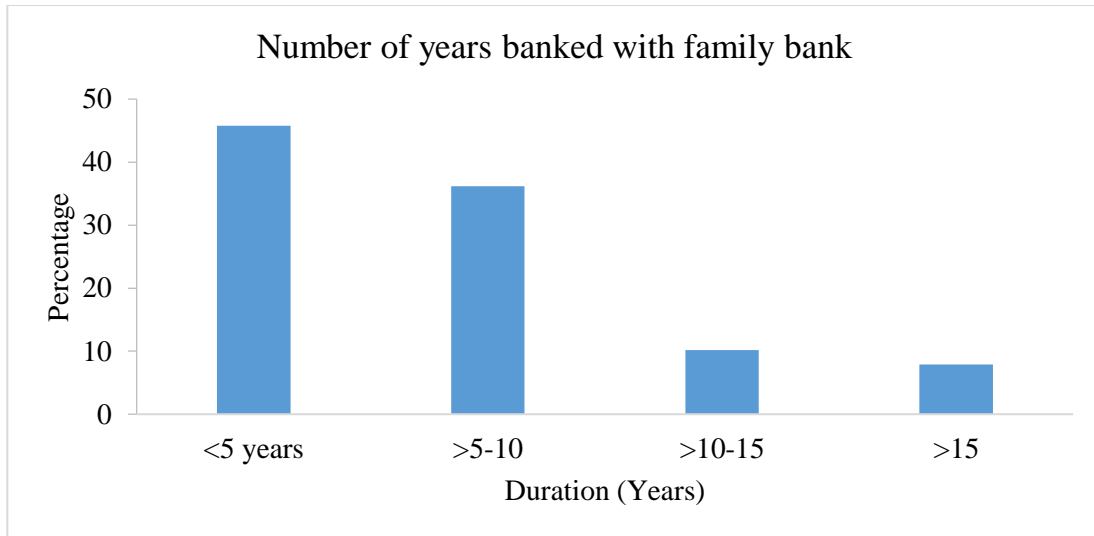


Figure 4.5: Years as a Family Bank customer

4.2.7 Customer Usage of Distribution Strategies

Table 4.6 and figure 4.6 below show that 36% of customers' use agency banking, 31% use mobile banking, and 30% use ATMs, and only 3% of the respondents reported using Internet banking. This concludes that, while customers have evenly adopted the three distribution strategies, internet banking has not penetrated as the other products and services distribution strategies. The bank's management should invest in marketing and advertisements to onboard more customers on all the platforms. This will lead to more customer onboarding and increased product and service uptake.

Table 4.6: Distribution usage

Years of association with a family bank	n	Percentage (%)
Mobile	110	31
Agency	127	36
ATM	106	30
Internet	11	3
Total	354	100

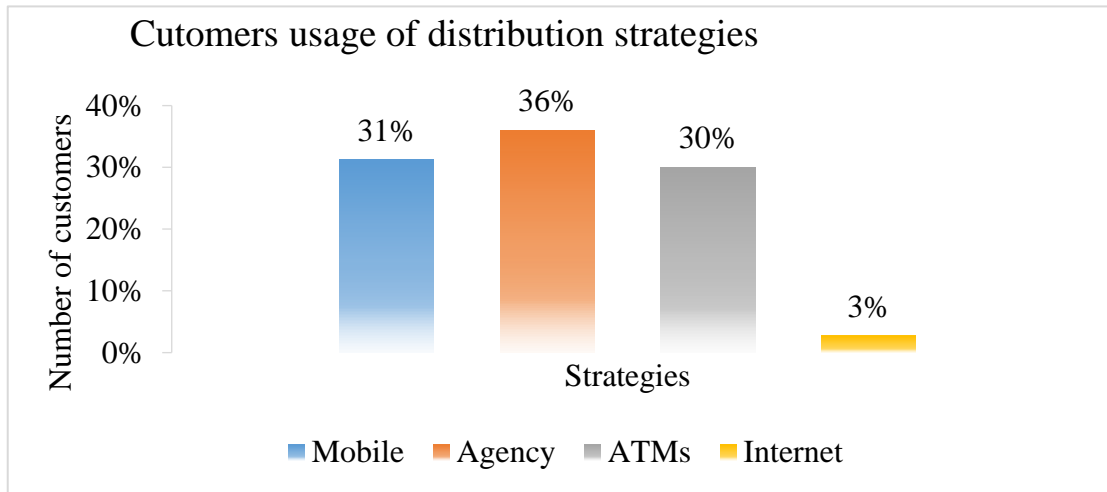


Figure 4.6: Distribution usage

4.2.8 Respondents' Marital Status

Table 4.7: Marital status

Marital status	n	Percentage (%)
Married	226	63.84
Single	124	35.03
Divorced	4	1.13
Total	354	100

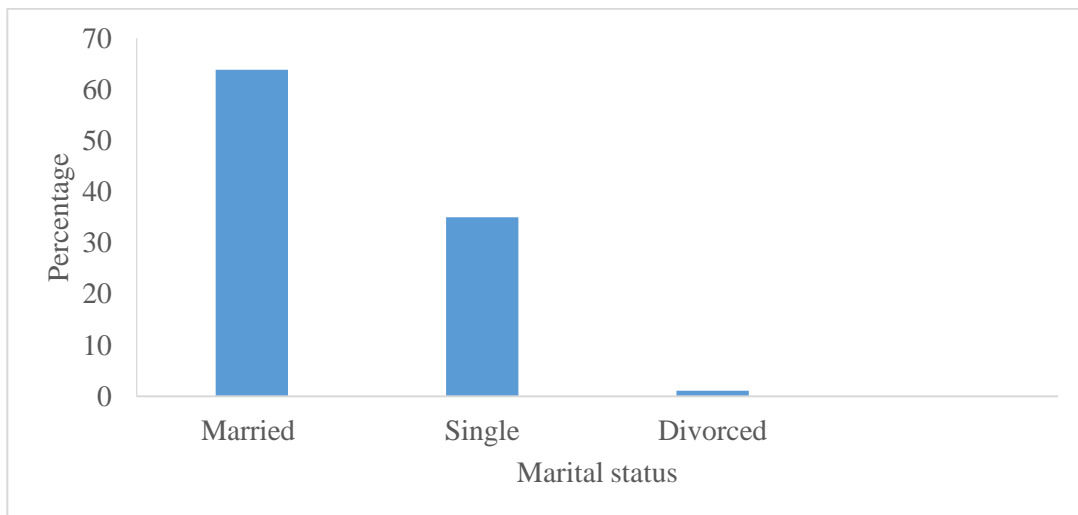


Figure 4.7: Marital status

The study established that 63.84% of the customers who use distribution strategies are married. This market niche should be explored as it has the highest number of users who can potentially be on boarded to improve uptake and overall bank performance in terms of profitability. This category of customers was represented by 63.84%. The study's main aim was to establish the influence of distribution channels on products and services uptake. The results are important to the management when they make policies and marketing plans to know the exact time, language, and types of marketing to reach this market segment.

4.2.9 Income Source

Table 4.8: Source of income

Source of income	n	Percentage (%)
Employment	129	36.44
Self-employed	118	33.33
Farming	83	23.45
Others	24	6.78
Total	354	100

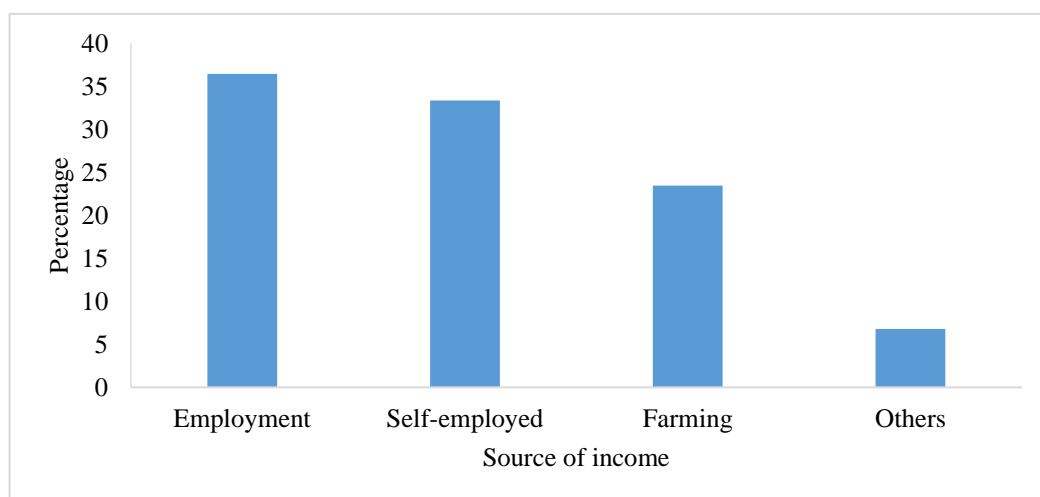


Figure 4.8: Source of income

The income source for most income Family bank customers is employment, represented by 36.44% of the customers; self-employment with 33.33%, farming 23.45%, and other sources comprise 6.78% (Table 4.8, Figure 4.8). When designing Family Bank products and services uptake, they should be considered to reach employed and self-employed people as they are the majority of Family bank customers. When marketing products and services, this niche is crucial to annex desired levels of uptake by Family Bank products and services.

4.3 Descriptive Statistics

This study looked at the influence of four distribution tactics on the acceptance of services and products of Family Bank. Firstly, at least six parameters were used to measure the uptake of several services in each distribution strategy. These included the availability of distribution strategies, reliability, user-friendliness, convenience, and cost-effectiveness. Descriptive statistics, which include measures of central tendency, mean, median, mode, and frequencies, were used to determine to what extent each distribution strategy influences the uptake of Family bank products and services. The analysis is based on data collected by the researcher using a questionnaire as some customers use different distribution strategies to access their bank accounts. Customers may not take up all the services for a particular distribution strategy.

4.3.1 Descriptive Statistics for influence of Mobile Banking

The respondents were asked to report the influence of Mobile banking on several services based on seven parameters on a five-point scale. The results of the analysis were as the table 4.9.

Table 4.9: Descriptive Statistics for availability and uptake

Variable	n	Mean	Std. Error	Std. Deviation
Balance Enquiry	96	4.82	0.057	0.562
Statement Request	40	4.8	0.114	0.723
Fund transfer to own account	24	4.75	0.183	0.897
Agency/Atm Withdrawal	12	4.92	0.083	0.289
One-month loan	16	4.63	0.18	0.719
Salary advance loan	16	4.94	0.063	0.25
Mpesa withdrawal	67	4.82	0.087	0.716
Change of Mobile banking pin	9	3.44	0.58	1.74
Dstv/Zuku/Go tv bill payment	6	3.67	0.667	1.633
NHIF bill payment	6	4.33	0.667	1.633
Tax (KRA) bill payment	3	3.67	1.333	2.309
Water bill payment	5	4.2	0.8	1.789
Statement Enquiry	31	4.94	0.065	0.359

The smallest mean influence of mobile banking availability is 3.44 and a standard deviation of 1.74 on changing the pin service, which implies that customers fairly agreed that the availability of mobile banking influences the change of pin service. In addition, the rest of the services have a rating of above 4, with the highest having a mean of 4.94 and SD=0.065. This implies that they strongly agreed that the availability of mobile banking influences the uptake of services, and a standard deviation of 0.065 means that their rating was homogenous.

The study's conclusions concurred with those of Gutierrez and Singh (2013), who investigated the elements that influence the use of mobile banking techniques. The regulatory framework used in mobile banking was the main topic of the study. This was

achieved by developing an index that allowed the researcher to assess the degree to which mobile banking activities are supported by laws and regulations in 35 different nations. According to the study, both the general population's and the unbanked population's strong utilization of mobile banking services was related to a supportive regulatory environment.

Table 4.10: Descriptive statistics for security influence on uptake

Variable	n	Mean	Std. Error	Std. Deviation
Balance Enquiry	89	4.96	0.027	0.257
Statement Enquiry	31	4.94	0.065	0.359
Fund Transfer to own account	21	4.71	0.197	0.902
Agency/Atm Withdrawal	12	5	0	0
one month loan	13	5	0	0
Salary Advance loan	11	5	0	0
Mpesa Withdrawal	65	4.98	0.015	0.124
Change of Mobile Banking Pin	5	5	0	0
DSTV/ZUku/Go tv bill payment	1	5	.	.
NHIF bill payment	5	5	0	0
Tax(KRA) Bill Payment	2	5	0	0
Water Bill payment	4	5	0	0

The smallest mean rating on mobile security influence on the uptake of services from table 4.10 was 4.71, SD=0.197. This rating of influence was on money transfer services, indicating that customers agreed to a significant extent that the security of mobile banking influences uptake of that particular service. The rest of the services had a higher average rating, with most of them having a mean of 5. This implies that they strongly agreed that the security of mobile banking influences service uptake. The standard deviations were small, which meant the customer ratings were significantly close to each other.

This study supports a survey done by Gutierrez & Singh, who looked at the factors influencing the use of mobile banking strategies (Gutierrez & Singh,2013) The regulatory framework used in mobile baking was the main topic of the study. This was achieved by developing an index that allowed the researcher to assess the degree to which mobile banking activities are supported by statutes and regulations in 35 different nations. According to the survey, both the general public and the unbanked have high usage rates when there is a supportive regulatory environment. The beneficiaries of mobile banking were not completely guaranteed security. Due to the substantial cash flows involved with these distribution techniques, security assurance is of the utmost importance. Because there are numerous other branchless distribution strategies, this study's focused on mobile banking as a branchless distribution approach makes its findings exhaustive.

Ngurari (2015) investigated the elements affecting Kenyan female commercial bank customers' adoption of mobile banking technology. The research design used in this study was descriptive. The study work found that computers are the most often utilized technology and that most female bank clients are skilled in information and communication technology. It was further demonstrated that domestic concerns did not prevent women from adopting technology; the primary motivation for adoption was the desire to save for unforeseen and future catastrophes. The survey also discovered that the security of the channel and ICT technical expertise had a big impact on how many people used the mobile banking service.

The research also resonates with that of Luvanda (2014), who examined the relationship between mobile banking adoption in Kenya and perceived risk. The study found that, rather than the accompanying security threats, most customers were more concerned about how simple it was to utilize mobile banking applications. The study also discovered a correlation between rising mobile banking use and risk factors related to cybercrime. It also proved that, prior to the attacks being spread by criminals, the majority of users were not aware of the possible threats.

Table 4.11: Descriptive statistics influence of reliability

Variable	N	Mean	Std. Error	Std. Deviation
Balance Enquiry	90	4.9	0.053	0.498
Statement Request	37	4.78	0.129	0.787
Fund Transfer to own Account	20	4.65	0.221	0.988
Agency/ Atm Withdrawal	7	4.43	0.571	1.512
One Month loan	11	4.82	0.182	0.603
Salary Advance loan	11	5	0	0
Mpesa Withdrawal	63	4.9	0.067	0.53
Change of mobile Banking Pin	5	5	0	0
Dstv/Zuku/Go tv Bill payment	2	4	1	1.414
NHIF bill payment	5	5	0	0
Tax(Kra) bill payment	2	5	0	0
Water bill payment	4	5	0	0
Electricity	8	4.88	0.125	0.354

Table 4.11 shows that the mean of 4.43 was the smallest average rating of influence of mobile banking reliability with SD=0.571. This rating of influence was on ATM withdrawal using mobile device service; it indicated that customers agreed to a big extent that the reliability of mobile banking influences uptake of that particular service. The rest of the services had a higher average rating, with most of them having a mean of above 4.5. This implies that they strongly agreed that the security of mobile banking influences services uptake. The standard deviations were small, which means the customer rating

was significantly close to each other. To ensure the retention of customers on this platform, the bank's management should always ensure that the platform is always reliable.

Table 4.12: Descriptive statistics for influence of convenience

Variable	n	Mean	Std. Error	Std. Deviation
Balance Enquiry	90	4.9	0.053	0.498
Statement Request	30	4.7	0.174	0.952
Fund transfer to own Account	21	4.62	0.212	0.973
Agency/Atm withdrawal	9	4.33	0.441	1.323
One month loan	12	4.5	0.359	1.243
Salary Advance loan	9	5	0	0
Mpesa withdrawal	67	4.88	0.075	0.616
Change of Mobile Banking pin	6	4.33	0.667	1.633
Zuku/Dstv/Go tv bill payment	1	5	.	.
NHIF bill payment	6	4.33	0.667	1.633
Tax bill payment	3	3.67	1.333	2.309
water bill payment	5	4.2	0.8	1.789
Electricity	9	4.67	0.333	1
Average	90	4.55	0.436	1.164

The average rating of influence of mobile banking convenience was 4.5 with SD=1.16 (Table 4.12). This implies that on a five-point scale, the respondents strongly agreed that the convenience of mobile banking influences services uptake in Family Bank limited. The study findings agreed with Rosen (2013), who studied the influence of mobile banking and agency banking on the Kenyan low-income earners' welfare. The survey primarily focused on the ability to consume, save, and invest as the general well-being of food security and health. The study shows that agency and mobile banking helped to enhance delivery financial services to the unbanked with a lot of convenience. The study

further established that mobile banking and agency banking led to an economic lift in the population's well-being at large.

