EFFECTS OF TECHNOLOGY ADOPTION ON CUSTOMER LOYALTY: A CASE OF COMMERCIAL BANKS IN UASIN GISHU COUNTY, KENYA

BY

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DECLARATION AND RECOMMENDATION

Declaration by Student

This research project is my original work and has not been presented for examination in any other university nor institution of higher learning.

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Recommendation by supervisors

This research project has been submitted for examination with our approval as university supervisors.

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DEDICATION

This research project is first dedicated to God for the strength He gave me to carry on, and to my parents Mr and Mrs Murrey, my brothers Ibra, Richard and Cornellius and my sisters Sharon and Juliet for their assistance and encouragement throughout the period of undertaking the thesis.

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ABSTRACT

The emergence of new processes and technologies, in most financial institutions have made them to understand each customer better than ever before and are choosing with whom to do business and how to manage customers' behaviors and attitudes. The purpose of the study was to establish the effects of technology adoption on customer loyalty in commercial banks. The study objectives were to determine effects of reliability on customer loyalty, to assess the effects of responsiveness on customer loyalty and to evaluate effects of accessibility on customer loyalty within banks in Uasin Gishu County. The study was guided by Systems Theory, Diffusion of Innovation theory and theory of reasoned action (TRA). The study adopted descriptive survey design and targeted 8635 customers, 27 branch managers, 54 head of departments. A sample size of 449 respondents was used. It comprised of; 368 customers determined using Krejcie and Morgan (1970) table, 27 branch managers and 54 head of departments' purposively selected. Data was collected using questionnaires**..** The study used the expert opinion method to measure the validity of the research instruments. Test re-test method was used to test the reliability. A cronbach alpha of 0.964 was obtained which confirmed the reliability of the research instruments. The data collected was analyzed using Statistical Package for Social Science (SPSS 21.0). The data was edited, organized, analyzed and interpreted using descriptive statistics (percentages, mean and standard deviation) and inferential statistics. The inferential statistics Analysis of Variance (ANOVA) was used to test the significance of the regression model. Further multiple linear regression models was used to determine the change in dependent variable explained by the effect of independent variables of the study, this gave a R^2 value of 0.770 The study thus indicated that 77.0% variance of the dependent variables are explained by the effect of independent variables. Data was presented in form of tables and chats. The findings of the study indicated that all the three predictor variables (reliability, responsiveness and accessibility) showed there was statistical significant effect on the dependent variable (customer loyalty). The study recommended that, commercial banks should ensure that the elements of technology adoption such as; reliability, responsiveness and accessibility are put in place for customer loyalty to be achieved. It is further recommended that a similar study be conducted to find out how other factors affect customer loyalty in commercial banks and also duplicate the topic in other regions in the country. Finally, the study will be of benefit to the policy makers, community and academicians.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

LIST OF ABBREVIATION

ATMs: Automated Teller Machines

CBK: Central Bank of Kenya

EFTs: Electronic Fund Transfer (EFTs)

ICT: Information Communication Technology

MIS: Management Information System

TRA: Theory of Reasoned Action

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Dushyenthan (2013) attest that in the current climate, competition in the banking industry is intense, with new financial service providers emerging all the time. Customer loyalty is seen more than ever as a key distinguishing feature in the marketplace. Major development within today's banking services is the increasing interest in adopting technology to enhance and improve customer loyalty in the banking sector. According to Joseph and Stone (2003), technology adoption raises the one question whether accounts transactions, service delivery and new product development in banks represent positive change and delivering enhanced customer loyalty hence improved service quality. Whilst technology adoption can among other functions save time and money and eliminate errors, therefore addressing various issues associated with the cultural changes and social trends, it can also reduce any associated service value and direct customer interaction to be gained (Bitner, 2001). Strategic emphasis on building relationships between customers and adopting and investing on technology by banks has been greatly placed (Ramani and Kumar 2008).

