



## EFFECT OF E-PAYMENT ON THE PERFORMANCE OF COMMERCIAL BANKS IN KAKAMEGA TOWN, KENYA

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### ABSTRACT

The paper aimed to establish the impact of E-payment on the performance of Commercial Banks in Kenya. The study applied a descriptive research design. The population of this study included a sample size of 53 employees being 30 % of of the entire population as recommended by Kombo and tromp (2006), through simple random sampling from the Commercial Banks. Piloting was done to establish the validity of the research instruments. To ensure the reliability of the research instruments, the study used a Cronbach's Alpha coefficient of at least 70% which is acceptable implying that the instruments are reliable. Both descriptive and inferential statistical tools were used in this study. The results were presented in form of frequency tables and cross tabulation tables. From the findings, the results showed r squared value of 0.563, which implied 56.3 percent of performance in commercial banks in Kakamega town was explained by E-payment. The study focused on commercial banks in Kakamega town. Other commercial banks outside Kakamega town were not considered and hence the study might be subjective in terms of location. On recommendation, the study did not cover the moderating effect of Government policy on the relationship between ICT and bank performance. Future studies are encouraged to assess this moderating influence. The study was covered in 2018. Future studies are encouraged in consideration of time to keep the debate on going. Future studies are encouraged to include all the commercial banks in Kenya to compare the findings. The outcome of this study is hoped will contribute to existing pool of knowledge in strategic management. Moreover, the findings of this study will form a framework for reference by interested researchers in future.

**Keywords:** E-Payment, Performance of Commercial Banks, Kakamega town, Kenya.