Table 4.13: Descriptive statistics for influence of cost-effectiveness

Variable	N	Mean	Std. Error	Std. Deviation
Balance Enquiry	86	4.95	0.033	0.303
Statement Request	30	4.73	0.159	0.868
Fund Transfer to own account	18	5	0	0
Agency/Atm withdrawal	10	5	0	0
One month loan	9	4.56	0.444	1.333
Salary Advance loan	10	4.6	0.4	1.265
Mpesa withdrawal at Atm	67	4.94	0.06	0.489
Change of mobile banking pin	6	5	0	0
Dstv/Zuku/Go tv bill payment	2	5	0	0
NHIF bill payment	4	4	1	2
Tax bill payment	3	3.67	1.333	2.309
Water bill payment	4	4	1	2
Electricity	11	5	0	0
Average	20	4.65	0.341	0.813

The average rating of influence of mobile banking cost-effectiveness was 4.65 with SD=0.81 (Table 4.13). This implies that on a five-point scale, the respondents strongly agreed that the cost-effectiveness of mobile banking influence services uptake and the rating of respondents was homogenous due to a very small standard deviation of 0.81. A study by Laukkanen *et al.*, (2007) researched the impact of the costs involved in mobile banking on the acceptance of mobile banking. It was determined that the costs involved in products and services significantly affected the uptake of products and services. These agreed with the descriptive results for the cost-effectiveness of these study findings. The study indicated that the cost of the products and services in mobile banking influenced the level of uptake of the products and services in Family Bank. If the customers perceived

a service offered through mobile banking to be expensive, they would not take it but look for alternative methods of accessing it.

Table 4.14: Descriptive statistics user-friendliness of mobile banking platform

Variable	n	Mean	Std. Error	Std. Deviation
Balance Enquiry	87	4.99	0.011	0.107
Statement Request	30	4.8	0.147	0.805
Fund transfer to own Account	21	5	0	0
Agency /Atm withdrawal	8	4.5	0.5	1.414
One month loan	11	5	0	0
Salary Advance loan	11	4.64	0.364	1.206
Mpesa withdrawal at Atm	62	4.94	0.065	0.508
Change of Mobile banking pin	4	4	1	2
Dstv/Zuku/Go tv bill payment	3	5	0	0
This bill payment	6	4.33	0.667	1.633
Tax bill payment	3	5	0	0
Water bill payment	4	5	0	0
Electricity	10	5	0	0
Average	20	4.78	0.212	0.590

The results of table4.14 established that the average rating of influence of mobile banking user-friendliness was 4.78 with SD=0.59. This implies that on a five-point scale, the respondents strongly agreed that the user-friendliness of mobile banking influences service uptake. The respondents' rating was homogenous due to a very small standard deviation of 0.59. The bank management should use the findings to ensure they maintain a high bar when it comes to the friendliness of use. They should always ensure that if a new feature is added to the existing platform, it should be friendly so that the customers will continue using it.

4.3.2 Descriptive Statistics for Internet Banking

The descriptive statistics are as shown in Table 4.15.

Table 4.15: Descriptive statistics for internet banking

Variable	n	Mean	Std. Deviation	Std. Error
Statement access	4	5	0	0
Balance Enquiry	9	5	0	0
Cheque book order	0			
Statutory Bills payment NNIF	0			
Statutory Bills payment NHIF Penalty	0			
Bills payment Safaricom airtime purchase	0			
Self-internet banking registration	0			
Password reset	0			
View Exchange rates	0			
Money transfer to own account	1	5	.	.
Money transfer to other accounts	0			
International Money transfer	0			
Mass Payment Multiple Mpesa transfers	0			

The study established, as indicated in Table 4.26, that out of 354 customers, only nine accessed internet banking services, indicating that the majority (97%) of customers were not registered for internet banking. The customers who reported to have used it reported to have used three services. In all the parameters for internet banking, the average rating of internet banking influence on services uptake was 5. This shows that they all agreed that internet banking affected the uptake of services. This finding couples the findings from Bello and Dogarawa (2005). They conducted study on how Nigerian consumers were affected by e-banking. They discovered that the majority of Nigerians were skeptical of the advancements in banking technology. The study also revealed that a lot of clients continue to favor branch banking. The survey also discovered that the quality of these e-banking strategies did not satisfy the users.

This was shown by the high number of clients who were registered to use these services but still opted to visit the banking halls for the same services. In the current study, it is true that the customers who used this distribution strategy were relatively low compared to the other three strategies at 3%. This calls for the bank's management to enlighten customers about the advantages of using this platform. The products and services available on this platform are diverse and tailor-made to conduct most of the transactions out of the banking hall. The customers who use this platform are quite tech-savvy because it entails using the bank website to log in and navigate through various offerings. This was the reason such low numbers adopted the strategy. The management should come up with a market niche with savvy people in terms of technology use, such as colleges and Universities, to increase uptake.

4. 3.3 Descriptive Statistics for Agency Banking

Table 4.16: Descriptive statistics for convenience of Family bank agents' distribution

Variable	n	Mean	Std. Deviation
Make Deposit	61	4.95	0.384
Make Withdrawal	81	4.94	0.398
Account Balance Enquiry	23	4.83	0.576
Request mini statement	5	4.2	1.789
Perform M-pesa Transaction	5	4.2	1.789
Pay School Fees	22	4.82	0.853
Pay Nhif Contribution	6	4.33	1.633
Pay utility bills like rent	7	5	0

The study established that most respondents rated the influence of the convenience of Family bank agents (Table 4.15) with a minimum average of 4.2 and a standard deviation of 1.789, with some services having an average influence of 5. Hence, most customers

agreed that the convenience of Family Bank agents affects the uptake of services. The results of this study concur with those of Mwangi (2012), who investigated the use of agency banking by Kenyan commercial banks as a diversification strategy. The study used a descriptive research approach. According to the report, agency banking helped commercial banks diversify their business. Commercial banks employ the agency banking approach to broaden their geographic reach and market their products and services. Since the agency banking strategy offers services that are less expensive, easier to use than traditional branches, and, above all, more convenient for customers. The study suggested that commercial banks use agents and open up their agent channels to clients. It also recommended that the infrastructure for agency banking be enhanced to make it more convenient and easy for customers to use.

Table 4.17: Descriptive statistics for the influence of the proximity of family bank agents

Variable	n	Mean	Std. Deviation
Make Deposit	55	4.65	1.004
Make Withdrawal	73	4.73	0.804
Account Balance Enquiry	33	4.88	0.485
Request mini statement	4	5	0
Perform M-pesa transaction	4	4.75	0.5
Pay school fees	18	4.89	0.323
Pay NHIFContribution	5	5	0
Pay utility bills like rent	7	5	0

Similarly, the response on proximity of Family Bank agents (Table 4.16) was close to that of the convenience of Family bank, and most customers fairly agreed that the proximity of family bank affects the uptake of family bank services. Family banks should ensure that the agents should be distributed to all the areas where their customers reside and ensure that there is financial inclusion even for those unable to reach the banking hall.

This can be made possible by enabling agents to offer all services available in the banking hall. This includes account opening, loan applications, withdrawals, bills payment, and school payments, among other services to attract the unbanked to onboard.

These results concurred with Mosoti and Mwaura (2014), who investigated the factors impacting customers' delayed uptake of agent banking services as a tool for financial inclusion by Kenyan commercial banks. The Nairobi Roysambu constituency served as the location of the research's investigations. The study used a questionnaire as its main data gathering method and a descriptive research design was adopted. According to the survey, agency banking service fees, transit costs, poor agent coverage, agent reliability, security and power outages, and agent trustworthiness were some of the issues that affected the adoption of agency banking services. The study also found that most of the agents had issues with liquidity, which prevented them from providing their clients with satisfactory service.

Table 4.18: Descriptive statistics for the influence of security of Family bank agents

Variable	n	Mean	Std. Deviation
Make Deposit	72	4.71	0.895
Make withdrawal	97	4.79	0.776
Account Balance Enquiry	39	4.97	0.16
Request mini statement	7	5	0
Perform Mpesa transactions	5	4.8	0.447
Pay school fees	21	4.95	0.218
Pay NHIF utility bill	7	5	0
Pay rent utility bill	8	5	0

The influence of security Table 4.17 indicates that the service with a minimum average rating was making a deposit with 4.71 and a standard deviation of 0.895. The rest of the services had a higher rating. It implies that the security of Family Bank agents affected

the uptake of services. The study findings agreed with Aregahegne (2015) who evaluated the factors impacting the adoption of agency banking in Ethiopia. In the study, a survey research approach was adopted, and 363 of 399 questionnaires that were eligible for analysis were gathered. Customers of Lion International Bank S.C., United Bank S.C., Cooperative Bank of Oromia and Commercial Bank of Ethiopia were among the members in sample population. For ordinal regression analysis, version 13 of STATA was used, and for descriptive statistical analysis, version 20 of SPSS. The adoption of agency banking products in Ethiopia was found to be highly influenced by performance expectancy, effort expectancy, and perceived risk. The study found that banks might use public awareness campaigns including cross-selling, marketing, and promotion to gain competitive advantages and attract new clients. Commercial banks should engage in rigorous training of agents to be equipped with knowledge of all products available. This will help the agents to serve customers all the time as opposed to banking halls with limited service time.

Table 4.19: Statistics for the cost-effectiveness of Family bank agents

Variable	n	Mean	Std. Deviation
Make Deposits	68	4.76	0.794
Make Withdrawal	90	4.83	0.691
Account Balance withdrawal	37	4.68	1.002
Request mini statement	4	5	0
Perform Mpesa transactions	4	4.75	0.5
Pay School fees	24	4.92	0.282
Pay NHIF contribution	5	5	0
Pay rent utility bills	7	5	0

The service with a minimum average rating was balance inquiry with 4.68 and a standard deviation of 1.00 and the rest of the services had a higher rating (Table 4.18). It implies that the cost-effectiveness of Family Bank agents affected the uptake of services. This

indicates that customers are satisfied with the charges at agent outlets. The management should maintain the level of charges because it is one of the reasons why customers prefer to use this platform as opposed to visiting the branches. It saves the cost for the bank because it reduces the human resources required to serve in commercial banks branches and grows revenue from charges.

Table 4.20: Descriptive statistics for the reliability of agents

Variable	n	Mean	Std. Deviation
Make Deposit	67	4.79	0.729
Make withdrawal	99	4.86	0.515
Account Balance Enquiry	39	4.85	0.366
Request mini statement	4	5	0
Perform Mpesa transaction	4	5	0
Pay school fees	23	4.91	0.288
Pay NHIF contribution	5	5	0
Pay Rent utility bill	8	5	0

The study established from table 4.19 that the service with a minimum average rating was cash deposit with 4.79 and a standard deviation of 0.729. The rest of the services had a higher rating. It implies that Family Bank agents were rated reliable and affected the uptake of products and services. The findings disagree with the conclusions from Musau and Jagongo (2015) examined how agency banking affected the performance of particular banks in Nairobi County. The study focused on four main Commercial Banks in Kenya and used a descriptive research. The study found that the performance of commercial banks was adversely impacted by the amounts of liquidity at the agency point. Contrary to the results of this study, which showed that the agents were reliable, this suggests that agency banking was unreliable.

The study came to the further conclusion that most customers who were unable to transact became irritated owing to a lack of liquidity. The survey also found that top management, quality control processes, and individual agent accountability are some of the requirements in agency banking. The results of the study also revealed that agency performance was significantly impacted by the infrastructure expenditures associated with agency banking as well as the security concerns involving agency banking. This study used a descriptive research design and had a specific focus on the four banks. Due to this, the study cannot be fully extrapolated to the commercial banks operating in the Kenyan context, a gap that this study filled.

Table 4.21: Descriptive statistics for family bank agents operating hours

Variable	N	mean	Std. Deviation
Make Deposit	68	5	0
Make withdrawal	90	5	0
Account balance Enquiry	29	5	0
Request mini statement	3	5	0
Perform Mpesa transaction	4	5	0
Pay school fees	24	5	0
Pay NHIF contribution	5	5	0
Pay rent utility bills	5	5	0

The findings of Table 4.20 show that the average rating of agents' operating hours was five, and all the service ratings had a smaller standard deviation. This showed that most of the respondents strongly agreed that Agents operating hours affect the uptake of services. Small standard deviations mean that the rating of respondents was significantly similar. The institution should always ensure that the agents are open in stipulated time and remain available to the lapse of that time. This is because, to the study, operating hours influence the number of products and services taken by customers. The bank's

interest here would be to have as many services as possible accessed through the agent outlets and, therefore, should ensure compliance with opening hours' guidelines.

4.3.4 Descriptive Statistics for Automatic Teller Machines

Table 4.22: Descriptive statistics for the proximity of ATMs

Variable	n	Mean	Std. Deviation
Deposits	33	4.85	0.442
Withdrawals	98	4.76	0.8
Mini Statement	11	5	0
Balance Enquiry	24	4.79	0.833
Salary Advance	1	5	
Mpesa Withdrawal	0		
Airtel money withdrawal	0		
Change Debit Card pin	5	5	0
Transfer money via pesa link	0		
Pay electricity bill	0		

The results of table4.21 establish that respondents rated on average 4.85 that proximity of ATMs influenced Deposits, 4.76 withdrawals, 5 mini-statement, 4.79 balance enquiries, 5 for salary advance, and 5 for cheque deposits. All the 6 services were rated with a response of above 4, meaning that they fairly agreed that the proximity of Agency banking influenced products and services uptake. These findings should help commercial banks management teams develop a plan to ensure an ATM is located near the customers in various market centers. This can be made possible by having off-site ATMs to serve customers who are far from the branches. Further, it should be in the bank's interest to ensure all customers who are in a position to use technology are issued with the debit cards and enlightened on their use at agent outlets.

Table 4.23: Descriptive statistics for the cost-effectiveness of ATMs

Variables	n	Mean	Std. Deviation
Deposits	33	4.91	0.384
Withdrawal	95	4.8	0.752
Mini statements	11	5	0
Balance Enquiry	24	4.96	0.204
Salary advance	1	5	.
Mpesa Withdrawal	0		
Airtel money withdrawal	0		
Change Debit Card Pin	5	5	0
Transfer money via pesa link	0		
Pay Electricity bill	0		
Register for Mobile Banking Services	0		
Register For Order cheque books services	0		
Cheque Deposit	0		
Average	13	4.945	0.268

For all the services respondents rated on ATMs (Table 4.22), a minimum average of 4.8 ratings was reported, and $SD=0.752$. This shows that they strongly agreed that cost-effectiveness played a role in the uptake of services. It was the same for all other parameters of ATM. The management should always ensure that customers are issued debit cards because they save on transacting costs.

Table 4.24: Descriptive statistics for the security of ATMs

Variable	n	Mean	Std. Deviation
Deposits	33	4.79	0.781
Withdrawals	99	4.93	0.435
Mini Statement	11	5	0
Balance Enquiry	24	5	0
Salary Advance	1	5	
Mpesa withdrawal	0		
Airtel Money withdrawal	0		
Change Debit Card pin	5	5	0
Transfer money via pesa link	0		
Pay Electricity bill	0		

In the ATM security parameter, the service rated with a minimum average was deposit with the average mean and standard deviation of 4.79 and 0.781, respectively. The withdrawal service had an average rating of 4.93 and SD=0.453 (Table 4.23). The rest of the services had an average rating of 5. It indicates that customers strongly agreed that the security of ATMs affects the uptake of the services positively. These findings agreed with the Momanyi (2016) conducted study on the factors determining customers' adoption of digital banking in Kenyan commercial banks. The study concluded that age and sex were demographic factors that affected the use and adoption of digital products. It was also demonstrated that the adoption of digital products and services from commercial banks was influenced by perceptions and attitudes towards digital platforms. The study also discovered that the security issues related to the ICT-based strategy of delivering bank products and services were the key reason that hindered the adoption of the digital platform. Specifically, ATMs, mobile banking, and online banking were the digital platforms used.

Table 4.25: Descriptive statistics for possession of debit card/ATM

Variable	n	Mean	Std. Deviation
Deposits	28	4.93	0.378
Withdrawals	89	4.94	0.232
Mini statements	8	5	0
Balance Enquiry	18	5	0
Salary Advance	0		
Mpesa withdrawal	0		
Airtel Money withdrawal	0		
Change Debit Card Pin	5	5	0
Transfer Money via pesa link	0		
Register for mobile banking services	0		

In ATM possession parameter is 4.24, the service rated with a minimum average was deposit with mean=4.93, SD=0.378, withdrawal service had an average rating of 4.94 and SD=0.232. The rest of the services had an average rating of 5. It indicates that customers strongly agreed that possession of an ATM card influence services uptake. The results are in agreement with Farai and Farai's (2016) study on the adoption of electronic banking in Zimbabwe. Both quantitative and qualitative research designs were used in the study. According to the report, 43% of Zimbabweans have only had access to computers for less than five years. The study also revealed that ATMs and online banking were being gradually adopted by consumers. It would have a long lasting positive effect on the adoption of the two solutions. Customers lacking technical help for usage instructions and commercial banks not spending much on advertising to educate the public on the value of owning ATMs and signing up for internet banking are some of the difficulties identified in this study.

Table 4.26: Descriptive statistics for the user-friendliness of ATM

Variable	n	Mean	Std. Deviation
Deposits	32	4.94	0.354
Withdrawals	95	4.97	0.176
Mini Statement	9	5	0
Balance enquiry	22	5	0
Salary Advance	3	5	0
Mpesa Transaction	0		
Airtel Money withdrawals	0		
Change Debit Card pin	5	5	0
Transfer Money via pesa link	0		
Pay electricity bills	0		

Table 4.17 indicates that customers rated user-friendliness with a minimum average of 4.94, SD=0.354 for deposits, mean=4.8, SD=0.176 for withdrawal service. The rest of the services had an average rating of 5. It indicates that customers strongly agreed that the user-friendliness of an ATM card influences service uptake and the smaller standard deviations indicate that customer reporting was homogeneous. This was in accordance with the conclusions of Agwu (2016), who evaluated the decisive elements linked to the adoption of electronic banking in a few Nigerian states. The study found that ICT-driven technologies were introduced into the banking sector through ATMs, with mobile and internet banking emerging as key players. In order to collect a sample comprising of 450 students for the purpose of this study, a household survey methodology was used. Six assistant lecturers distributed structured questionnaires to the sample. The study posted a 76.36% response rate, 51% of the respondents used ATMs, with a younger demographic dominating in the distribution. Persons over 54 were found to avoid utilizing ATMs and other electronic banking techniques in favor of banking hall services because they found ATMs to be challenging to use.