With the emergence of new and advanced technologies and processes, most financial institutions are now beginning to understand each customer better than before and are becoming selective with whom to do business with and how to manage customers' ever changing behaviours and attitudes (Gronroos 2000). As a result, the growth in demand for technology adoption has been increasing. Customer loyalty refers to the customer behavioral and customer attitudinal tendency to favor one brand over all others, whether due to contentment with the service or product, its performance convenience or performance, or simply comfort and familiarity with the brand (Dick and Basu, 2004). Frenzel, (1996) defines technology adoption as the ability to execute a given task, by the application of knowledge, processes and skills. Furthermore, it can be described as the combination of computer and communication technologies that assist in production, manipulation, storage and communication, and /or to dissemination of information. Additionally,Dick and Basu (2004). Stated that companies adoption of information technology has expanded further from the conventional personal computer and network technologies by integrating other technologies such as cell phones, television usage etc (Laudon and Laudon, 2000).

In the United States, most modern banks have deployed technological capabilities in an attempt to reduce costs while improving customer service, satisfaction and loyalty. Despite the potential benefits that technology adoption offers consumers, the adoption of technology in some banks in relation to online banking has been limited and, in many cases, has fallen short of expectations (Bielski, 2003). While all of the top 50 largest banks in the US offered Internet banking by 2002 and approximately ninety one percent of US households had a bank account (Kolodinsky et al, 2004), only 17% of consumers adopted online banking. Customer loyalty in Malaysia has become increasingly popular on developments in technology adoption. In Malaysia technological innovations in the banking sector was established six years ago (The Star, 2005).

Technology adoption in these banks have been used conveniently as a new physical banking service which is to attain more potential customers and allow customer loyalty and moreover as it allows bankers to deliver banking services to a wider segment of customers through technological advancements (Goi, 2006). Seyed et al (2013) conducted a study which sought to determine the effects internet technology, effects of customer relationship management and and the effects of customer loyalty on customer retention and satisfaction. Their findings indicated that the use of internet technology can deliver value to the customers which enhances customer loyalty and customer retention rate.

Africa and other developing countries, technology adoption has been inhibited by the quality, availability and the cost of accessing telecommunication infrastructures (Humphrey et al., 2003). Other issues include lack of skilled staff; low internet dissemination, low bank account, and lack of timely delivery of physical goods also hinder the growth of technology use in banks. For instance, currently there are twenty eight banks operating in the Ghanaian banking industry with over eight hundred and fifty six bank branches (Ghana Banking Survey, 2011). Most of these banks have adopted new and inventive processes of improving organizational customer loyalty and service delivery in a bid to combat competition. One significant means of achieving customer loyalty and achieving competitive advantage has been the adoption of technology, (Abor, 2011). For instance, Oppong, Adjei and Poku (2014) carried out a study on the role of information technology in promoting customer loyalty with reference to Agricultural Development Bank Ltd Ghana and the results indicated that despite the introduction of technology in service delivery by the Agricultural Development customer service quality is still low. on the other hand, technology adopted has played the role of enhancing customer loyalty by making banking services more convenient, time saving and personalized. Banks in Kenya have exponentially embraced and adopted the use of ICT in their service provision. Huge amounts have been invested in the implementation of self and virtual banking services in the aim of improving customer loyalty and quality of customer service. With the introduction of branchless banking system, which incorporates the use of Electronic Fund Transfer and automated teller cards together with computer banking, the banking industry in Kenya has been drastically expanding. The annual reports of central bank of Kenya have clearly indicated that, Kenyan banks branch network has been gradually expanding.

