

EFFECT OF USE OF INFORMATION COMMUNICATION AND TECHNOLOGY ON CORPORATE PERFORMANCE OF DEPOSIT TAKING SAVINGS AND CREDIT COOPERATIVES IN NAIROBI COUNTY, KENYA

ABSTRACT

Savings and Credit Cooperatives that undertake the deposit taking activity are the most significant types of cooperatives that help in providing saving and credit facilities to their members. SACCOs are operating in a competitive and dynamic environment facing stiff competition from other financial institutions that transact the same type of business. Technological advancement has been the driving force within

the financial sector which has been evidenced by the innovative ideas that are frequently introduced in the financial sector. To enhance corporate performance, SACCOs should keep abreast with the innovative ideas introduced in the market so that they can maintain and sustain their competitive advantage in the industry. The study sought to find out the effect of use of Information Communication and Technology on the corporate performance of deposit taking SACCOs in Nairobi County. The study was guided by the following specific objectives; to examine the effect of online banking on corporate performance of Deposit taking (D-T) SACCOs in Nairobi County, to determine the effect of mobile banking on the corporate performance of D-T SACCOs in Nairobi County and to determine the effect of online marketing on the corporate performance of D-T SACCOs in Nairobi County. The study was based on two theories: the innovation diffusion theory and technology acceptance model. Descriptive research design was adopted for the study with a sample frame consisting of IT managers of D-T SACCOs in Nairobi County with a target population of 44. Census sampling technique was adopted. The study used quantitative method. Data was collected through administration of questionnaire which was designed with a five-point Likert scaling to measure levels of agreements towards the statements. The study also used expert opinion to measure the validity of research instrument. Pilot study was used to test the reliability where Cronbach alpha coefficient was utilized to confirm the reliability of the research instrument. Data was analyzed using the descriptive statistical techniques and inferential statistical techniques. Analyzed data was presented on tables and chart. The study findings indicated that internet banking, mobile banking and online marketing have positively impacted on corporate performance D-T SACCOs in Nairobi County. The study concluded that use of ICT, that is, internet banking, mobile banking and online marketing have positively impacted on corporate performance of D-T SACCOs in Nairobi County. This was as reflected by the correlation and regression results. Specifically, the study concluded that the effect of internet banking on corporate

performance was positive and significant. This was as reflected by the regression results ($\beta = 0.642$, $p = 0.001$). The study also concluded that mobile banking is positively and significantly related with corporate performance as shown ($\beta = 0.296$, $p = 0.030$). The study also concluded that online marketing is positively and significantly related with corporate performance as shown ($\beta = 0.320$, $p = 0.010$). The study recommended that the D-T SACCOs need to explore further afield to find out why there still exist customers who are not adopting or slow at adopting the mobile and internet technology. The study will be important to stakeholder in the cooperative sector and government. DT SACCOs provides savings and credit facilities which will helps the government in implementing the big four and its flagship project on science, technology and innovation which is geared towards achieving vision 2030.