4.4Diagnostics Tests

4.4.1 Homoscedasticity Test, Levene test

The Homoscedasticity test was tested using the Levene statistic (Table 4.27). The test is a regression assumption that there is a constant variance of dependent variables across a range of independent variables. The study used the criteria of comparing the Levene test probability statistics with significant levels of 0.05 (Brooks, 2014). The hypothesis test was that H_0 ; Equal variance. The p-value > 0.05 means that the variance among the measurements is not significantly different. Thus, we can assume equality of variance.

Table 4.27: Homoscedasticity test

Independent variables	Levene statistic	df	Sig	Verdict
Mobile banking	1.233	1716	0.291	Equal variance: P>0.05
Agency banking	1.590	1797	0.146	Equal variance: P>0.05
Internet banking	1.523	83	0.178	Equal variance: P>0.05
Automatic Teller machines	1.791	1134	0.098	Equal variance: P>0.05
Intervening variables	2.214	861	0.110	Equal variance: P>0.05

The findings in Table 4.27 indicate that the Levene test statistics of 1.233, 1.590, 1.523, 1.791, and 2.214 for mobile banking, Agency banking, Internet banking, Automatic Teller Machine, and intervening variables, respectively. The P values for the indicators were .0291, 0.146, 0.178, 0.098, and 0.110 for mobile banking, Agency Banking, Internet Banking, ATMs, and Intervening Variables, respectively. They all had a significant level

higher than 0.005, as recommended by Warmer (Warmer, 2008). The homogeneity of variance was fulfilled, concluding that the variance for indicators of uptake of products and services was constant.

4.4.2 Normality Test

The study conducted a normality test to determine if the multiple regression analysis models were fit for quantitative data analysis. The normality test was conducted using the Shapiro –Wilk test (Table4.29) and Kolmogorov-Smirnov (Table4.28). Shapiro-Wilk test was conducted to assess the actual degree of departure from normality. The study used a significant level of 0.05. The criteria used were that if the p-value is more than 0.05, meaning that the independent variables are normally distributed and vice versa. Normality test conducted using Shapiro-Wilk test and Kolmogorov Smirnov. The two tests indicated that the data distribution was not significantly different from a normal distribution. The p-value > 0.05 established that the distribution of the data was normal.

Table 4.28: Results of Kolmogorov Smirnov normality test

Independent variables	kolmogorov Smirnov Statistic	Sig	Verdict
Mobile banking	0.170	0.150	Normal Dist: P>0.05
Agency banking	0.192	0.120	Normal Dist: P>0.05
Internet banking	0.208	0.200	Normal Dist: P>0.05
Automatic Teller Machines	0.157	0.149	Normal Dist: P>0.05
Intervening variables	0.215	0.200	Normal Dist: P>0.05

The p-values for mobile banking, Agency banking, Internet banking, ATMs, and Intervening variables using the Kolmogorov Smirnov Normality test were 0.150, 0.120, 0.200, and 0.149, respectively, and 0.200, respectively, all greater than 0.05 concluding that the variables were normally distributed.

Table 4.29: Results of Shapiro-Wilk Normality test

Independent variables	statistic	Sig	Verdict
Mobile banking	0.887	0.089	Normal Dist: P>0.05
Agency banking	0.849	0.072	Normal Dist: P>0.05
Internet banking	0.899	0.249	Normal Dist: P>0.05
Automatic Teller Machines	0.914	0.177	Normal Dist: P>0.05
moderating variables	0.889	0.195	Normal Dist: P>0.05

The p-values for mobile banking, Agency banking, Internet banking, ATMs, and Intervening variables using the Shapiro-Wilk Normality test were 0.089, 0.072, 0.249, 0.177, and 0.195, respectively. All the tests from Table 4.29 had a p-value greater than 0.05. Therefore, the study concluded that the independent variables were normally distributed.

4.4.3 Multicollinearity

Multicollinearity is assessed using the variance inflation factor (VIF). The smallest possible value of VIF is one (absence of Multicollinearity). As a rule of thumb, a VIF value < 10 indicates no Multicollinearity (Table 4.30). The problem of Multicollinearity exists when the independent variables are highly correlated with each other and, therefore, can lead to misleading results (Kothari, 2009).

Table 4.30: Test for Multicollinearity**Collinearity Statistics**

Independent variables	VIF	Verdict
Mobile banking	1.20	No Multicollinearity
Agency banking	1.04	No Multicollinearity
Internet banking	1.03	No Multicollinearity
Automatic Teller Machines	1.06	No Multicollinearity
Intervening variables	1.19	No Multicollinearity

The variance inflation factor for mobile banking, agency banking, Internet Banking ATMs, And Intervening Variables were 1.20, 1.04, 1.03, 1.06 and 1.19, respectively, which were all less than ten as recommended by Kutner, Nachtshein, and Neter (2004). This indicated that independent and intervening variables were not related to each other and, therefore no Multicollinearity problem among the study variables.

Further, the Pearson correlation coefficient was used to examine the presence or absence of correlation between mobile banking, agency banking, ATMs, and internet banking as strategy distributions influencing products and services uptake in Family bank, Central Kenya.

Table 4.31: Correlation analysis for the independent variable

Variables		Mobile Banking	Agency Banking	ATMs	Internet Banking
	Sig. (1-tailed)	0	0	0	0
	N	354	354	354	354
Mobile Banking	Pearson Correlation	1	0.048	0.049	.180**

	Sig. (1-tailed)		0.183	0.177	0
Agency Banking	N	354	354	354	354
	Pearson Correlation	0.048	1	.288**	0.038
	Sig. (1-tailed)	0.183		0	0.237
ATMs	N	354	354	354	354
	Pearson Correlation	0.049	.288**	1	.100*
	Sig. (1-tailed)	0.177	0		0.03
Internet Banking	N	354	354	354	354
	Pearson Correlation	.180**	0.038	.100*	1
	Sig. (1-tailed)	0	0.237	0.03	
	N	354	354	354	354

The study findings showed that there was no significant correlation between mobile banking and agency banking as well as mobile banking and automatic teller machine. Still, there was no correlation between mobile banking and internet banking ($r=0.180$, $p<0.001$) (Table4.31). There was no correlation between agency banking and automatic teller machines ($r=0.288$, $p<0.001$) and no significant correlation between agency and internet banking. Also, internet banking was not correlated to automatic teller machines ($r=0.1$, $p<0.001$). There is evidence that there is no Multicollinearity in the four independent variables predicting uptake of products and services using mobile banking, agency banking, automatic teller machines, and internet banking influence. Hence, there was no Multicollinearity in this study.

4.4.4 Regression Analysis

This study used multiple linear regressions to test the relationship between the number of product services a customer accessed as services uptake and the influence of four distribution strategies; Mobile banking, agency banking, Automatic teller machines, and

Internet banking. The influence of each service was measured on a five-point Likert scale. An average rating of influence from all the parameters for each distribution strategy was used for the number of customers who used a certain strategy. Since the number of customers who used the strategy was not equal, an average of the lowest measure or category of 1 was assumed to solve an emerging problem of missing values in regression caused by unequal customers of different strategies.

The study sought to test four hypotheses which aimed to test the relationship and effect of Mobile banking, agency banking, Automatic teller machines, and Internet banking on product and service uptake. The study sought to determine the extent to which the predictor variables explained variation in the influence of service uptake. Additionally, the study established model significance by conducting an ANOVA test. This was done by computing F statistics and its corresponding P-values. The researcher used the criteria of comparing P-values of F statistics with a significance value of 0.05. If the P-value of F statistics was less than 0.05, the study concluded the model is significant and can be used for further statistical analyses. This was followed by the computation of coefficients of predictor variables, as shown in the table below.

Table 4.32: Regression Model

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate		
	0.991 ^a	0.981	0.980		0.499		
a. Predictors: (Constant), Internet, Agency, Mobile, ATMs							
ANOVA							
Model		Sum of Squares	Df		Mean Square	F	Sig.
	Regression	81115.723	4		20278.931	84.853	0
	Residual	83407.116	349		238.989		
	Total	164522.84	353				
a. Dependent Variable: Number of services							
b. Predictors: (Constant), Internet, Agency, Mobile, ATMs							

Regression Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-16.583	2.157		-7.688	0
Mobile	4.343	0.452	0.373	9.615	0
Agency	4.018	0.453	0.354	8.878	0
ATMs	3.497	0.469	0.298	7.463	0
Internet	4.89	1.27	0.15	3.849	0

a. Dependent Variable: Number of services

As shown in Table 4.19, the adjusted R² was 0.98. This indicated that the four independent variables, mobile banking, agency banking, ATMs, and Internet banking, jointly explained 98% of variations in influencing product and service uptake. The coefficient of determination R was 99.1%, meaning that mobile, agency, ATMs, and internet banking were good predictors of the number of products and services a customer accessed. The resulting model is summarized as follows;

$$Y = -16.583 + 0.373X_1 + 0.354X_2 + 0.298X_3 + 0.15X_4 + \varepsilon$$

Y=Number of services taken

X₁, X₂, X₃, X₄ =Mobile banking, Agency banking, ATMs, and Internet banking, respectively.

ε = Error term

The model results are discussed per each objective and accompanying hypothesis.

(a) Influence of Mobile Banking Strategy

The first objective was to evaluate the effects of the mobile banking strategy on the uptake of products and services in Family Bank. A null hypothesis (H₀₁) was formulated with the assumption that there is no significant relationship between mobile banking and the uptake of the bank's products and services in Family Bank Limited. The regression results

for hypothesis one shown in Table 4.32 indicated that the beta coefficient of mobile banking was 0.373 with a P-value of 0.00. This implies that a unit increase in mobile banking results in a 0.373unit increase in product and service uptake. Therefore, at a $P < 0.05$ level of significance, the null hypothesis is rejected, implying that mobile banking had a positive, statistically significant effect on the uptake of the bank's products and services in Family Bank Ltd.

The positive influence of mobile banking strategy, as indicated in the regression model in Table 4.32, could be explained by the fact that customers prefer banking products and services. This platform makes most of the bank's products and services remotely available to customers. After developing mobile banking, the bank makes the products and services known to customers so that they can consume them. Therefore, the regression analysis results concluded that for every unit increase in mobile banking, it leads to a 0.373 increase in products and services uptake. Commercial banks should invest in mobile banking because it significantly increases product and service uptake. Eventually, the increased uptake will lead to increased revenue from charges and commissions, which will improve the financial performance of the banks.

The study's findings are consistent with those of Kiprop, Ayuma, and Ambrose (2016), who assessed the effect of mobile banking on the operation of commercial banks in Kapsabet town. A descriptive survey design was employed for the investigation. The Management teams, bank clients, department heads, and bank personnel made up the study population. It was decided to use stratified random sampling. It was determined that

there was a strong correlation between mobile banking and bank financial performance ($P < 0.05$). The survey also revealed that the development of the mobile banking platform greatly simplified the process of sending and receiving money. These findings confirm Okiro and Ndungu's (2013) research on the effects of internet and mobile banking on the performance of financial institutions in Kenya. The study found that commercial banks in Kenya used mobile banking services the most frequently and that there was a significant correlation between mobile banking and commercial banks' financial success.

The study further agreed with the findings of Ngurari (2015), who conducted a study on the factors influencing the uptake of mobile banking technology amongst female customers. This study employed a descriptive research design and concluded that female customers had the skills needed; further, the domestic-related issues did not hinder them from adopting the strategy. The study's shortcoming was that it focused on female customers only and hence cannot be generalized to the whole population because males and females have different aspects that may influence uptake differently. This problem has been solved by this study, which looked at how distribution strategies affect how many people use Family Bank's products and services in Kenya.

(b) Influence of Internet Banking Strategy

The final goal was to assess how Family Bank's use of its products and services was influenced by internet banking. With the presumption that there is no significant relationship between internet banking and the use of bank products and services by Family Bank Ltd, a null hypothesis (H_0) was developed. According to Table 4.32's regression

results for theory 4, online banking's standardized beta coefficient was 0.15, with a P-value of 0.00. This suggests that a unit increase in online banking strategy results in an increase of 0.15 units in the use of the product and service. Inferring that there was a significant positive relationship between internet banking and the usage of bank products and services in Family Bank Limited, the null hypothesis is rejected at a $P < 0.05$ level of significance. These results are consistent with those of Aduda and Kingoo (2012), who investigated the relationship between internet banking and the performance of Kenyan banks. It aimed to determine whether investments made on these platforms altered how well Kenyan banks performed. According to the study's findings, e-banking and bank performance are strongly correlated. Acharya et al. (2008) conducted research on how internet banking affects commercial banks' performance. The study found that commercial banks' financial performance improved once they started using internet banking.

The study concurs with Humphrey (2014), who looked into the trends of internet banking's diffusion in emerging nations. This study's major goals were to provide a comprehensive picture of the research needs in this field in developing nations and to pinpoint any remaining research gaps. According to the study, Asia is the continent with the highest concentration of internet banking research, whilst the Caribbean has the lowest concentration. According to the study, Ghana, Nigeria, Tunisia, and Mauritius had conducted the most internet banking research in Africa. The survey also found that some African nations still needed to conduct research on the adoption of online banking. Therefore, this study found that there was a substantial gap in the research on internet banking that has to be filled in order to identify the factors that influence the uptake of

products and services offered using this technique. The study and Nor and Pearson's (2008) investigated the factors influencing the intention to use internet banking. They looked at the connection between belief systems and attitudes toward online banking. The study found that people's adoption of online banking is influenced by their beliefs about the relative advantages, compatibility, and convenience of use, trainability, and image. This study showed that the trust factor is very important in deciding how clients will use internet banking to handle their money.

(c) Influence of Agency Banking Strategy

The second objective sought to investigate the influence of agency banking strategy and uptake of the bank's products and services in Family Bank. A null hypothesis (H_{02}) was formulated with the assumption that there is no significant relationship between agency banking and the bank products and services uptake in Family Bank Limited. The regression results for hypothesis two, shown in Table 4.32, indicated that the beta coefficient of agency banking was 0.354 with a P-value of 0.00. This implies that a unit increase in agency banking leads to an increase of 0.354 in products and services uptake. Therefore, at a $P < 0.05$ level of significance, the null hypothesis is rejected, implying that there was a significant positive relationship between agency banking and the uptake of the bank's products and services in Family Bank Ltd.

These results could also be explained to mean that once a customer is introduced to agent outlets, it leads to an increased uptake of products and services by 0.354. There are a number of transactions that can be done at agent outlets. Some customers visit banking halls, sometimes for lack of knowledge of the products available in the agent outlets. The

results could also be explained to mean that once customers are introduced and trained, it leads to increased product and service uptake. This leads to the conclusion that if more vigorous on-boarding of customers on this platform is done, the uptake will increase.

To a great extent, these results are consistent with the findings of Owiti and Datche (2015), who assessed the strategic options adopted in agency banking by commercial banks to differentiate their products and services offerings. This study targeted the agents of three banks within Mombasa County, Kenya. The study established a significant positive correlation between product and service pricing and performance of agency banking, the quality of customer service, and the performance of agency banking. The study also found that most of the agents' pay came from cash withdrawals and deposits. This is mostly in line with my findings in the descriptive statistics, which showed that cash deposits and withdrawals were the most common services used through agency banking.

These findings also were in agreement with the findings of Makur (2014), who assessed how financial innovations had influenced the banking industry in South Sudan in a five-year study, from 2009 to 2013. The study found that agency banking was one of the factors that contributed to a positive ROA for the banks in Sudan. Therefore, it concludes that encouraging agency banking is a wealth-creating tool for bank stakeholders. The study's shortcoming is that it was carried out in a different country that might be operating in different business and regulatory frameworks. This study, therefore, looked at the influence of distribution strategies on bank products and services uptake in Family bank in a Kenyan setting.

The study's findings are in accordance with those of Mosoti and Mwaura (2014), who looked at what, might be preventing customers from using Kenyan commercial banks' agent banking services as a tool for financial inclusion. The Roysambu constituency in Nairobi served as the location of this study. The study used a descriptive research design and a questionnaire as its primary method for collecting data. The cost of using agency banking services, the cost of transportation, the agents' restricted coverage, their dependability, security, and power outages were all found to have an effect on this usage, according to the study. The majority of the agents, according to the report, experienced liquidity problems that made it difficult for them to give their clients a high-quality level of service. The limitation of this research was that it only examined one branchless banking approach. Additional choices include using ATMs, mobile banking, and online banking. It was difficult to extrapolate the findings to all of Kenya because the study only looked at one constituency, therefore the need for this study.

(d) Influence of Automatic Teller Machines

The third goal was to determine the impact of the ATM strategy on the uptake of products and services. A null hypothesis (H_{03}) was formulated with the assumption that there is no significant relationship between automatic teller machines and the bank's products and services uptake in Family Bank Limited. The regression results for hypothesis three shown in Table 4.32 indicated that the beta coefficient of automatic teller machines was 0.298 with a P-value of 0.00. This implies that a unit increase in ATMs' influence increases service uptake by 0.298 units. Therefore, at a $P < 0.05$ level of significance, the null hypothesis is rejected, implying that there was a positive and statistically significant

relationship between Automatic Teller Machines and the uptake of the bank's products and services in Family Bank Limited. This could be explained to mean that once more customers are directed to use ATMs, it increases products and services accessed through that platform. The findings, therefore, conclude that more customers should be on boarded to use ATMs to increase uptake of bank products and services. This will, in turn, increase revenues from the commission charged, and banks financial performance will increase too.

These outcomes are in agreement with findings from a study by Malak (2014) conducted in South Sudan on banks' adoption of technology and associated financial benefits. ATM transactions represented 42.9924% of technology-mediated transactions, according to the Central Bank of South Sudan's annual reports, which were utilized to collect primary and secondary data using the descriptive study strategy. According to the analysis, financial returns would improve by 2.28 units for every unit increase in ATM transactions. According to the study's findings, ATMs are necessary to improve consumer demand for a bank's services and products. Gichuki (2017) explored Kenyan commercial banks' access to financial services and electronic banking. The bank-led approach, bank-focused theory, financial intermediation theory, and agency theory were among the theories that were considered in the study. The study discovered that the availability of commercial bank products and services was greatly impacted by electronic banking.