Banks in Kenya have exponentially embraced and adopted the use of information and communication technology both in their service provision. In the banking industry the ICT based products and services include the introduction of computer transactions among bank customers, Anywhere banking software's, Core banking solution, Electronic clearing systems and direct debit among others. The introduction of electronic banking has improved banking efficiency in rendering services to customer. Technology adoption is at the heart of electronic banking system in Kenya today (Steven, 2002). It is noted that the banking industry in Kenya cannot at any point overlook the importance of technology like information systems because they play a critical role in contemporary banking system, they point out that the entire cash flow of most banks are linked to information system. of fundamental importance and concerns to the banks is technological application of information technology concepts and implementation of the strategies to banking services. It also has become a prerequisite for global and competitive banking (Connel and Saleh, 2004). The advancement in Technology has therefore played a fundamental role in improving customer loyalty standards in the Banking industry. In its simplest form, technology like the Automated Teller Machines (ATMs) and deposit machines have allowed the customers who are the consumers to carry out their banking transactions beyond the normal working hours. For instance, Ombati (2007) conducted a study on the relationship between technology and organizational service quality among banks, an empirical study of various factors in electronic banking services. The findings revealed that services which are secure are the most important dimension, followed by location of ATMs which is convenient, efficiency (there is no need to wait), accurate records, ability to set up accounts so that are user friendly, ease of user, accurate transactions, complaint satisfaction, and operation in 24 hours.

1.2 Statement of the Problem

According to Goi (2006), technology adoption is an essential indicator of an organization's past, present, and future performance and in enhancing the loyalty of customers, Therefore banks need to carefully strategize some technological programs that will enable them to satisfactorily meet customers' needs. Ideally, it is important for customers in a bank to feel satisfied with the services and products offered by the bank. This however has not been the case for majority of banks within Uasin Gishu County since the technologies that are already adopted have not yielded the expected results.

Despite the adoption of technologies in banks within Uasin gishu county, some of the banks have also failed to advance and adopt the new technologies that are upcoming which has resulted to poor customer behavior whereby customers still physically visit the banks causing long queues, also the banks technologies do not always respond to emergency and urgent demands of customers resulting to customer dissatisfaction. In the current climate, competition in the banking industry is intense causing uncertainty to customer loyalty and therefore, adoption of technology becomes the most likely customer loyalty enhancement remedy (Seyed et al (2013). This aroused the need to design the current research to fill in the existing gap by assessing the effects of technology adoption on customer loyalty within Uasin Gishu County.

1.3 General Objective

The general objective of the study was to assess the effects of technology adoption on customer loyalty within Uasin Gishu County.

1.3.1 Specific Objectives of the study

The study was guided by the following objectives;

i. To determine effects of reliability on customer loyalty within banks in Uasin Gishu County.
ii. To assess the effects of responsiveness on customer loyalty within banks in Uasin Gishu County.
iii. To evaluate effects of accessibility on customer loyalty within banks in Uasin Gishu County.

1.4 Research Hypothesis

The study was guided by the following hypotheses:

H_{O1}: There is no significant effect of reliability on customer loyalty within banks in Uasin Gishu County

H_{O2}: There is no significant effect of responsiveness on customer loyalty within banks in Uasin Gishu County

H_{O3}: There is no significant effect of accessibility on customer loyalty within banks in Uasin Gishu County

1.5 Significance of the Study

The study will highlight the effects of technology adoption on customer loyalty to banks and other financial institutions in Uasin Gishu County, Kenya. The findings of this study will be significant to the bank's management in formulating better strategies to improve and advance in technology adoption to maintain a good customer loyalty and also enhance customer relationship.

The study will also enable the banks executives, the policy makers of the banks and financial institutions to be aware of technology adoption as an important aspect in maintaining customer loyalty and making strategic decisions. Good bank policies will help to improve customer confidence to facilitate more transactions that will stir up economic growth in Uasin Gishu County. The research findings will be of significant to the Kenyan government in formulating policies for enhancing customer loyalty and performance of banks through adopting technology.

Finally, the study will contribute to the academic literature and knowledge to other researcher who wish to expand on the issue of technology adoption and customer loyalty and other variables as a criticism and as a point for further research to be undertaken in the field of marketing.

1.6 Scope and Limitations of the Study

The study sought to establish the effects of technology adoption on customer loyalty within banks in Uasin Gishu County in Kenya. The study evaluated the effects of reliability, responsiveness and accessibility on customer loyalty. The study was conducted in banks within Uasin Gishu County.

The study was conducted in the months of March 2016 to August 2016. The respondents were branch managers, head of departments and customers.

1.7 Limitations of the Study

The study was limited to study the effects of technology adoption on customer loyalty within banks in Uasin Gishu County and not any other organization in Kenya. The study was limited to the problem under study among other problems affecting banks not only within Uasin Gishu County but the country at large.

The other limitation was that some of the respondents hesitate to give out information required for the study due to fear of victimization by the management. The researcher overcame all this by issuing research permit and letter of introduction from Kisii University that the study is for academic purpose only and the information given was kept confidential.

1.8 Justification of the study

In a competitive market place understanding and responding to customer needs has become an important factor. As a result, companies have moved from product-centric to a customer- centric position (Hanson, 2000). In the banking industry for instance, the current climate is characterized with intense competition, with new financial providers emerging every other day, the level of customer satisfaction is now being perceived as the key differentiator in the market place.

According to Parasuraman et al. (1998) the banking industry has been depicted to exhibit little market orientation and fulfilling service with little regard to customer needs as well including branches dissimilar in efficiency, long lines, limited time to customer servicing, transaction errors, excessive bureaucracy, security and network failure. To answer this call, the adoption of technology is becoming a common trend among commercial banks that are pumping a lot of investment into technology based solutions. Whilst the deployment of technology channels in banking industry is motivated by the desire to lower operating expenses and improve levels of efficiency, there are other motivations, like addressing customer needs, demand or pain-point, to build rapport with clients, to target emerging markets, or to offer a differentiating quality over the competition.

Obunga (2010) conducted a study on influence of use of modem technology on customer satisfaction in banks taking a case of KCB branches within the Central Business District in Nairobi. The findings of the study revealed that continuous employment of technology increases customer satisfaction and reinforces customer loyalty and retention that are key in company growth and value.

Kabira (2015) conducted a study on the factors influencing customer loyalty among commercial banks in Kenya and found out that the ability of the bank to provide services through technology adoption as promised meets customers' expectation of service affected their loyalty to a great extent. It is against this background that the study will investigate the effects of technology adoption on customer loyalty.

1.9 Operational Definition of Terms

Accessibility: this is quality of information communication systems being available when needed by customers in the bank.

Customer loyalty: An attitudinal and behaviour tendency to favour one brand over all others, whether due to satisfaction with the service and product, its performance, comfort and brand.

Reliability: Technological devices that that consistently performs according to its specifications to enhance customer loyalty.

Responsiveness: The ability of an information communication system to adjust quickly to the needs of the customers to improve their loyalty.

Technology Adoption: The application of knowledge, skills and processes for the execution of a given task and carrying out activities in a given context to enhance customer loyalty.

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Background Review

2.1.1 Systems Theory

The study was guided by systems Theory by Ducker (1998). This theory is states that systems are made up of various parts which are dependent on each other and relate to each other, sometimes in very complex and at times in simple ways. Most if not all organizations are open systems meaning that they are dependent on the eternal environmental factors for survival (Drucker, 1988). The systems can either be closed or open and are a series of organizational activities working together for the aim of attaining the organization objectives (Schultz, 1994).

The flow of information and material from any part of the system must be consistent to the input necessities (Deming in 1993, cited from Schultz (1994). The organization gets inputs from the outside world which it then transforms into output and takes it back to the world for use. According to McAuley, Duberly and Johnson (2007) Systems Theory was proposed as an approach to understanding the fundamental nature of the systems. From time to time, suffer disturbances, as the disturbances occurs the subsystems of the organization change in order to adjust to the new circumstances. They do so in order to maintain the system as a whole.