The results of Farai&Farai (2016) on the adoption of electronic banking in Zimbabwe are commensurate with the most recent findings. They discovered that ATMs and online

banking were being steadily embraced by consumers. Long-term adoption of the two techniques would be positively impacted, which is consistent with our finding that there is a favorable association between ATM influence and services and products uptake. These findings are in agreement with those of Vekya (2017), who examined the adoption of electronic banking by Kenyan commercial banks. According to a census survey design from CBK publications 43 banks were operating in the nation in 2013. The study found that ATM usage was a significant predictor of bank profitability. ATM card-supported products, such as the POS, served as a primary driver for the uptake of the products, increasing the bank's ROE by 1.662 units for every unit rise in ATM transaction value. The survey also discovered a consistent rise in mobile money deposits, withdrawals, and cash transfers among account holders, which corresponds to our descriptive statistics showing the majority of services used by ATM users, were for withdrawals and deposits.

The findings concur with those of Momanyi (2016), whose study examined the factors that influence customers' adoption of digital banking in Kenyan commercial banks. Age and sex were identified as demographic factors in the study that had an impact on the adoption and use of digital products and services. It was also shown that attitudes and views about digital platforms influenced the adoption of digital products and services by commercial banks. The survey found that the factor that influenced the adoption of the digital platform the most was the security issues related to ICT-based strategies for distributing bank products and services. The digital platforms deployed were specifically ATMs, mobile banking, and online banking.

Summary of the Test of Hypotheses

The table below summarizes the results of the hypothesis tests discussed above.

Table 4.33: Summary of the results of tests of hypotheses

Hypothesis	Results	Conclusion
H01: There is no statistically significant relationship between mobile banking strategy and uptake of the bank products and services in Family Bank Ltd.	Hypothesis Rejected	Internet banking has a positive and significant influence on the uptake of products and services
H02: There is no significant relationship between internet banking strategy and uptake of the bank products and services in Family Bank Limited	hypothesis rejected	Mobile banking has a positive and significant influence on the uptake of products and services.
H03: There is no statistically significant relationship between agency banking strategy and uptake of the bank products and services in Family Bank Ltd.	Hypothesis rejected	Agency banking has a positive and significant influence on the uptake of products and services
H04: There is no statistically significant relationship between ATMs strategy and uptake of the bank products and services in Family Bank Ltd	hypothesis rejected	ATMs have a positive and significant influence on the uptake of products and services

4.5 Z-Test Analysis

This research employed a one-sample test to test whether the respondents responded below the assumed average influence of different distribution strategies. The following were the minor hypotheses tested.

Ho: The average influence of distribution to service is or product equal or below an agreeable rate

H1: The average influence of a distribution to a service or product is above an agreeable rate.

The assumption was made that if a respondent gave a score below 3 on the influence of a distribution strategy on a specific service, then that strategy didn't influence a service. The more the number of significant distribution services, the higher the effect of the distribution strategy in Family bank services and products distribution.

Table 4.34: Z-Tests for Influence of mobile banking on services uptake

Variables	Test Value = 3					
	Z	D	Sig.	Mean	97.5% Confidence	
		f	(2-tailed)	Difference	Lower	Upper
Balance Enquiry	31.789	95	0	1.823	1.69	1.95
Statement Request	15.741	39	0	1.8	1.53	2.07
Fund transfer to own account	9.559	23	0	1.75	1.31	2.19
Agency/Atm Withdrawal	23	11	0	1.917	1.7	2.13
One month loan	9.043	15	0	1.625	1.18	2.07
Salary advance loan	31	15	0	1.938	1.78	2.09
Mpesa withdrawal	20.812	66	0	1.821	1.62	2.02
Change of Mobile banking pin	0.766	86	0.466	0.444	-1.15	2.04
Dstv/Zuku/Go tv bill payment	1	55	0.363	0.667	-1.44	2.78
NHIF bill payment	2	55	0.102	1.333	-0.78	3.44
Tax(KRA) bill payment	0.5	2	0.667	0.667	-7.61	8.94
Water bill payment	1.5	4	0.208	1.2	-1.6	4
Electricity	3.667	67	0.01	1.571	0.3	2.84

The Z-test results from Table 4.34 show that mobile banking statistically influenced the uptake of eight services with a $P < 0.05$. These were; balance inquiry, statement request,

funds transfer, Cash Withdrawal, one-month loan access, salary advance, M-pesa Withdrawal, and electricity bill payment. There were a few services which included payment of other bills such as NHIF, DSTV/Zuku, KRA (Taxes), and water bills which average responses did not agree that the platform has influenced their uptake. Therefore, the majority of services were influenced by mobile banking.

Table 4.35: Z -Test for the influence of agency banking products and services uptake

Variables	Test Value = 3			Mean Difference	97.5% Confidence Interval of the Difference	
	Z	df	Sig. (2-tailed)		Lower	Upper
	Make Deposit	39.667	60		0	1.951
Make Withdrawal	43.797	80	0	1.938	1.84	2.04
Account Balance Enquiry	15.199	22	0	1.826	1.54	2.12
Request mini statement	1.5	4	0.208	1.2	-1.6	4
Perform M-pesa Transaction	1.5	4	0.208	1.2	-1.6	4
Pay School Fees	10	21	0	1.818	1.38	2.26
Pay Rent utility bill	6	6	0.001	1.714	0.87	2.56
Pay NHIF Contribution	2	5	0.102	1.333	-0.78	3.44

The Z-test results from table 4.35 show that agency banking statistically influenced the uptake of five services with a $P < 0.05$. These were; making deposits, withdrawals, account balances, school fees, and rent utility. There were a few services which included payment of other bills such as NHIF, DSTV/Zuku, KRA (Taxes), and water bills which average responses did not agree that the agency has influenced their uptake. However, the majority of services were influenced by agency banking.

The descriptive and regression analysis on ATMs and internet banking were influential in the uptake of products and services. However, Z-scores for these two distributions were not established because of the small number of participants who used them. Hence, they are not as influential as mobile and agency banking.

4.6 Analysis of moderating Factors

It discusses the analysis of moderating factors which include advisement training and customer education as shown in Table 4.36

Table 4.36: moderating factors

Marketing on Distribution Strategies				
Variable	Mobile banking	Agency banking	Internet banking	ATMs
N	89	95	57	74
Mean	3.96	3.86	3.18	3.86
Training on Distribution Strategies				
Variable	Mobile banking	Agency banking	Internet banking	ATMs
N	75	68	47	81
Mean	4.07	4.01	3.6	4.16
Advertisement on Distribution Strategies				
Variable	Mobile banking	Agency banking	Internet banking	ATMs
N	77	69	62	71
Mean	4.47	4.45	3.98	4.41

The level of influence of the four distribution strategies was not the same. There are intervening variables that make some of the strategies have more effects than the rest. This study looked at marketing, training, and advertisement. In table 4.36, the average effects of advertisement were higher than in training and marketing. Mean = (4.47, 4.45, 3.98, and 4.41) for mobile banking, agency banking, internet banking, and ATMs, respectively. This implies that participants extensively agreed that advertisements influence the uptake of family bank products. The average training effects followed the advertisement means = (4.07, 4.01, 3.6, 4.16) for mobile banking, agency banking, internet banking, and ATMs, respectively. This implies that participants agreed that

training influence the uptake of family bank products. The average marketing effects were not as big as that of training and advertisement, with mean = (3.96, 3.86, 3.18, 3.86) for mobile banking, agency banking, internet banking, and ATMs, respectively. This implies that participants agreed that marketing influences the uptake of family bank products.

On the other hand, these intervening factors had higher effects in mobile banking with a mean of 4.47, 4.07, and 3.96 for advertisement, training, and marketing, respectively. Their effects were also increased in agency banking with a mean of 4.45, 4.01, and 3.86 for advertisement, training, and marketing, respectively. The ATMs followed a standard of 3.98, 3.6, and 3.18 for advertisement, training, and marketing, respectively. Lastly, they had less impact on internet banking than on other strategies, with a mean of 4.41, 4.16, and 3.86 for advertisement, training, and marketing, respectively.

4.7 Regression Analysis: moderating Factors

This study conducted another regression model to determine the relationship between the intervening factors, marketing, advertisement, and training, with the uptake of products and services. We also conducted various models to determine the contribution of these intervening factors to the four distribution strategies in the study (Table 4.37).

Table 4.37: Regression analysis for moderating variables

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.912 ^a	0.832	0.832	6.77		
ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	26657.268	3	8885.756	22.558	.000 ^b
	Residual	137865.571	350	393.902		
	Total	164522.839	353			
Coefficients						
Model				Standardized Coefficients (Beta)	t	Sig.
1	(Constant)	3.755	1.976		1.900	0.058
	advert	2.970	0.761	0.218	3.904	0.000
	Training	1.565	0.725	0.122	2.159	0.032
	marketing	2.427	0.646	0.195	3.759	0.000
a. Dependent Variable: Number. Services						
b. Predictors: (Constant), marketing, advert, Training						

4.9.1 Regression model for moderating variables

The adjusted R² for this model was 0.832, implying that the advertisement, training, and marketing explained 83.20% of influencing products and services uptake. The resulting model is statistically significant $F(3,350) = 22.558, p < 0.001$, and it is summarized as follows;

$$Y = 3.755 + 0.218X_1 + 0.122X_2 + 0.195X_3 + u, \text{ where;}$$

Y = number of products and services

X₁ = Advertisement

X₂ = Training

X₃ = Marketing

u = Error term

These results imply that the three factors positively affect services and product uptake. For a unit increase in the advertisement, there is an increase in products and services uptake by 0.218 units. A unit increase in training leads to a 0.122 increase in products and services uptake, and a unit increase in marketing leads to 0.195 increases in the uptake of products and services. Further tests were done to determine the relationship between these factors and each strategy.

Table 4.38: ANOVA for moderating variables

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	0.034	3	0.011	0.062	.980 ^b
Residual	22.362	121	0.185		
Total	22.396	124			

a. Dependent Variable: Mobile

b. Predictors: (Constant), marketing, advert, Training

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.879	3	0.626	2.455	.066 ^b
Residual	35.730	140	0.255		
Total	37.609	143			

a. Dependent Variable: Agency

b. Predictors: (Constant), marketing, advert, Training

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	0.729	3	0.243	2.259	.085 ^b
Residual	12.475	116	0.108		
Total	13.204	119			

a. Dependent Variable: ATMs

b. Predictors: (Constant), marketing, advert, Training

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	0.008	3	0.003	1.591	.287 ^b
Residual	0.010	6	0.002		
Total	0.018	9			

a. Dependent Variable: Internet

b. Predictors: (Constant), marketing, advert, Training

The analysis of variance (ANOVA) is used to determine the influence that independent variables have on the dependent variable in a regression study. The one way ANOVA is used to tests whether there is any statistically significant difference among means of three or more independent groups. ANOVA is better compared to other tests such as two sample t-tests because it results to fewer type1 errors. If there exists no real difference between tested groups. The ANOVAs F ratio will be close to 1.

The research performed four other regression models with each strategy as a dependent variable and the three factors as the independent variable. The results show that no model was significant when the variables were analyzed independently. Hence, statistically, the advertisement, training, and marketing did not have significant effects, as shown in Table 4.38.

4.8 Chapter Summary

The chapter looked into the data analysis, presentations and discussions. The results of the analysis established that the response rate was 92% which resulted in 354 questionnaires being returned. It also established that the gender was well represented at 46.05% females and 53.95% males. The analysis established that the bulk of the customers had banked with Family bank for five years or less therefore need to come up with strategies to improve customer retention. It was established that only 7.91% of customers who responded to the questionnaire had banked with Family bank for fifteen or more. The study established from the descriptive statistics that mobile banking, internet banking agency banking and ATMs influenced the uptake of bank products and services. This finding led to the conclusion that commercial banks should embrace digital distribution strategies to increase the uptake of products and services. The regression

model fitted established that the four strategies were statistically significant in influencing the level of products and services uptake. The fitted beta coefficients were 0.373, 0.15, 0.354 and 0.298 for mobile banking, internet banking, agency banking and ATMs respectively.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

5.1.1 Mobile Banking and Uptake

Mobile banking, agency banking, internet banking, and automatic teller machines are critical in improving bank products and services uptake. They form the main services distribution strategies of current banks in Kenya that leverage on Information Communication Technology. These were the independent variable in this study. In all the analyses, descriptive, regression, and Z-tests have shown that they play a very important role in enhancing bank products and services uptake.

The study established that from the descriptive and the regression analysis, mobile banking was a strategy that was used to access the products and services by 31% of the respondents. The second-highest percentage of customers used this strategy used to access products and services (Table 4.6). The magnitude of influence of product and services uptake three strategies; mobile banking, agency banking, and ATMs were fairly uniform, but mobile banking had a higher influence. The major products and services offered through mobile banking were balance enquiry, statement requests, M-pesa withdrawal, and Funds transfer. While the uptake of services via mobile banking was high, the average effect of its convenience was lower in several services. These were airtime purchases, M-pesa withdrawal via ATM, and Agency withdrawals, among others on Agency banking and Automatic Teller Machines, major products and services were closely similar to that of mobile banking, and also the effects of all the parameters were fairly equal. The study

concludes that mobile banking is a good strategy to increase product and service uptake. The regression results for mobile banking shown in Table 4.32 indicated that the beta coefficient of mobile banking was 0.373 with a P-value of 0.00. This implies that a unit increase in the mobile banking results in a rise in 0.373 in products and services uptake. Therefore, at a $P < 0.05$ level of significance, the study concluded that null hypothesis was rejected, implying that mobile banking had a positive, statistically, and significant effect on the uptake of the bank products and services in Family Bank Ltd.

The study concluded that all the services under mobile banking had a mean average of 4 and above. The study's respondents agreed that mobile banking influenced the level of products and services uptake. The services with a mean of less than four were only use of mobile banking to change pin, payment of KRA, payments of the bill, and zuku/Go tv. The study also concluded that on matters of the security of the platform, all the respondents agreed that the strategy was secure, and they felt all the services taken through this strategy were well secured. This was the same case for the reliability of the strategy except for one service. The service that was unreliable as per this study's findings was the tax payments. The study concludes further that mobile banking cost-effectiveness and reliability influenced the uptake of bank products and services uptake both with a mean of above four.

Gutierrez and Singh (2013) researched on the factors that contribute to the usage of mobile banking strategy. The research main focus was on the regulatory framework employed in mobile banking. This was done by constructing an index that enabled the researcher to

measure the existence of laws and regulations that support mobile banking activities in 35 countries. The study found out that a supportive regulatory framework associated with high usage for the general population as well as the unbanked population. Mobile banking also fell short of providing proper security guarantees for the beneficiaries. Security guaranteed is paramount because of the large cash flows associated with these distribution strategies. The limitation of this study is that it focused on mobile banking strategy usage and did not focus on the uptake a gap that this study to closed.

5.1.2 Internet Banking and Uptake

The fourth objective was to explore the influence of internet banking on the uptake of products and services. The study established that internet banking had more services accessed than any other strategy. The services accessed through this strategy include statement access, balance enquiry, money transfers, bill payments, and self-registration, among others. However, it was also found that only three percent of the Family Bank customers use internet banking.

The findings from the intervening factors showed that they also played a role in improving the uptake of family bank products and services. The overall effects of these factors were in the following order; advertisement, training, and marketing. Implying advertisement had a higher influence than the other two factors. These effects were specific across the four distribution strategies. Mobile banking was the most influenced strategy by all the three intervening factors. The effects were also acceptable for agency banking and automatic teller machines and fairly acceptable for internet banking. The regression results for internet banking indicated that the standardized beta coefficient of internet

banking was 0.15 with a P-value of 0.00. This implies that a unit increase in internet banking strategy leads to an increase in product and service uptake by 0.15. Therefore, at a $P < 0.05$ level of significance, the study concludes that the null hypothesis was rejected, implying that there was a significant positive relationship between internet banking and the uptake of the bank products and services in Family Bank limited.

The study concluded that out of the accessed services by the customers of Family Bank, all had a mean of five, meaning that the customers who accessed it strongly agreed that being registered to use internet banking services influenced uptake of Family Bank products and services. The study's findings further established that customers never accessed services such as payment of statutory bills, airtime purchase, password reset, exchange rate view, and M-pesa transfers. The customers who responded to the questionnaires agreed that the internet banking platform's security, user-friendliness, convenience, and security contributed to the uptake of products and services.

This study's findings are consistent with those of Nor&Pearson (2008), who investigated the factors determining intention to use internet banking. The study looked at how people's attitudes and belief systems related to online banking. The study found that people's adoption of online banking is influenced by their perceptions of the relative advantage, compatibility, convenience of use, trainability, and image. This study further proved the importance of the trust factor in deciding how clients would use internet banking to conduct their financial transactions. The study concurs with Mattila's (2003)

who investigated the factors influencing internet adoption and concluded that users of internet banking will use it provided they have confidence in the system. Customers are less inclined to accept internet banking for use in their daily transactions if they don't feel that their security is assured. According to the study's findings, banks ought to be able to offer a solution to reduce the security risks associated with this platform.

5.1.3 Agency Banking and Uptake

The second objective was to investigate the influence of agency banking on uptake of bank products and services. The results indicated that agency banking was also a significant determinant of products and services uptake. The findings were supported by 36% of the respondents who used the distribution strategy for various banking services. The respondents cited the proximity of Family bank agents, cost effectiveness, availability, security, user-friendliness, and convenience as the factors that encourage them to use Family bank agents. Regression analysis indicated in table (Table 4.19) that there was a positive relationship between agency banking and the number of products and services a customer accesses after the regression analysis (Table 4.32) generated a beta coefficient of 0.354. This indicated that the beta coefficient of agency banking was 0.354 with a P-value of 0.00. This implies that a unit increase in agency banking leads to an increase of 0.354 in products and services uptake. Therefore, at a $P < 0.05$ level of significance, the study concludes that the null hypothesis was rejected, implying that there was a significant positive relationship between agency banking and the uptake of the bank products and services in Family Bank Ltd.