This is in conjunction to the idea that all systems want to attain a position of equilibrium however they have a sense of natural balance. Koontz and Weihrich (2009) found that banks are systems which it belongs, the economic system and the society. Hence, the enterprise receives inputs then transforms them and exports the output to the environment. Some of the outputs become input again in other areas.

This theory is relevant to this study in that technology adoption takes form the system theory since it has a central database which is the bigger system from which other applications such as the financial transactions is done and other banks services and products are obtained, human resource, reporting application amongst other application emerge. Systems theory is also significant in technology adoption and customer loyalty as it clearly demonstrated the relationship between an organization and its environment. Proper management of that relationship ensures that the conversion process of inputs to outputs is smooth. Systems theory views the management in totality and helps in seeing the problems of the organization in a wider perspective (Deming, 1986).

2.1.2 Diffusion of Innovation Theory

Diffusion of Innovation (DOI) Theory, as developed by E.M. Rogers, is among the oldest social science theories. It explains how an idea or product gains momentum and circulates (or spreads) through a specific population or social system over time. This theory seeks to answer how, why and the rate at which new ideas and technology spread through cultures. This theory to this study is important in that the end result of this diffusion is that as part of a social system, people adopt new ideas, behaviors, or products. Adoption here refers to the process of doing something differently than what they had done previously. An individual to successfully adopt something must have the perception that the idea or product is new and innovative which makes it efficient, this further makes diffusion of innovation possible (Rogers, 1962).

Adoption of a new idea, behaviour, or product does not happen simultaneously in a social system; rather it is a process whereby some organizations have the will to adopt the innovation as compared to other organizations. Researchers have found out that people exhibit different characteristic in relation to their aptness in adopting new innovations in that those who adopt earlier are distinct from those who adopt later. This means that in order to promote an innovation to any populace, it is important to understand the characteristics of the target population to be able to distinguish the features that can hinder the adoption process or those that will help promote the adoption process.

Based on adopter categories, it is established that majority of the general population fall in the middle categories within the five established adopter categories. This makes it still necessary to understand the characteristics of the target population in promoting an organizational innovation, there are a variety of strategies used to appeal to the different adopter categories (Rogers, 1962).

2.1.3 Theory of Reasoned Action (TRA)

The study was also guided by the theory of reasoned action, developed to understand relationships between employee attitudes, employee intentions and their behaviors by Fishbein, (1967). The theory of reasoned action (TRA), posits that individual behavior in an organization is pressured by way of worker behavioral intentions. The principle of reasoned movement gets is of notable significance within the area of consumer behaviour because it affords a trustworthy tool to apprehend possibilities to trade with regards to clients' behaviour while the usage of an innovation. Additionally, the actual use of an innovation is decided by using the character's behavioral purpose to use it. The model resulting from their research is visualized in and consists of the following components: Starting from the behavioral intentions.

Accordingly, the actual use of an innovation is determined by behavioral intentions of individual's use. The Attitudes towards an act or behaviour are the individual's feelings about performing a behavior whether positive or negative, determined by assessing one's beliefs. Subjective norm is defined as a perception by an individual on whether the behaviours should be performed according to what the people who are more important to him think. To simply define in simple terms: a person's voluntary behaviour is projected by an individual's attitude toward a conduct or behaviour and how an employee thinks their coworkers would view them if they performed better than them.

This theory is relevant to the study because it is used to explain human behaviors in organizations in relation to the adoption of new technologies (Pedersen, 2005). Behavioral intention to adopt new technology is explained by employee's attitudes toward that behavior and subjective norms. Intensified competition and deregulation has led many services and banks to seek cost-effective habits to differentiate the organizations technologies; the strategy that has been related to success of organizations is the delivery of effective and efficient service quality. So customer loyalty has become a significant aspect due to high revenues, increased market ratios, higher customer retention, customer purchasing behaviors and expanded market share.

The significance of the Theory of Reasoned Action to technology and customer loyalty is becoming more prevalent, so is the level of customer service delivery thus the level of customer satisfaction and loyalty is also changing the scenario of technological environment. Technology adoption in form of e-banking plays a significant role in providing better services at lower cost and enhancing customer loyalty.