The study concluded that agency banking had an influence on the uptake of products and services in Family Bank. A high number of customers responded to the questionnaire strongly agreeing that all the parameters measured for agency banking had influence except for the reliability. The issue of reliability was brought when the agents failed to meet the liquidity requirements hence not able to complete transactions for customers. The study further concluded that the reliability of Family bank agents was rated low by the respondents because they observed that there were system downtimes in some instances. Therefore, they could not continue with the transactions as planned. The study also concluded that the cost aspect was high as the respondents rated, which could hinder services and product uptake using this strategy.

Makur (2014) assessed how financial innovations had influenced the banking industry in South Sudan in a five-year study from 2009 to 2013. The descriptive survey design was used and sampled 18 of the 28 banks that were operating in South Sudan by 2013. Primary data from questionnaires and secondary data from the annual reports published by the Central bank of South Sudan between 2010 and 2013 was used. The study found that agency banking was one of the factors that contributed to a positive ROA for the banks in Sudan. Tools used in agency banking, that is, transactions on mobile money and ATMs, were found to have facilitated over 24 million in revenues in Sudanese dollars annually with 364,054 transactions. The number of daily transactions was found to be a significant indicator of positive ROA for the banks. Therefore, it concludes that encouraging agency banking is a tool for wealth creation for bank's stakeholders. This agreed with the findings of the study the concluded that commercial banks digital

distribution strategies are statistically significant in influencing level of uptake. The increase in uptake would result in increased revenues that benefits the shareholders.

5.1.4 Automatic Teller Machines and Uptake

The fourth objective was to examine the influence of ATMs on the uptake of products and services in Family Bank limited. The study concluded that 30% of the customers used ATMs to access different products and services from the descriptive statistics (Table 4.6). The parameters such as security, proximity, cost-effectiveness, and user-friendliness of the strategy influenced the uptake of products and services. The study concludes that out of the eleven services offered through this strategy. Customers mostly used to withdraw, balance enquiry, salary advance, mini statement, and change of pin. The study concluded that several services are not accessed through this strategy which included: registering for banking services, electricity payment, and Pesa link transfers, airtime purchase, Airtel money withdrawals, and M-pesa withdrawals.

The regression model in Table 4.32, indicated that the beta coefficient of automatic teller machines was 0.298 with a P-value of 0.00. This implies that a unit increase in ATMs' influence increases service uptake by 0.298 Units. Therefore, at a $P < 0.05$ level of significance, the study concludes that the null hypothesis was rejected, implying that there was a positive and statistically significant relationship between Automatic Teller Machines and the uptake of the bank products and services in Family Bank Limited. This showed a positive relationship between the ATMs and products and services uptake. The study concluded that from the z test, the model was statistically significant after posting

a p-value of less than 0.05. The study further concluded that advertisement, marketing, and training influenced products and services uptake via the Automatic Teller Machine strategy.

5.2 General Recommendations

This section discusses the recommendations suggested by the researcher in the four distribution strategies: mobile banking, agency banking, internet banking, and Automatic Teller Machines.

5.2.1 Mobile Banking Strategy

This study concludes that not all of its products and services were accessed by customers. This was because the customers were unaware of some of the products and services offered through this strategy.

- i. The study recommends that the institution should increase products and services awareness by doing customer sensitization campaigns across different regions in Mt Kenya. Existing customers should be informed of the products and services available through posters at agent shops, advertising in social and mainstream media, and through short message services (SMS) directly to their mobile devices. The institution should survey to investigate the customer perception of the security of the mobile banking platform to ascertain the level of acceptance of the strategy in the society. If the customers perceive the strategy as not secure, they will probably be reluctant to use it. This should be followed by enlightening the customers on the security measures that the bank has taken to ensure that the

services offered through this strategy are secured and there is data integrity to ensure the customers' data is not used for unintended purposes.

- ii. The bank should provide questionnaires to investigate of the customers are aware of different products and services offered. The customers should provide information on the number of products they actually know are in the mobile banking strategy. The institution should conduct an analysis to find out what informs of the products and services offered and what the customers know. The discrepancy of knowledge should be minimized by conducting seminars to educate them on different products available in mobile banking, and a thorough aggressive training should be conducted to ensure that customers actually know how to use them.
- iii. The bank should aggressively map target markets and develop a penetration plan to on board more customers on this platform. The reliability of mobile banking is essential because it gives customers confidence that whenever they need a service, they will get it. Therefore, the bank should endeavor to keep the system network uptime at 100% always.

5.2.2 Internet Banking Strategy

The study established that only 3% of the respondents accessed internet banking. This indicates that the customers are not aware of the strategy. This could be the reason very few customers accessed products and services through the internet banking strategy. Therefore, the study as follows:

- i. The institution may conduct a thorough market activation to sensitize the customers about this strategy. The sample interviewed included internal customers and only nine respondents had actually used the strategy. This is a red flag to the institution, and it is worth noting by the members of management that even staff members who are supposed to guide the customers about the use and benefits did not use it.
- ii. The study recommends that the institution conduct internal training for the staff so that they may pass the knowledge to the customers they interact with daily. This is because once the internal customers are informed about the strategy they will tend to use it and also train the customers they interact with. These engagements with the customers will result to increased uptake of internet banking strategy.
- iii. The study recommends that customers be informed through social media and paid advertisements. The institution may organize seminars to sensitize the customers about the products available on this platform, as well as training on navigating to access different services through the internet banking strategy. Finally, to comfortably use internet banking, one has to be technologically savvy, therefore, the research recommends that the bank identifies a market niche (Universities, Colleges, and Schools) and markets this product to them. This may increase the uptake of products and services as the bank intended when it introduced the strategy. The recommendation has been given since the regression model beta coefficient was 0.15 indicating that internet banking strategy was statistically significant in influencing the uptake of bank products and services.

5.2.3 Agency Banking Strategy

The study established from (Table 4.6) that 36% of the customers used agency banking strategy to access banking services. This was the highest percentage of users of the distribution strategies compared to ATMs, mobile banking, and internet banking. This show that agency banking is the most preferred strategy by the external and internal customers.

- i. Therefore, the researcher recommends that the institution's management should invest more resources in terms of outlets to make this strategy more accessible as a preferred. This will enable customers to access the services they need all the time and will also derive up products and services uptake in The Bank.
- ii. The study also observed that the customers disagreed from the descriptive statistics that Family bank agents are cost-effective. This shows that the customers perceive the strategy to be expensive. This is contrary to the fact that agency banking is cheaper than other strategies because customer saves on time and money, they could have spent visiting the branches and do not defer transactions they need to complete. The researcher recommends that the institution conduct a sensitization campaign on pricing of its products and services at agency points to end the perception that the prices are high at agents' points.
- iii. The research established from the descriptive and inferential statistics that agency banking had a statistically significant influence on the uptake of bank products and services with a beta coefficient of 0.354. Therefore the study recommends that the bank should increase the number of agents and sensitize the customers on the

variety of products and services available at the agent points while ensuring 100% network uptime.

- iv. The researcher finally recommends that from the point of on boarding customers, they should be issued with visa cards, prepaid cards, and credit cards. This is recommended because to increase products and services uptake at agent points, these cards are paramount. The customers should be trained on the use and the risks associated with it while transacting and it should be emphasized that to make sure that the security of the money guaranteed.

5.2.4 Automatic Teller Machines

The study established from the descriptive statistics that 30 percent of the respondents used ATMs to access banking services. These findings indicated the potential to onboard more customers to this strategy.

- i. The research recommends that the management align their marketing and advertisement plans to ensure more customers are aware and enrolled in this strategy to drive up products and services uptake. This will benefit the institution because the more the products and services are taken through the strategy; the more the bank earns commissions, fees, charges, and interests, contributing to financial performance. This is also going to help improve customer satisfaction with the bank because they are going to avoid queues that are sometimes witnessed in the banking halls, save on the high transaction costs in the banking hall, and convenience that comes with accessing services through the ATM and other

outlets that accept visa cards. Specifically, the bank's cost of making withdrawals is KES 110 compared to KES 30 at the Automatic Teller Machine.

- ii. The study established that although customers accessed the products and services through this strategy, a number of the services available in this strategy were not accessed by the customers. The services include payment of bills, money transfers via pesa link, registering for mobile banking services, M-pesa withdrawal, and Airtel money withdrawal. The researcher recommends that once the customers are on boarded to use this strategy, they should be thoroughly trained to use and access all available services. During the interviews and from the questionnaires, the researcher gathered that some customers possessed ATM cards but never used them at the ATM touch point, and those who used only accessed one or two services. Therefore, the management must ensure that the customer is trained well on the products available in this strategy and how to access them.
- iii. The study established from the regression model that the ATMs had a positive beta coefficient of 0.298. This indicated that the strategy was statistically significant in influencing uptake of bank products and services. Therefore, the researcher recommends that the management should come up with marketing plans to sell this strategy and make sure it is used by customers and invest more by electing offshore ATMs in more towns to boost convenience and proximity to customers.

5.2.5 Marketing

While the penetration of the intervening factors was acceptable, the effects of marketing were relatively lower than the advertisement and training. Hence, banks should focus on ensuring marketing efforts should be increased to enable the bank to reach new market niches. Since these strategies require technologically savvy people, the bank should have a niche that will market its products and services. The institutions of higher learning and the technical institution would be very good target market niches for the distribution strategies. This is because these customers are technologically savvy and will accept the technology faster as it is inclined in the diffusion of innovation theory.

This category of customers may not have sufficient income that will enable them to access the variety of services offered in the four distribution strategies. It would be worth noting that the management should consider this a good market for the future because there is a high likelihood that once these students are done with their courses, they are going to venture into employment and self-employment. If they were marketed too well, they are going to continue using these strategies as their income grows. The study found that the marketing aspect positively influences the uptake of services and products; therefore, the marketing of these strategy and the services under each should be marketed to the customers through platforms such as Facebook, LinkedIn, and Twitter, among other leading social media platform. Business-to-Business (B2B) marketing is also very important to ensure that products and services are accessed, especially through internet banking. Many businesses are involved in multiple payments to suppliers, employees, and service providers and bill payments such as electricity and water bills. These services can

be accessed very conveniently via internet banking, therefore need for the Family bank to ensure that they step up business-to-business marketing to onboard more users.

5.2.6 Training

The study established that training influenced the uptake of products and services in family bank limited. The means were 4.07, 4.01, 3.6, and 4.16 for mobile banking, agency banking, internet banking, and ATMs, respectively. This showed that respondents strongly agreed that training influenced the products and services uptake.

The researcher recommends that the bank should continue marketing efforts to ensure more customers know how to use alternative banking strategies to access services. This has been recommended because once the customers are well trained on the use, it will increase uptake of these services, and hence the bank's performance in terms of uptake will improve. It is the responsibility of the bank to develop products and services and distribute them through the current technology as opined in the bank-led theory and the agency theory. The institution should always embark on training to make sure it fulfills its mandate as per the theory because this study was tied to the postulates of the theories.

5.2.7 Education

The study established that advertisement influenced the uptake of bank products and services through alternate banking strategies. The means were (4.47, 4.45, 3.98, and 4.41) for mobile banking, agency banking, internet banking, and ATMs, respectively. This indicates that customer education is very crucial to product and service uptake. The values

indicate that the respondents agreed that education influenced the uptake of bank products and services.

The researcher recommends that the institution embarks on educating the customers' through seminars, professional media, and brochures, among others. The advancement in ICT has revolutionized education to modern media such as blogs, simulation forums, and online videos, which are too good platforms to keep educating the customers. Although the ICT-based education programs are good, they are mostly liked and understood by technologically advanced people. The researcher, therefore, further recommends that traditional education methods such as seminars should be used hand in hand with modern ICT technologies to educate customers.

5.3 Policy Recommendations

- i. The mobile banking strategy is accessed by 31% of the customers as established by the descriptive statistics. The research recommends that a policy should be enacted to have all the customers' eligible for mobile banking are registered so as to increase the percentage of customer using it to access products and services.
- ii. The study established that only 3% of the respondents used internet banking. This is a low penetration of the strategy. The bank should enact a policy to make it a requirement for customers operating business accounts to register the service. Many businesses are involved in transactions of making payments and checking if the products are paid for. This strategy would help them access this service easily. A policy should also be made to ensure that the cost of using internet

banking strategy is reduced or charged when using as opposed to the monthly charges to attract more people to onboard

- iii. The bank should formulate a policy to ensure that the agents' liquidity is maintained at an acceptable level for seamless customer service at these points of contact. This will ensure that the appointed agents have sufficient deposits in their account so transact throughout the day without cases where customers are missing transaction due to low liquidity. The bank may come up with a policy allow the agents to be advanced interest free loans by the bank to increase liquidity and subsequent uptake.
- iv. The bank should come up with a policy to ensure that once the customers are onboarded they are issued with visa cards. This will ensure that the customers will transact at the ATMs points and agency outlets. The ATMs are mostly located in the branches, the research recommends that the bank should come up with a policy to have branches operate off-site ATMs to ensure the ATMs services are accessed by many customers and are proximate to the customers

5.4 Recommendations for Further Study

5.4.1 Mobile Banking

This study was not exhaustive and therefore recommends the following areas for further study: First, replicate the study in other areas, including non-financial performance. The researcher noted the area as important because other factors such as good customer service and turnaround time can significantly influence product and service uptake. A study may be conducted to investigate the influence of product and service knowledge on the uptake

of products and services in commercial banks. This has been recommended because, in many instances, customers do not know about some of the services offered in the mobile banking strategy of commercial banks. A good example was that all the customers interviewed and those that responded to the questionnaire directly never knew about M-pesa withdrawals on the ATMs and agency withdrawals via mobile banking. The results of such a study would be very useful in policy formulation. The institution would come up with policies to drive product and service knowledge and subsequent on-boarding of customers in the distribution strategy.

The purpose of inventions in technology is to solve problems that face people in different aspects. The researcher interacted with several customers during the interviews and established that once a customer forgets a password, they have to visit the branch to have it reset. Many customers condemned this aspect, this has led the researcher to recommend that the bank come up with a policy to change this and come up with a self-service platform where these customers can have the password generated upon passing a security question check.

Finally, the study recommends that the bank conduct a study to establish the ability of the customers to navigate through application for mobile banking and the USSD method and the influence it has on the uptake. This is because while interviewing the customer, it was established that several customers complained of not being able to repay the one-month loan and being forced to visit the bank to be helped to repay it. Those who did not have time to visit the physical branches in time ended up paying their loans late and were denied access to virtual loans for some time. This hinders superior customer service; therefore,

the researcher recommends that a study be conducted to establish the influence of user-friendliness of the mobile banking platform on virtue loans disbursements.

5.4.2 Internet Banking

A study may be conducted to determine what factors influence adoption of internet banking to level the other distribution strategies. This is because, from the descriptive statistics, the study observed that only 3% of respondents had used internet banking. The customers and staff who used the strategy accessed quite a number of products and services. This was evident in regression analysis that concluded that internet banking has a significant influence from the appositive beta coefficient of 0.15. The study established that only three products were accessed through this strategy. It further established that only nine respodent of the respondents used internet banking. The internet banking strategy has twenty-three services that the customers can access.

The question from these statistics is: are the customers aware of all these services in the strategy. The observations were fundamental, and therefore the researcher recommends that a study be conducted to establish the influence of products and service knowledge on financial performance and the products and services uptake in financial institutions. The study established that there is a monthly charge of eighty-nine shilling per month for customers and six thousand per year for businesses. The study from this information recommends that the institution conduct a study to establish the cost-effectiveness of the internet banking strategy and if it significantly influences the uptake of products and services. A study may be conducted to establish the influence of internet banking strategy on uptake of bank products and services in other commercial banks in Kenya. The results

would be compared with the findings of this study to establish if there is any discrepancy in the findings since this study narrowed to Family bank.

5.4.3 Agency Banking Strategy

The commonly used products and services at agent points are deposits, withdrawals, bill payments, and school fees. This shows a discrepancy in knowledge of all the products and services available at these service points. Society is dependent on commercial banks to meet a number of statutory requirements, such as payment of NHIF and payments of bills such as electricity bills, water bills, and television bills, among others. To ensure that they meet the deadline as stipulated by the organizations giving these services, customers rush to the banking hall to make such payments. In contrast, they can make them conveniently at the agent points. Therefore, the researcher recommends that a study be conducted to determine the influence of product knowledge on the bank's products and services uptake.

While interviewing the respondents, the researcher determined that customers complained of not getting the services they needed at the agents' points. The reason was that the proprietors of agent points did not deposit enough money in their account to sustain the liquidity to make the transactions requested by the customers. One of the customers responded and said, "There are so many times that I have visited the agent to deposit money, and the agent told me there was no float. The researcher further recommends that the study be conducted to determine the optimal liquidity each agent should be running with to avoid instances where customers go without getting the needed services.

Many factors may affect the uptake of products and services in any institution. The study sought to establish the influence of mobile banking, internet banking, agency banking, and mobile banking on the uptake of bank products and services in Family bank limited. The regression model analysis established that the R-squared (R^2) was 98%, and the correlation coefficient was 99.1%. The R squared of 98% explains that the four variables explain 98 % of variations in products and service uptake in Family bank. The coefficient of determination shows that the variables were good predictors of products and services uptake in Family Bank limited. Therefore, the researcher recommends that a study be conducted to determine the influence of other factors, such as good customer care, that influence the uptake of products and services. This will help the institution know all the factors that affect products and services uptake, which will place the bank in a better position to compete with others in the industry.