2.2 Customers and Loyalty

Zeithaml et al. (2006) define customer loyalty as intent of the banks customer to stay with the organization (commercial bank) and the customer commitment to increase the intensity of services and products that are purchased and the intensity that is through the volume increase of transaction in liaison with the firm (Eisingerich and Bell, 2006). It is the regularity of purchase or volume of same that is relative in brand purchasing. In essence, a customer is loyal when he/she is committed to repurchase a preferred product or service even when there are situational influence and marketing efforts having the possibility to influence switching behavior (Oliver, 2009). It is suggested to the banks and organizations to invest in building relationships and customer closeness with customers who are loyal as it will in turn lead and increase a stronger loyalty (Ndubisi et al., 2007). The customers who purchase a service or a product regularly over a long period of time generate and increases more sales revenues and are fairly cheaper to serve than other customers (Reichheld and Aspinall, 2005).

Fornier (2004) indicates that the concept of customer loyalty has involved a lot of interest from academicians, scholars and practitioners its complex association with an organization's performance. Customer loyalty is now regarded as crucial in strategic decision making because it costs a lot to attract new customers than to retain the old customer. Customer loyalty can be conceptualized by two dimensions which are attitudinal and behavioural. Attitudinal loyalty is a situation whereby various feelings create an individual's general attachment to a service, organization or product (Fornier, 2004). These customer feelings describe the individual's cognitive extent of loyalty (Hallowell, 2006). The dimension of behavioural reflects the extent to which attitudinal feelings are interpreted into loyalty behaviour. It shows intentions being interpreted into actions. Some of the examples of loyalty behaviours are the continuity of the customer to purchase services from the same supplier, increased scope and scale of a relationship, or the way of proposing a service or product (Best, 2009) and increase in purchase frequency and Word of Mouth (WOM) proposal (De Ruyter et al., 2008).

In particular, commercial banks are interested in maintaining and building long-term relationships with their esteemed customers (Gwinner*et al.*., 2008,). In addition, stronger customer relationships are believed to lead to an increase in sales, lowers operating expenses and profit streams which are predictable (Reichheld, 2006). These loyalty results include less switching behavior, actions and intentions, repurchase, word of mouth which are positively recommended, service providers identification through restricted affiliation, production by customers, social benefits inform of friendship, customer citizenship behavior, willingness to pay a first-rate price for a given service, mentoring other customers who are less experienced by assisting them to be aware of implicitly and explicitly which are stated in the rules of conduct (Zeithaml*et al.*, 2006).

2.2.1 Effects of Reliability on Customer Loyalty

Safwan et al. (2010) argued that reliability shows the service provider's ability to perform services in a dependable and accurate manner. Furthermore, it involves doing it right the first time and it is a crucial service component of customers (Messay, 2012). It is noted that being reliable is an exceptionally important quality to have, especially in the banking industry (Ghost &Gnanadhas, 2011). Reliability improvement is key in service quality enhancement efforts. This is because when a firm is unreliable, they communicate less concern to what customers care about. Customers may form a negative perception about the firm and will switch to a competitor without second thoughts (Sakhaei et al., 2014). It is not easy for many types of service businesses to maintain a higher level of reliability of technological devices day in day out. Customers view, experience and judge mishaps in the service sector immediately they interact with the firm (Mudassar et al., 2013).

In such a sector, variability occurs largely when services are being offered. It is difficult for service providers to control such variations since each employee is somewhat different from the others in personality, skills and attitudes (Mohammad &Alhamadani, 2011). The key aspects under reliability of technological devices include providing service as promised, dependability in handling customer service problems, performing services right at the first time and maintaining error free records (Armstrong, 2012). According to Klemz and Boshof (2011), the most important motivation for customers to select banks for investment funds is because of the reliability of technological devices and reputation of banks.