5.4.4 Automatic Teller Machines

The customers do not access all the services offered in this strategy. The services available at the ATM points are deposits, withdrawals, mini-statement, balance enquiry, salary advance, M-pesa withdrawal, pin change, Airtel money withdrawal, cheque deposits, pesa-link bill payments, and registering for banking services. Though the bank has provided these services through this strategy, customers and staff only use a few of them, with withdrawals and balance enquiries being the ones that are mostly used. While the researcher was conducting the interviews, one of the respondents said, "I only use the ATM to withdraw the money, nothing else!" This established a gap in product knowledge; therefore, the researcher recommends that a study be conducted to establish the influence

of product knowledge on the uptake of bank products and services at the ATMs outlets.

The research recommends that a study may be conducted to establish the influence of adequate training on the uptake of products and services in commercial banks.

The study also recommends a research on the influence of digital distribution strategies in other banks. This would help to compare different commercial banks and find out if the strategies remain significant across the industry.

REFERENCES

- Abdullai, H. M. & Nyaoga, R. B. (2017). Effect of Automated Teller Machines Usage on Operational Performance of Commercial Banks in Nakuru County, Kenya. *International Journal of Economics, Finance and Management Sciences* 5(3), 162-167.
- Abeka, S. O. (2012). Perceived Usefulness, Ease of Use, Organizational and Bank Support As Determinants of Adoption of Internet Banking in East Africa. *International Journal of Academic Research in Business and Social Sciences* 2 (10), 97-112.
- Adetunji, O. (2013). Going cashless: adoption of mobile banking in Nigeria. *Arabian Journal of Business and Management Review*, 1(2), 9-17.
- Adewoye, J. O. (2013). Impact of mobile banking on service delivery in the Nigerian commercial banks. *International Review of Management and Business Research*, 2(2), 333.
- Aduda, J., & Kingoo, N. (2012). The relationship between electronic banking and financial performance among commercial banks in Kenya. *Journal of finance and investment analysis*, 1(3), 99-118.
- Agalla, T. O. (2014). The Challenges Facing the Implementation of Agency Banking In Kenya a Case Study of KCB Limited Mombasa County. *Journal of Business and Management*, 16(11), 76-95.
- Ajibade, P. (2018). Technology Acceptance Model Limitations and Criticisms. *Library Philosophy and Practice (e-journal)*, 1-1
- Aladwani, A. (2011). Online Banking: A Field Study of Drivers, Development Challenges, and Expectations. *International Journal of Information Management*, 1(3), 213-225
- Albert, B. (1982). Self-efficacy mechanism in human agency. *American Psychologist Association*, 122-147.
- Aliyu, A. A., & Tasmin, R. B. H. J. (2012). The impact of information and communication technology on banks' performance and customer service delivery in the banking industry. *International Journal of Latest Trends Finance and Economy*, 2(1), 80-90.
- Amin, M. (2016). Internet banking service quality and its implication on e-customer satisfaction and e-customer loyalty. *International Journal of Bank Marketing*, 34(3), 280-306.
- Antonios, J. (2011). Understanding the effects of customer education on customer loyalty. *Business Leadership Review*, 8(1), 1-15.

- Anyasi, F. I., & Otubu, P. A. (2009). Mobile phone technology in banking system: Its economic effect. *Research Journal of Information Technology*, 1(1), 1-5.
- Armstrong, G., Adam, S., Denize, S., & Kotler, P. (2014). *Principles of marketing*. Pearson Australia.
- Atavachi, B. S. (2013). *Effect of electronic banking on financial performance of deposit taking micro-finance institutions in Kenya* (Doctoral dissertation, University of Nairobi).
- Awinja, P. (2015). *Service Delivery Channels and Operations Performance of Commercial Banks in Kenya*. Nairobi: School of Business, University of Nairobi.
- Azam, M. & Siddiqoui, S. (2012). Domestic and Foreign Banks' Profitability: Differences and Their Determinants. *International Journal of Economics and Financial Issues* 2(1), 33- 40.
- Babbie, E. R. (2010). *The Practice of Social Research*, 12th Ed. California: Wadsworth-Cengage Learning.
- Bae, K. H., & Goyal, V. K. (2009). Creditor rights, enforcement, and bank loans. *The Journal of Finance*, 64(2), 823-860.
- Bain, L. (2017). *Statistical analysis of reliability and life-testing models: theory and methods*. Routledge.
- Barasa, D. A., & Mwirigi, F. M. (2013). The role of agency banking in enhancing financial sector deepening in emerging markets: lessons from the Kenyan experience. *European Journal of Business and Management*, 5(21), 19-21.
- Batiz-Lazo, B. (2009). Emergence and evolution of ATM networks in the UK, 1967–2000. *Business History*, 51(1), 1-27.
- Bello A. & Dogarawa K. (2005). The impact of e-banking on customer satisfaction in Nigeria. Ahmed Bell University, Zaria-Nigeria, *International Journal of Small Business Management*, 40(1), 51-840.
- Berger, A. N. (2003). The Economic Effects of Technological Progress: Evidence from the Banking Industry, *Journal of Money, Credit and Banking*, 35(2), 141-76.
- Berners-Lee, T. J. (1992). The world-wide web. *Computer networks and ISDN systems*, 25(4-5), 454-459.
- Bibby, A. (2000). *Organising in financial call centres*. UNI-Europa.
- Brooks, C. (2014). *Introductory Econometrics to Finance*. Cambridge University Press
- Carlos FandosRoig, J., Sanchez Garcia, J., Angel MolinerTena, M., & LlorensMonzonis, J. (2006). Customer perceived value in banking services. *International Journal of Bank Marketing*, 24(5), 266-283.
- CBK. (2010). *Guideline on Agent Banking - CBK/PG/15*. Retrieved from Central Bank of

Kenya:<https://www.centralbank.go.ke/images/docs/legislation/guideline%20on%20agent%20banking-cbk%20pg%2015.pdf>.

- Celina, L. (2012). Agent Banking in Latin America: The National Banking and Securities Commission (CNBV) of Mexico, *Alliance for Financial Inclusion*.
- Central Bank of Kenya (2020) Annual bank supervision Report. <https://www.centralbank.go.ke/2021/05/26/bank-supervision-annual-report-2020>.
- Central Bank of Kenya, (2019) Bank Supervision Annual Report 2019
- Cetorelli, N. & Goldberg, L. S. (2012). Banking globalization and monetary transmission. *The Journal of Finance*, 67(5), 1811-1843.
- CGAP (2011). Update on Regulation of Branchless Banking in Tanzania. Nairobi and Tanzania.
- CGAP. (2006). *Use Of Agents In Branchless Banking for The Poor*. Washington DC: World Bank.
- Chakrabarty&Ennew, C. T. (2007). *The Distribution of Bank Services: A Review of Research and Key Trends*. Institute Bank-Bank Malaysia.
- ChakrabartyCalem, P. S., & Nakamura, L. I. (1998). Branch banking and the geography of bank pricing. *Review of Economics and Statistics*, 80(4), 600-610.
- Chebii, M. (2018). Kenya Commercial Bank and SME banking alternative channels The International Journal of Engineering and Science (IJES), 3 (3), 17-25.
- Cheng, T.C.E., Lam, D.Y.C., and Yeung, A.C.L (2016)."Adoption of Internet banking: An empirical study in Hong Kong," *Decision support systems* (42:3), pp 1558-1572.
- Cheruiyot, S. K. (2010). *Impact of internet banking on financial performance of commercial banks in Kenya* (Doctoral dissertation, University of Nairobi, Kenya).
- Chuttur, M. (2009). Overview of the Technology Acceptance Model: Origins, Developments and Future Directions. *Sprouts: Working Papers on Information Systems*, 9-37.
- Cooper, D.R., & Schindler P.S. (2014). *Business Research Methods*.12th Edition. McGraw-Hill: New York.
- Cooper, R. D., & Schindler, S.P. (2003). *Business Research Methods*, 8th Edition, Boston: McGraw Hill.
- Crano, W.D. & Brewer, M.B. (2002). *Principles and Methods of Social Research*, 2nd Ed.Lawrence Erlbaum Associates, Mahwah, NJ.
- Creswell, J. (2008). *Educational research: Planning, conducting, and evaluating quantitative and qualitative research*. New Jersey: Prentice Hall.
- Cytonn Investments. (2015). Banking Report. Nairobi.

- Davis, F. D. (2010, 12 10). *Perceived Usefulness, Perceived Ease of Use, and User Acceptance of Information Technology*. Retrieved from JSTOR: <https://www.jstor.org/stable/249008?origin=JSTOR-pdf>.
- Davis, F., Bagozzi, P., & Warshaw, P. (1989). User Acceptance of Computer Technology: A Comparison of Two Theoretical Models. *Management Science*, 982-1003.
- Dayal, Ishwar (2001). "Measuring Training Effectiveness", *Indian Journal of Industrial Relations*, (2001), pp. 339-344.
- De Vries, E. J. (2006). Innovation in services in networks of organizations and in the distribution of services. *Research policy*, 35(7), 1037-1051.
- Dermish, A., Kneiding, C., Leishman, P., & Mas, I. (2011). Branchless and mobile banking solutions for the poor: a survey of the literature. *Innovations: Technology, Governance, Globalization*, 6(4), 81-98.
- Dianga, E. O. (2014). *The Effect of Agency Banking on the Financial Performance of Commercial Banks in Kenya*. Nairobi: School of Business Finance and Accounting University of Nairobi.
- Dikko, M. (2016). Establishing construct validity and reliability: Pilot testing of a qualitative interview for research in Takaful (Islamic insurance). *The Qualitative Report*, 21(3), 521-528.
- Donner, J. And Tellez, A. C. (2008), Mobile banking and economic development: Linking adoption, impact, and use, *Asian Journal of Communication*, 18(4), 318- 322.
- Draugalis, J. R., & Plaza, C. M. (2009). Best practices for survey research reports revisited: implications of target population, probability sampling, and response rate. *American journal of pharmaceutical education*, 73(8), 142.
- Dutta, V. (2003). Banking Revisited: Key Trends Reshaping Banking in India. *Paradigm*, 7(1), 103-108.
- Edet, O. (2008). Electronic Banking in Banking Industries and its effects. *International Journal of Investment and Finance*, 1(3), 10-16.
- Ehlers, M.B. (2000). Residential Based Business: An alternative Location and Decision for SME's. Un published Doctor of Commerce Thesis, University of Pretoria.
- Eisingerich, A. B., & Bell, S. J. (2006). Relationship marketing in the financial services industry: The importance of customer education, participation and problem management for customer loyalty. *Journal of financial services marketing*, 10(4), 86-97.
- Eisingerich, A. B., & Bell, S. J. (2008). Customer education increases trust. *MIT Sloan Management Review*, 50(1), 10.
- Emoru, R.O (2012) .Factors influencing growth of agency Banking Industry: A case study of Equity Bank Limited Mombasa County. MBA project University of Nairobi.

- Family Bank. (2019). *Internet Banking*. Retrieved Dec 24, 2019, from Family bank: <https://familybank.co.ke/ways-to-bank/pesapap-internetbanking/&hl=en-ke>.
- Family Bank. (2019). *PesaPap Mobile Banking*. Retrieved Dec 20, 2019, from Family Bank:.
- Field, A. (2013). *Discovering statistics using IBM SPSS statistics*. sage.
- Fincham, J. E. (2008). Response rates and responsiveness for surveys, standards, and the Journal. *American journal of pharmaceutical education*, 72(2).
- Fishbein, M., & Ajzen , I. (1975). *Belief, Attitude, Intention and Behavior: An Introduction to Theory and Research*. Ontario: Addison-Wesley Pub Co.
- Fisher A, Laing J &Stoeckel J (1983). *Handbook for Family Planning Operations Design*. New York: The Population Council.
- Furrer, O., Thomas, H. &Goussevskaia, A. (2008). The structure and evolution of the strategic management field: A content analysis of 26 years of strategic management research. *International Journal of Management Reviews*, 10(1), 1-23.
- Gamble, J., & Thompson, A. A. (2011). *Essentials of strategic management: The quest for competitive advantage*. New York: McGraw-Hill Irwin.
- Gichuki (2017)*International Journal of Management and Commerce Innovations* ISSN 2348-7585 (Online) Vol. 5, Issue 2, pp: (818-828), Month: October 2017 - March 2018, Available at:www.researchpublish.com.
- Goddard, J., Molyneux, P., & Wilson, J. O. (2004). The profitability of European banks: a cross-sectional and dynamic panel analysis. *The Manchester School*, 72(3), 363-381.
- Grabner-Kräuter, S., &Faullant, R. (2008). Consumer acceptance of internet banking: the influence of internet trust. *International Journal of bank marketing*, 26(7), 483-504.
- Guinaliu, M., Casalo, L.V., & Flavian, C. (2013). The role of security, privacy, usability and Reputation in the development of online banking. *Online Information Review*,31 (5), 583-603.
- Gutierrez Eva and Singh Sundeep (2013). *What Regulatory Frameworks Are More Conducive to Mobile Banking? Empirical Evidence from Findex Data*. The World Bank Policy Research Working Paper 6652, October 2013.
- Hanafizadeh, P., Behboudi, M., Koshksaray, A. A., &Tabar, M. J. S. (2014). Mobile-banking adoption by Iranian bank clients. *Telematics and Informatics*, 31(1), 62-78.
- Hitt, L. M., & Frei, F. X. (2002). Do better customers utilize electronic distribution channels? The case of PC banking. *Management Science*, 48(6), 732-748.

- Huang, H., Lee, D., Kim, M. K., Kim, S-K. & Judge, L. W. (2013). Service quality and satisfaction perspectives at the 2011 International Amateur Athletic Federation (IAAF) World Championships. *ICHPER-SD Journal of Research*, 8(2), 39-44.
- Humprey, M. (2014) *Journal of Internet Banking and Commerce*, August 2014, vol. 19, no.2 (<http://www.arraydev.com/commerce/jibc/>)
- Jasper, M., & Crossan, F. (2012). What is strategic management? *Journal of nursing management*, 20(7), 838-846.
- Jenevive, O. C., & Anyanwaokoro, M. (2017). Electronic Payment Methods and Profitability of Banking Firms in Nigeria: A Panel Data Analysis. *International Journal of Finance and Accounting*, 6(3), 67-74.
- Jensen, M. C. & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of financial economics*, 3(4), 305-360.
- Joseph, M., & Ambrose, J. (818-828). Electronic Banking and Accessibility of Financial Services in Commercial Banks: Theoretical and Empirical Literature Review. *International Journal of Management and Commerce Innovations* , 2018.
- Journal of Business and Management (IOSR-JBM)* e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 18, Issue 4. Ver. II (Apr. 2016), PP 80-82 www.iosrjournals.org.
- Julian D. (2008) *Distribution Channels. Understanding and Managing Channels to Market*, Kogan Page, London.
- Kalemci, P. (2005). "General Overview of Training Effectiveness and Measurement Models", *Journal of Commerce & Tourism Education Faculty*, 1(2005), pp. 144-156. 20.
- Kamau, J.N. (2012). The relationship between Agency banking and financial performance of commercial banks in Kenya. MBA Project, University of Nairobi.
- Kapoor, S. (2010). Succeeding in UK with the Bank-Focused Model of Mobile Banking. Retrieved Dec 17, 2013 from http://Www.Infosysblogs.Com/Finacle/2010/03/Succeeding_With_The_Bankfocuse.Html.
- Kapoor, S. (2010, June 18). *Succeeding in UK with the Bank-Focused Model of Mobile Banking. Finacle Whiteboard*. Retrieved from InfoSystems: Http://Www.Infosysblogs.Com/Finacle/2010/03/Succeeding_With_The_Banfoc
- Kapurubandara M., (2009), A Framework to Transform SME's in Developing Countries, *The Electronic Journal of Information Systems in Developing Countries*, Vol. 39.
- Kasekende A. L. (2008), Africa continues Steady Growth, Presentation Paper at The Africa Forum, 2008.
- KBA. (2014). *The Mobile Banking Survey*. Nairobi: Center for Research on Financial Markets and Policy, Kenya Bankers Association.

- Kenya, L. O. (2013). *The constitution of Kenya: 2010*. Chief Registrar of the Judiciary.
- Kim, H. J., & Cho, J. R. (2008). A Study on The attitude of consumers toward advertisement. In *Proceedings of the Safety Management and Science Conference* (pp. 177-187). Korea Safety Management and Science.
- Kiprop, V., & Ayuma, C. Ambrose, (2016). Effects of mobile banking on financial performance of commercial bank in Kapsabet Town. *IOSR Journal of Business management*, 18(10), 37-48.
- Kirkpatrick, D. L. (1976). *Evaluation of Training, Training and development handbook: A guide to human resource development*, New York; McGraw-Hill Company.
- Kitaka, P. (2001). A Survey of the use of financial performance indicators by Micro Finance Institutions in Kenya. *Unpublished MBA Research Project, University of Nairobi*.
- Kiura, B. (2014). Role of Technology in the Implementation of Agency Banking in Kenya: A Survey of Commercial Banks in Kenya. *Online Journal of Social Sciences Research*, 3(4), 70-76.
- Klein, M., & Mayer, C. (2011). *Mobile banking and financial inclusion: The regulatory lessons*. The World Bank.
- Korir G. (2012). Factors Influencing Mobile Banking in Kenya: A Case of Kenya Commercial Bank in Garissa, University of Nairobi.
- Koskosas, I. (2011). The pros and cons of internet banking: a short review. *Business excellence and management*, 1(1), 49-58.
- Kothari C.R (2007) *Research methodology: Methods and techniques*, New Delhi.
- Kothari, A. G. (2004). *Research methods, quantitative and qualitative approaches*. Nairobi: African Centre for Technology Studies.
- Kothari, C.R. (2009). *Research Methodology Methods and Techniques*. New Delhi, New Age International Publishers.
- Kotler, P. (2012). *Kotler on marketing*. Simon and Schuster.
- Laukkanen, T., & Pasanen, M. (2007). Mobile banking innovators and early adopters: How they differ from other online users? *Journal of Financial Services Marketing*, "Do electronic marketplaces lower the price of goods?" *Communications of the ACM*, 41(1):73-80.
- Lichtenstein, S., & Williamson, K. (2006). Understanding consumer adoption of internet banking: an interpretive study in the Australian banking context. *Journal of electronic commerce research*, 7(2), 50.
- Lipton, A., Shrier, D., & Pentland, A. (2016). *Digital banking manifesto: the end of banks?* Massachusetts Institute of Technology.

- Llewellyn, D. T. (2005). Competition and profitability in European banking: why are British banks so profitable? *Economic Notes*, 34(3), 279-311.
- Luarn, P., & Lin, H. H. (2005). Toward an understanding of the behavioral intention to use mobile banking. *Computers in human behavior*, 21(6), 873-891.
- Luvanda, A., Kimani, S., & Kimwele, M., "Lack of Awareness by End Users on Security Issues Affecting Mobile Banking: A Case Study of Kenyan Mobile Phone End Users," *Journal of Information Engineering and Applications*, Vol. 4, No. 5, 2014.
- Lyman, T. R., Ivatury, G. and Staschen, S. (2006). Use of agents in branchless banking for the poor: Rewards, risks, and regulation. *FocusNote*, October, 38, 1.
- Maina, D. W. & Mungai, J. (2019). Mobile banking services and financial performance of tier one commercial banks in Kenya. *International Academic Journal of Economics and Finance*, 3(4), 232-254.
- Makini L., Odunga P., Ongonga J., Micheal N., Onyango M., & Museve E. (2013). The Role of Consumer Education on the uptake and usage of Branchless Banking in Peri-Urban areas in Kenya: A Case Study of Bondo Township, Siaya County. *International Journal of Advanced Research*, 1(10), 937-943.
- Mallat, N., Rossi, M., & Tuunainen, V. K. (2004). Mobile banking services. *Communications of the ACM*, 47(5), 42-46.
- Manna, A., & Biswas, D. (2018). Influencing factors in the training effectiveness. *International Journal of Management Studies*, 4(9), 110-114.
- Masadeh, M. (2012). Training, education, development and learning: What is the difference? *European scientific journal*, 8(10).
- Mattila, M. (2003). Factors affecting the adoption of mobile banking services. *Journal of Internet Banking and Commerce*. Available at <http://www.arraydev.com/commerce/JIBC/0306-04.htm>
- Mbiti, I. Edwards, S., Johnson, S., & Weil, D. N. (September 2016). National Bureau of Economic Research, Chapter Seven: Mobile Banking: The Impact of M-Pesa in Kenya. *African Successes, Volume III: Modernization and Development* (pp. 247 – 293). Chicago: University of Chicago Press.
- Mitnick, B. M. (2015). Agency theory. *Wiley encyclopedia of management*, 1-6.
- Monica, D. N. (2016). The effect of agency banking on financial performance of commercial banks in Kenya
- Mosoti Z. M, Mwaura R.W (2014). An Investigation on Slow Adoption of Agent Banking Services in Kenya as Strategic Response by Commercial Banks: A Case Study of Roysambu Constituency. *Journal of Research in Business and Management*, Volume 2 ~ Issue 3 (2014) pp: 01-13. www.questjournals.org
- Mugenda, O. M., & Mugenda, A. G. (2012). *Research methods dictionary*. Nairobi. Kenya arts press 2012.

- Mugo, D. M., Muathe, S., & Waithaka, S. T. (2019). Performance Analysis of Debit Card Services on Deposit-Taking SACCOs' Financial Performance: A Case of Kenya. *The African Journal of Information Systems* 11(2), 117- 134.
- Mukherjee, A., & Nath, P. (2003). A model of trust in online relationship banking. *International journal of bank marketing*, 21(1), 5-15.
- Murigu, A. H., & Yabs, J. (2008). *The Usage of Automated Teller Machines Case Study: Barclays Bank of Kenya*. Nairobi: School of Business University of Nairobi.
- Musau, S. A. Jagongo. A. (2015) Analysis of the Utilization of Agency Banking on the Performance of Kenyan Banks. *International Journal of Finance and Accounting* 4 (12), 1-16.
- Muthoka, N. I., Oluoch, O., & Muiruri, P. M. (2018). The Impact of Agency Banking Financial Innovation on Market Capitalization of Commercial Banks Listed in NSE, Kenya. *International Journal of Academic Research in Accounting, Finance and Management Sciences* 8 (4), 110–119.
- Mwando, S. (2013). Contribution of agency banking on financial performance of commercial banks in Kenya. *Journal of Economics and Sustainable Development*, 4(20), 26-34.
- Mwando, S. (2013). Contribution of agency banking on financial performance of commercial banks in Kenya. *Journal of Economics and Sustainable Development*, 4(20), 26-34.
- Mwangi & Lilian (2012). Agent banking as a diversification Strategy by Commercial Banks in Kenya. University of Nairobi., Kenya.
- Mwangi (2015) researched on the influence of service digitization on the performance of commercial banks in Kenya. Nairobi. University of Nairobi Press.
- Mwangi, J. (2007). Equity Bank: Omondi O. M., Maokomba, C., Musiega, D. (2014). The effects of alternative banking channels on profitability of commercial banks-case of the Co-operative bank of Kenya. *The International Journal of Engineering and Science*, 3 (3), 29-34.
- National Planning Commission (2013). National development plan vision 2030.
- Ndegwa, Z. W. (2008). An investigation into the factors affecting automatic teller machines (ATMS) usage in Kenya: a case of selected banks in Nairobi.
- Ngarari, M. (2015). Factors influencing uptake of mobile banking technology amongst female customers of commercial banks in Kenya. University of Nairobi Press. Nairobi.
- Nickols, F. (2012). Definitions & meanings. *Distance Consulting*, 200, 2-10.
- Njoki, G., & Oloko, A. (2015) Relationship between banks Innovations and financial performance of commercial Banks in Kenya. *International journal of Education & Research*, Vol.3No.5May 2015.
- Noble, H., & Smith, J. (2015). Issues of validity and reliability in qualitative research. *Evidence-based nursing*, 18(2), 34-35.

- Nor, K. M., & Pearson, J. M. (2008). An Exploratory Study into the Adoption of Internet Banking.
- Nyaboga M., Omari, E.&Muigai, G. W. (2015). The role of agency banking on performance of financial institutions in Kisii County, Kenya. *International Journal of Academic Research in Business and Social Sciences*, 3(8), 443-454.
- Nyangosi, R., Arora, J. S., & Singh, S. (2009). The evolution of e-banking: a study of Indian and Kenyan technology awareness. *International Journal of electronic finance*, 3(2), 149-165.
- Nzioka, M. E. (2017). *Role of Agency Banking in Facilitating Financial Inclusion in Kenya*. Nairobi: Strathmore University: Strathmore Institute of Mathematical Sciences.
- Nzobo(2017)TheEffectofBranchlessBankingStrategyontheFinancialPerformanceofCommercialBanksinKenya/link/59e74941a6fdcc6433a933e2/download.
- Odera, E. A. (Oct. 2013). *Mobile Banking Adoption in the Banking Industry in Kenya*. Nairobi: The School of Business: University of Nairobi.
- Odinga, B (2005) Factors Influencing Adoption of Electronic Banking by Commercial Banks in Kenya.
- Odongo, T. (2016). An Analysis of the Deposits and Lending Behaviours of Banks in Nigeria. *International Journal of Engineering and Management*, 4(1), 21-25.
- Ogare, H, O. (2013). The effect of electronic banking on the financial performance of commercial banks in Kenya, MBA Project, University of Nairobi.
- Okiro, K., &Ndungu, J. (May 2013). The Impact of Mobile and Internet Banking on Performance of Financial Institution in Kenya. *European Scientific Journal* 9 (13), 146-162.
- Olatokun, W. M., &Igbinedion, L. J. (2009). The adoption of automatic teller machines in Nigeria: An application of the theory of diffusion of innovation. *Issues in Informing Science & Information Technology*, 6.
- Olubunmi, A. A., & Samuel, A. T. (2017). Impact of ICT Usage in Improving Advertising Strategies in Selected Media House: A Case Study of Splash Fm (105.5). *Library Philosophy & Practice*.
- Oluwatayo, J. (2012). Validity and reliability issues in educational research. *Journal of Educational and Social Research* 2, 391-400.
- Ongkosuwan, M. &Tatichattanon,A.(2002).Comperative study of internal banking in Thailand *Proceeding of the forst national conference on electronic business*,Bangkok: Thailand)
- Orodho, J. A. (2009). Elements of education and social science research methods. *Nairobi/Maseno*, 126-133.
- Panda, B., & Leepsa, N. M. (2017). Agency theory: Review of theory and evidence on problems and perspectives. *Indian Journal of Corporate Governance*, 10(1), 74-95.
- Pereira, M. J. (2004). Impacts of information systems and technology on productivity and competitiveness of the Portuguese banking sector: an empirical study. *International Transactions in Operational Research*, 11(1), 43-62.
- Poon, W. C. (2008). Users' adoption of e-banking services: The Malaysian perspective. *Journal of Business & Industrial Marketing*.

- Rasiah, D. (2010). Review of Literature and Theories on Determinants of Commercial Bank Profitability. *Journal of Performance management*, 23(1).
- Ravinder, B., & Saraswathi, A. B. (2020). Literature Review Of Cronbach alpha coefficient (A) And Mcdonald's Omega Coefficient (Ω). *European Journal of Molecular & Clinical Medicine*, 7(6), 2943-2949.
- Reed, E. W., & Gill, E. K. (1989). *Commercial banking*. Harlow: Prentice Hall.
- Rogers, E. M. (2003). *Diffusion of Innovations* (5th Edition). New York: Free Press
- Rosen Theresa Von (2013). *Branchless Banking in Kenya: Does Mobile Banking and Agent Banking have the potential to lift the welfare of low-income individuals?* Lund University
- Safaricom. (2019, March 31). *Mpesa Timeline: Celebrating 10 years of Changing lives*. Retrieved from Safaricom: https://www.safaricom.co.ke/mpesa_timeline/
- Sarma, M., & Pais, J. (2011). Financial inclusion and development. *Journal of international development*, 23(5), 613-628.
- Sathye, M. (2011). Adoption of internet banking by Australian consumers: An empirical investigation. *International Journal of Bank Marketing*, 17 (7).
- Saunders, M., Lewis, P. & Thornhill A. (2007). *Research Methods for Business Students* .5th Ed, Great Britain, Prentice Hall.
- Saunders, M., P. Lewis, & Thornhill, A. (2003). *Research Methods for Business Students* (3rd Ed.). Harlow: Prentice Hall.
- Schneider, F., & Windischbauer, U. (2008). Money laundering: some facts. *European Journal of Law and Economics*, 26(3), 387-404.
- Schuler, K. (2002). The world history of free banking: an overview. In *Experience of Free Banking* (pp. 19-59). Routledge.
- Shaikh, A. A., & Karjaluo, H. (2015). Mobile banking adoption: A literature review. *Telematics and Informatics*, 32(1), 129-142.
- Snyder, W. S. (2008). The ethical consequences of your advertisement matter. *Journal of Advertising Research*, 48(1), 8-9.
- Straub, D., Boudreau, m.-c. & Gefen, d. 2004. Validation guidelines for IS positivist research. *Communications of the Association for Information Systems*, 13, 380-427
- Suh, M., Greene, H., Israilov, B., & Rho, T. (2015). The impact of customer education on customer loyalty through service quality. *Services Marketing Quarterly*, 36(3), 261-280.
- Surendran, P. (2012). Technology Acceptance Model: A Survey of Literature. *International Journal of Business and Social Research (IJBSR)*, 175-177.
- Swanson, B. (1988). *Information system implementation: Bridging the gap between design and utilization* . Irwin.

- Szopiński, T. S. (2016). Factors affecting the adoption of online banking in Poland. *Journal of business research*, 69(11), 4763-4768.
- Tai, Wei-Tao. (2006). "Effects of Training Framing, General Self-Efficacy and Training Motivation on Trainees' Training Effectiveness", *Personnel Review*, 35(1), pp. 51-65.
- The Brazil National Treasury (2012). The 2012 AFI global policy forum Report making financial inclusion real contents.
- Unger, B., Siegel, M., Ferwerda, J., de Kruijf, W., Busuioic, M., Wokke, K., & Rawlings, G. (2006). The amounts and the effects of money laundering. *Report for the Ministry of Finance*, 16(2020.08), 22.
- Uppal, R. K. (2010). Marketing of bank products-emerging challenges and new strategies. *JM International Journal of Management Research*, 1(1), 35-41.
- Vinhas, A. S., & Anderson, E. (2005). How potential conflict drives channel structure: Concurrent (direct and indirect) channels. *Journal of Marketing Research*, 42(4), 507-515.
- Wairimu, R. W. (2019). Effect of Financial Innovation on Firm Performance of Microfinance Banks in Kenya (Doctoral dissertation, University of Nairobi).
- Wan, W. W., Luk, C. L., & Chow, C. W. (2005). Customers' adoption of banking channels in Hong Kong. *International Journal of bank marketing*, 23(3), 255-272.
- Wangari (2015) Factors influencing uptake of mobile banking technology amongst female customers of commercial banks in Kenya: a case of Kenya Commercial Banks, Nakuru town. University of Nairobi, Nairobi Press.
- Warner, R.M. (2008). *Applied Statistics from Bivariate Through Multivariate Techniques*. Thousand Oaks, C.A. Sage.
- Watiri, J. S. (2013). Adoption of Agency Banking by Equity Bank Kenya Limited in Its *International business operations*. *Journal of Advanced Research*, 1(10), 937-943.
- Watiri, S. J. (2013) Adoption of agency banking by equity bank Kenya limited in its international business operations. *Journal of Internet Banking and Commerce*, 3(1), 12-19.
- Wenninger, J. (2000). The emerging role of banks in e-commerce. *Current Issues in Economics and Finance*, 6(3).
- Yin, R. K. (2003). *Case study research: Design and methods*. Thousand Oaks, Calif: Sage Publications.

APPENDICES

Appendix I: Introduction letter

Edwin Murangiri Ileri,
P.O BOX 65-60401,
Chogoria.

Dear Respondent,

I am a student in the school of Business and Economics at The Murang'a University of Technology

Am pursuing a doctorate in strategic management on "The Influence of digital distribution Strategies on the uptake of bank Products and Services in Kenya." I am conducting academic study. To learn more about distribution strategies, I have created this questionnaire.

Please be aware that any information shared will be treated with the maximum confidentiality and used for this project. Please fill in the questionnaire as completely and accurately as you can.

Thank you for your co-operation and precious time.

Yours faithfully,

Edwin Murangiri Ileri
Mobile: 0725 773 235

Appendix II: Questionnaire

This questionnaire's objective is to gather information on the impact of distribution tactics on the use of bank products and services in Family Bank, Kenya. The data received from the Responses will only be utilized for this study's purposes. Please check the relevant box.

Section 1: General Information

1. Please indicate your gender

Male () Female () Other ()

2. Please indicate your Education Level?

A. Post graduate () B. Undergraduate ()
C. Diploma () D. Certificate () D. Other ()

3. Please indicate your age range in years

18-25 ()
26-35 ()
36-45 ()
46-55 ()
56 and above ()

4 Please indicate your relationship with the Bank

A. Customer () B. Staff ()

5. How long have you been a customer in Family Bank?

A. below 5 years () B. 6-10 years ()
C. 11-15 years () D. above 15 years ()

7. What is your marital status?

A. Married () B. Single () C. Divorced ()

8. State your income Generating activities

A Farming () B. Employment () C. self-employment. D. Others

Please indicate the level of agreement or disagreement with the following statements

1 Strongly disagree 2 Disagree 3 Unsure 4 Agree 5 Strongly Agree

Ownership of mobile Phone		1	2	3	4	5
1	Balance Enquiry					
2	Statement Request					
3	Fund Transfer					
	Own Account					
	Other Bank Account					
	Other Family Bank Account					
	Pesa link					
4	Agency/ATM withdrawal					
5	Loan					
	One month loan					
	Salary Advance					
6	M-pesa withdrawal					
7	Airtime Purchase					
	Safaricom					
	Airtel					
	Telkom					
8	Change of Mobile banking Pin					
9	Bill Payments					
	DSTV/ZUKU/Go tv					
	NHIF					
	TAX(KRA)					
	Water					
	Education					
	Primary					
	High School					
	University					
	Electricity (KPLC)					
	Availability of Family Bank Mobile banking					

1	Balance Enquiry					
2	Statement Request					
3	Fund Transfer					
	Own Account					
	Other Bank Account					
	Other Family Bank Account					
	Pesa link					
4	Agency/ATM withdrawal					
5	Loan					
	One month loan					
	Salary Advance					
6	M-pesa withdrawal					
7	Airtime Purchase					
	Safaricom					
	Airtel					
	Telkom					
8	Change of Mobile banking Pin					
9	Bill Payments					
	DSTV/ZUKU/Go TV					
	NHIF					
	TAX(KRA)					
	Water					
	Education					
	Primary					
	High School					
	University					
	Electricity (KPLC)					
	Security of Family Bank Mobile banking					
1	Balance Enquiry					
2	Statement Request					
3	Fund Transfer					
	Own Account					
	Other Bank Account					
	Other Family Bank Account					
	Pesa link					
4	Agency/ATM withdrawal					
5	Loan					
	One month loan					
	Salary Advance					
6	M-pesa withdrawal					