Banks usually give their word to customers about security during transactions. If the desired service is offered to customers by employees, customers will have more confidence and trust (Dado et al., 2012). Ramzi (2010) pointed out that providing services as promised is one of the important factors of customer satisfaction. A good way of impressing customers is by doing what you promised and doing it right at the first time experience. This will enhance repeat business. Research has shown that delivery is the most important factor for customers and is one of the main causes of account abandonment if not achieved (Messay, 2012). Providing service as promised is hence fundamental in any business. This will build a firms' reputation and with good reputation, there is high chances of repeat business.

In addition, new business will be generated by word of mouth and it will set a firm apart from its competitors as well. This is because they may sell similar products but their company could lack in delivering as promised (Armstrong, 2012). According to Lau et al. (2013) providing services as promised is also important at the bank because if a customer is expecting the bank to do something for them, they should be able to rely on them to do it on the day that they want it done. Consequently, if they don't then the reputation of the bank may be affected and that customer will not believe that they are reliable. They may lose trust and decide to open another account in another bank if trust is lost (Atlik, 2009). A reliable service may not drastically affect customer satisfaction in a good manner.

However a company that is seen to offer unreliable product or service will highly be viewed incompetent hence a negative effect on customer satisfaction. Reliability of technological devices is viewed as one of the prerequisite for customer satisfaction (Chau&Kau, 2009). A major problem faced by consumers in the banking industry is the timings allocated for services offered. They are not flexible (Lau et al., 2013). Usually, most banks operating hours are from Mondays to Fridays –begins operation from 8.30am - 4.30pm but due to consumer demand, the trend changed, with the banks beginning services an hour earlier. Some operate on weekends. Besides the banking hours, queuing up at some banks while the banks promised quicker services becomes annoying to consumers. Standing in line for a long time at the banks is non-productive and a pure waste of time (Ouyung, 2010). Even though most banks have introduced seats, no consumer wants to wait longer than required in a banking hall. As such, most banks now have developed a way to address consumer problems. An example is a suggestion box placed at the entrance of the bank. Repeat sales are not accidental. Instead, they occur due to a relationship that is created when a firm offers service as they had promised (Abdullah &Ariokiasamy, 2013). Building relationship in business is therefore of great importance. If however, that relationship isn't based on trust, it will never amount to anything (Armstrong, 2012). According to Lau et al. (2013) complaints offer banks chance to solve immediate problems. In addition, they often provide useful ideas for improving products and services, changing marketing practices or adjust material and service information. When customers come with complaints, they should not be ignored. This should give a firm an opportunity to listen to the occasional problems. Companies can learn to recover from mistakes. Handling problems in a professional manner can turn frustrated customers into loyal customers. This is needed for good reputation (Toosi&Kohonali, 2011).

Karim and Chowdhury (2014) argued that banks are competing in every way to retain current accounts, and to sign on new ones to prove that they are dependable. In today's economy, we no longer have an industry in which good advertisements and corporate social responsibility will earn customers. A firm has to prove to customers why they should stay loyal to them and not switch to a competitor by all means. With the tremendous growth, customers have a pool of options to choose from, and most business will want to have these customers on their side (Hossan, 2012). Customers' perceptions about the services they will get in banks are usually higher than their expectations. Bank customers frequently look to any signs that may be used as pointers of dependability.

These enable them to judge the services of the banks and the bank's employees (Mohammad &Alhamadani, 2011). Customer loyalty should be a major goal of any business. A management aspect that demonstrates this is a company should try to adjust its rules and regulations and understand the customers instead of deafening its ears to customers' complaints. This enables front line employees to use their discretion while handling customers' problems as they occur (Dharmalingam&Kannan, 2011). Responding effectively and efficiently to customers' dissatisfaction has been found to be beneficial in banks. Firms which practice and teach its employees complaint management have an advantage over their competitors and look dependable (Angelova&Zekir, 2011). In a service firm, the most efficient method for minimizing mistakes is ensuring activities are done right the first time. This involves ensuring that all tasks are done in the required manner first and every other time in a firm (Toosi&Kohonali, 2011). The first step to completing service processes right is to measure the existing level of performance. Employees can start by measuring the number of transactions that meet this objective and evaluate these goals to the number of transactions by customers. Employees can then approach the problem in a logical manner and find the reasons behind poor performance in service (Onditi et al., 2012). Ghost and Gnanadhas (2011) go further to add that measuring the first time right performance of service personnel might be a change for many firms.