7	Airtime Purchase					
	Safaricom					
	Airtel					
	Telkom					
8	Change of Mobile banking Pin					
9	Bill Payments					
	DSTV/ZUKU/Go TV					
	NHIF					
	TAX(KRA)					
	Water					
	Education					
	Primary					
	High School					
	University					
	Electricity (KPLC)					
	User friendliness of Family Bank Mobile banking					
1	Balance Enquiry					
2	Statement Request					
3	Fund Transfer					
	Own Account					
	Other Bank Account					
	Other Family Bank Account					
	Pesa link					
4	Agency/ATM withdrawal					
5	Loan					
	One month loan					
	Salary Advance					
6	M-pesa withdrawal					
7	Airtime Purchase					
	Safaricom					
	Airtel					
	Telkom					
8	Change of Mobile banking Pin					
9	Bill Payments					
	DSTV/ZUKU/Go TV					
	NHIF					
	TAX(KRA)					
	Water					
	Education					
	Primary					

		High School					
		University					
		Electricity (KPLC)					
		Convenience of Family Bank Mobile banking					
1		Balance Enquiry					
2		Statement Request					
3		Fund Transfer					
		Own Account					
		Other Bank Account					
		Other Family Bank Account					
		Pesa link					
4		Agency/ATM withdrawal					
5		Loan					
		One month loan					
		Salary Advance					
6		M-pesa withdrawal					
7		Airtime Purchase					
		Safaricom					
		Airtel					
		Telkom					
8		Change of Mobile banking Pin					
9		Bill Payments					
		DSTV/ZUKU/Go TV					
		NHIF					
		TAX(KRA)					
		Water					
		Education					
		Primary					
		High School					
		University					
		Electricity (KPLC)					
		Reliability of Family Bank Mobile banking					
1		Balance Enquiry					
2		Statement Request					
3		Fund Transfer					
		Own Account					
		Other Bank Account					
		Other Family Bank Account					
		Pesa link					
4		Agency/ATM withdrawal					

5	Loan					
	One month loan					
	Salary Advance					
/76	M-pesa withdrawal at ATM					
7	Airtime Purchase					
	Safaricom					
	Airtel					
	Telkom					
8	Change of Mobile banking Pin					
9	Bill Payments					
	DSTV/ZUKU/Go TV					
	NHIF					
	TAX(KRA)					
	Water					
	Education					
	Primary					
	High School					
	University					
	Electricity (KPLC)					
	Cost Effectiveness of Family Bank Mobile banking					
1	Balance Enquiry					
2	Statement Request					
3	Fund Transfer					
	Own Account					
	Other Bank Account					
	Other Family Bank Account					
	Pesa link					
4	Agency/ATM withdrawal					
5	Loan					
	One month loan					
	Salary Advance					
6	M-pesa withdrawal at ATM					
7	Airtime Purchase					
	Safaricom					
	Airtel					
	Telkom					
8	Change of Mobile banking Pin					
9	Bill Payments					
	DSTV/ZUKU/Go TV					
	NHIF					

	TAX(KRA)					
	Water					
	Education					
	Primary					
	High School					
	University					
	Electricity (KPLC)					

**Family Bank Mobile Banking Influence
products and services uptake
Daily Weekly monthly**

**All Products and Services I need are
are available on mobile banking**

If yes,give

Reason(s) **Yes NO**

If no,give

Reason(s)

INFLUENCE OF AGENCY BANKING ON UPTAKE OF FAMILY BANK PRODUCTS AND SERVICES		1	2	3	4	5
s/no	Convenience of Family bank agents influences					
1	Make deposit					
2	make withdrawal					
3	Balance enquiry					
4	Request mini statement					
5	Perform M-Pesa transactions					
6	Pay school fees(any level of education)					
7	pay NHIF contribution					
8	Pay utility bills such as					
	Water					
	Rent					
	Electricity					
	Proximity to Family bank agents					
1	Make deposit					
2	make withdrawal					
3	Balance enquiry					
4	Request mini statement					
5	Perform M-pesa transactions					
6	Pay school fees(any level of education)					

7	pay NHIF contribution					
8	Pay utility bills such as					
	Water					
	Rent					
	Electricity					
	Security at Family bank Agents Influences					
1	Make deposit					
2	make withdrawal					
3	Balance enquiry					
4	Request mini statement					
5	Perform M-pesa transactions					
6	Pay school fees (any level of education)					
7	pay NHIF contribution					
8	Pay utility bills such as					
	Water					
	Rent					
	Electricity					
	Cost effectiveness of Family Bank Agent					
1	Make deposit					
2	make withdrawal					
3	Balance enquiry					
4	Request mini statement					
5	Perform M-pesa transactions					
6	Pay school fees (any level of education)					
7	pay NHIF contribution					
8	Pay utility bills such as					
	Water					
	Rent					
	Electricity					
	Reliability of Family Bank Agents					
1	Make deposit					
2	make withdrawal					
3	Balance enquiry					
4	Request mini statement					
5	Perform M-pesa transactions					
6	Pay school fees (any level of education)					
7	pay NHIF contribution					
8	Pay utility bills such as					

	Water					
	Rent					
	Electricity					
Awareness of Family Bank Agent Platforms		1	2	3	4	5
1	Make deposit					
2	make withdrawal					
3	Balance enquiry					
4	Request mini statement					
5	Perform M-pesa transactions					
6	Pay school fees (any level of education)					
7	pay NHIF contribution					
8	Pay utility bills such as					
	Water					
	Rent					
	Electricity					

All the products and services I need are available at Family bank agents

yes NO

If yes, give reason(s)

If no, give Reason(s)

Can you Recommend Family Bank Agent to Another Person

Yes No

If Yes, give Reason(s)

If no, give Reason(s)

INFLUENCE OF ATMS ON UPTAKE OF BANK PRODUCTS AND SERVICES						
		1	2	3	4	5
Family Bank ATMs proximity influences						
S/No						
1	Deposits					
2	Withdraws					
3	Mini statement					
4	Balance check					
5	Salary advance					

6	M-pesa withdraw					
7	Airtel money withdraw					
8	Change debit card PIN					
9	Transfer money via Pesa Link					
10	Pay Electricity bill					
11	Register for banking services					
	Mobile banking					
	Order cheque book					
12	Cheque Deposit					
	<i>Cost Effectiveness of ATM</i>					
1	Deposits					
2	Withdraws					
3	Mini statement					
4	Balance check					
5	Salary advance					
6	M-pesa withdraw					
7	Airtel money withdraw					
8	Change debit card PIN					
9	Transfer money via Pesa Link					
10	Pay Electricity bill					
11	Register for banking services					
	Mobile banking					
	Order cheque book					
12	Cheque Deposit					
	Security of family bank ATMs					
1	Deposits					
2	Withdraws					
3	Mini statement					
4	Balance check					
5	Salary advance					
6	M-pesa withdraw					
7	Airtel money withdraw					
8	Change debit card PIN					
9	Transfer money via Pesa Link					
10	Pay Electricity bill					
11	Register for banking services					
	Mobile banking					
	Order cheque book					
12	Cheque Deposit					

Can you recommend Family Bank ATMs to a Friend ?

yes

No

If yes, give reason(s)

If no, give reasons

Possession of Visa debit card

1	Deposits					
2	Withdraws					
3	Mini statement					
4	Balance check					
5	Salary advance					
6	M-pesa withdraw					
7	Airtel money withdraw					
8	Change debit card PIN					
9	Transfer money via Pesa Link					
10	Pay Electricity bill					
11	Register for banking services					
	Mobile banking					
	Order cheque book					
12	Cheque Deposit					
	Convenience of Family Bank ATMs					
1	Deposits					
2	Withdraws					
3	Mini statement					
4	Balance check					
5	Salary advance					
6	M-pesa withdraw					
7	Airtel money withdraw					
8	Change debit card PIN					
9	Transfer money via Pesa Link					
10	Pay Electricity bill					
11	Register for banking services					
	Mobile banking					
	Order cheque book					
12	Cheque Deposit					

***Family Bank Internet Banking Influences
products and services Uptake***

	<i>Awareness of Family bank Internet Banking</i>					
1	Statement Access					
2	Balance check					
3	Order cheque books					
4	Statutory Bills payment					
	NHIF					
	NSSF					
	NHIF penalty					
5	Bills payment					
	Safaricom Airtime Purchase					
	Airtel airtime Purchase					
	KRA tax payment					
	Telkom Airtime Purchase					
6	Self-internet banking registration					
7	Password reset					
8	View exchange rates					
9	Money transfer					
	To own account					
	To other FBL Account					
	To Other Local Banks					
	International transfer					
10	Mass payment					
	Multiple M-pesa transfers					
	Salary advance					
11	Time deposit interest paid in maturity					
12	Call deposit interest paid periodically					

Reliability of family bank internet banking

1	Statement Access					
2	Balance check					
3	Order cheque books					
4	Statutory Bills payment					
	NHIF					
	NSSF					
	NHIF penalty					
5	Bills payment					
	Safaricom Airtime Purchase					
	Airtel airtime Purchase					

	KRA tax payment					
	TelkomAirtime Purchase					
6	Self-internet banking registration					
7	Password reset					
8	View exchange rates					
9	Money transfer					
	To own account					
	To other FBL Account					
	To Other Local Banks					
	International transfer					
10	Mass payment					
	Multiple M-pesa transfers					
	Salary advance					
11	Time deposit interest paid in maturity					
12	Call deposit interest paid periodically					
	Security of Family bank Internet Banking					
1	Statement Access					
2	Balance check					
3	Order cheque books					
4	Statutory Bills payment					
	NHIF					
	NSSF					
	NHIF penalty					
5	Bills payment					
	Safaricom Airtime Purchase					
	Airtel airtime Purchase					
	KRA tax payment					
	Telkom Airtime Purchase					
6	Self-internet banking registration					
7	Password reset					
8	View exchange rates					
9	Money transfer					
	To own account					
	To other FBL Account					
	To Other Local Banks					
	International transfer					
10	Mass payment					
	Multiple M-pesa transfers					

	Salary payments					
11	Time deposit interest paid in maturity					
12	Call deposit interest paid periodically					
	Efficiency of family Bank Internet Banking					
1	Statement Access					
2	Balance check					
3	Order cheque books					
4	Statutory Bills payment					
	NHIF					
	NSSF					
	NHIF penalty					
5	Bills payment					
	Safaricom Airtime Purchase					
	Airtel airtime Purchase					
	KRA tax payment					
	TelkomAirtime Purchase					
6	Self-internet banking registration					
7	Password reset					
8	View exchange rates					
9	Money transfer					
	To own account					
	To other FBL Account					
	To Other Local Banks					
	International transfer					
10	Mass payment					
	Multiple M-pesa transfers					
	Salary payments					
11	Time deposit interest paid in maturity					
12	Call deposit interest paid periodically					
	Internet access					
1	Statement Access					
2	Balance check					
3	Order cheque books					
4	Statutory Bills payment					
	NHIF					
	NSSF					

	NHIF penalty					
5	Bills payment					
	Safaricom Airtime Purchase					
	Airtel airtime Purchase					
	KRA tax payment					
	TelkomAirtime Purchase					
6	Self-internet banking registration					
7	Password reset					
8	View exchange rates					
9	Money transfer					
	To own account					
	To other FBL Account					
	To Other Local Banks					
	International transfer					
10	Mass payment					
	Multiple M-pesa transfers					
	Salary payments					
	User friendliness of family Bank Internet					
1	Statement Access					
2	Balance check					
3	Order cheque books					
4	Statutory Bills payment					
	NHIF					
	NSSF					
	NHIF penalty					
5	Bills payment					
	Safaricom Airtime Purchase					
	Airtel airtime Purchase					
	KRA tax payment					
	Telkom Airtime Purchase					
6	Self-internet banking registration					
7	Password reset					
8	View exchange rates					
9	Money transfer					
	To own account					
	To other FBL Account					
	To Other Local Banks					
	International transfer					

10	Mass payment					
	Multiple M-pesa transfers					
	Salary payments					
11	Time deposit interest paid in maturity					
12	Call deposit interest paid periodically					
	Ownership of intelligent Device	1	2	2	4	5
1	Statement Access					
2	Balance check					
3	Order cheque books					
4	Statutory Bills payment					
	NHIF					
	NSSF					
	NHIF penalty					
5	Bills payment					
	Safaricom Airtime Purchase					
	Airtel airtime Purchase					
	KRA tax payment					
	TelkomAirtime Purchase					
6	Self-internet banking registration					
7	Password reset					
8	View exchange rates					
9	Money transfer					
	To own account					
	To other FBL Account					
	To Other Local Banks					
	International transfer					
10	Mass payment					
	Multiple M-pesa transfers					
	Salary payments					
11	Time deposit interest paid in maturity					
12	Call deposit interest paid periodically					

All the products and services

I need are available in ATMs

If yes, give reason(s)

Yes

NO

If No, give reasons

can you recommend **YES**

NO

Family Bank ATMs to a friend?

If yes, give reason(s)

If No, give reasons

	Marketing	1	2	3	4	5
1	Statement check					
2	Balance check					
3	Order cheque books					
4	Statutory Bills payment					
	NHIF					
	NSSF					
	NHIF penalty					
5	Bills payment					
	Safaricom Airtime Purchase					
	Airtel airtime Purchase					
	KRA tax payment					
	TelkomAirtime Purchase					
6	Self-internet banking registration					
7	Password reset					
8	View exchange rates					
9	Money transfer					
	To own account					
	To other FBL Account					
	To Other Local Banks					
	International transfer					
10	Mass payment					
	Multiple M-pesa transfers					
	Salary payments					
11	Time deposit interest paid in maturity					
12	Call deposit interest paid periodically					

	Training					
1	Statement Access					
2	Balance check					
3	Order cheque books					
4	Statutory Bills payment					
	NHIF					
	NSSF					
	NHIF penalty					
5	Bills payment					
	Safaricom Airtime Purchase					
	Airtel airtime Purchase					
	KRA tax payment					
	TelkomAirtime Purchase					
6	Self-internet banking registration					
7	Password reset					
8	View exchange rates					
9	Money transfer					
	To own account					
	To other FBL Account					
	To Other Local Banks					
	International transfer					
10	Mass payment					
	Multiple M-pesa transfers					
	Salary payments					
11	Time deposit interest paid in maturity					
12	Call deposit interest paid periodically					
	Advertisement					
1	Statement Access					
2	Balance check					
3	Order cheque books					
4	Statutory Bills payment					
	NHIF					
	NSSF					
	NHIF penalty					
5	Bills payment					
	Safaricom Airtime Purchase					

	Airtel airtime Purchase					
	KRA tax payment					
	TelkomAirtime Purchase					
6	Self-internet banking registration					
7	Password reset					
8	View exchange rates					
9	Money transfer:					
	To other FBL Account					
	To Other Local Banks					
	International transfer					
10	Mass payment					
	Multiple M-pesa transfers					
	Salary payments					
11	Time deposit interest paid in maturity					
12	Call deposit interest paid periodically					

Appendix III: List of Mt.Kenya Region Branches

1. Banana
2. Chuka
3. Embu
4. Gatundu
5. Githunguri
6. Kagwe
7. Kangari
8. Kangema
9. Karatina
10. Kerugoya
11. Kiambu
12. Kiria-Ini
13. Kutus
14. Makongeni
15. Maua
16. Meru
17. Muranga
18. Mwea
19. Nanyuki
20. Nkubu
21. Nyeri
22. Othaya
23. Thika

Appendix IV: Approval of research proposal and Supervisors



MURANG'A UNIVERSITY OF TECHNOLOGY (MUT)

Tel: +254-771463515

Email: bps@mut.ac.ke

Website: www.mut.ac.ke

P.O.Box 75-10200

Murang'a

DIRECTORATE OF POSTGRADUATE STUDIES

Ref: MUT/RL/PGS/14/2020/VOLI

Date: 29th October 2021

Dear Edwin Murangiri (BE500/5246/2017),

RE: APPROVAL OF RESEARCH PROPOSAL AND SUPERVISORS

I am pleased to inform you that the Directorate of Postgraduate Studies on 16th September 2021 considered and approved your PhD research proposal entitled “*Influence of Distribution Strategies on Bank Products and Services Uptake in Family Bank Limited, Kenya*” and appointed the following as supervisors:

1. **Prof. Clifford Machogu- Murang'a University**
2. **Prof. Richard Juma- Murang'a University**
3. **Dr. Tabitha Karanja-Murang'a University**

You may now proceed with your data collection subject to obtaining research permit from NACOSTI, if required. You should also begin consulting your supervisors and submit through them quarterly progress reports to the Director Postgraduate Studies through your CoD and School Dean. Progress Reports can be accessed in the University Website.

It is the policy and regulations of the University that you observe deadlines. The guidelines on Postgraduate supervision can be accessed in the post graduate Handbook.



MUT IS ISO 9001:2015 CERTIFIED

Your responsibilities as a student will include, among others;

- I. Maintain regular consultation with your supervisor(s), at least once a month
- II. Submit quarterly reports on time, through your supervisors, CoD, Dean and to the Director of Postgraduate Studies;
- III. Ensure quality work all through;
- IV. Present your research findings at 2- 3 seminars/conferences prior to thesis examination.
- V. Publish two articles from your research findings in a refereed journal prior to thesis examination

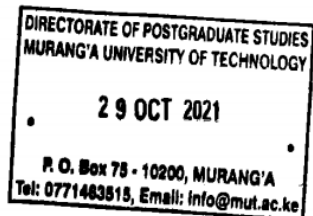
For any further clarification, please contact the undersigned.

Yours Sincerely,



Prof. Geoffrey Muchiri
Director, Postgraduate Studies

Cc Registrar (ASA)
Dean (SBE)



MUT IS ISO 9001:2015 CERTIFIED

Appendix VI: Publications

The following papers have been published from this thesis.

Ileri, E.M., Wahinya, G., Juma, R. & Karanja, T. (2022). Influence of Mobile Banking on Uptake of Products and Services in Family Bank Limited, Kenya. *International Journal of Arts and Social Science*, 5(8), 72-80.

Ileri, E.M., Wahinya, G., Juma, R. & Karanja, T. (2022). Influence of Agency Banking Strategy on Uptake of Products and Services in Family Bank Limited. *International Journal of Arts and Social Science*, 5(10), 102-111.