Bank managers may be used to judge their staff by looking at the time it takes them to resolve a customer complains. However, staff may not provide complete information to customers at all times, therefore resulting in recurring complaints. Thus it is essential to link an employee's performance with the tasks that are completed correctly the first time. Abdullah and Arikiasamy (2013) also asserted that delivering high service quality right at the first time demands use of modern equipment that can perform the required service. There should be standard of excellence and a direction to attain customer satisfaction by providing necessary equipment, tools and proper freedom to achieve the tasks. Firms should believe in investing in people by listening to their concerns and provide training.
Moreover teaching them how to use the modern equipment will improve firm's productivity and quality standards. Current and potential customers expect collaboration and flexibility brought about by technology adoption (Angelova&Zekir, 2011). Capturing and retaining customers is a fundamental factor of a company's ability to instill confidence. This communicates reliability, their representatives and agents are ready to support them when needed, and that customers records are error free (Safwan et al., 2010). According to Atlik and Arslan (2009) proper record keeping enables a firm run more efficiently. This in return may lead to profitability. Having records that are accurate allow business to have complete updated list of its income, expenses, assets and liabilities.

With this information, banks are able to know where its strengths and weakness are in their operations (Siddiqi, 2011). It is a legal requirement for banks to have error free records. It is therefore important for banks to keep records accurately in a professional manner and adhere to the banking legal standards (Taiwo et al., 2011). A business that fails to keep complete and accurate financial records puts its success and sustainability in jeopardy. Providing accurate records of contact with the customer will help in continuity of relationship between firm and the customers (Ouyung, 2010). Business records can be maintained manually, computerized on a spreadsheet or kept online. A firm should ensure the system it uses is easy to operate and complements the business for employees to keep records as required (Abdullah &Arikiasamy, 2013). Keeping business records can be overwhelming at first. The key is to break things down activities and workloads into simplified, manageable tasks. This will later enable an employee have the records up to date and can access them easily. It is much easier to do this than to let paperwork pile causing difficulty in retrieving while information is required by the customer (Gbadeyan&Gbonda, 2011). It is difficult for a customer to see how business processes have improved, if the records of that company are questionable (Timothy, 2012).

2.2.2 Effects of Responsiveness on Customer Loyalty

Providing service in a timely manner is highly appreciated by customers. Good service providers understand this aspect (Iqbal et al., 2010). Furthermore, firms that value efficiency pay attention to the services that they offer so that they can have an advantage and use this to keep off competitors (Karim&Chowdhury, 2014). Bank customers look for banks that willingly help them in their banking operations. Customer satisfaction may be achieved in the banking sector when the service provider is willing to assist its customers when required Akbar (2009) also stated that “responsiveness of information communication technology system is positively related to customer satisfaction and customers can refers others if satisfied by the company services. Therefore, direct advertisements are important for the banks.

Key aspects under responsiveness include keeping customers informed as to when services will be performed; prompt service to customers, willingness to support customers and Readiness to respond to customers needs (Armstrong, 2012). According to

Timothy (2012) the steps taken to keep customers informed when problems occur can strengthen or harm the relationship. Keeping customers well informed of what is going on can have lasting effects on the relationship. By letting customers work out their problems and not being proactive, firms miss an opportunity to strengthen customer relationships (Armstrong, 2012). If the customer realizes that as a service provider you're working hard to fix a reported problem, then the customer will feel appreciated and feels that they are getting worthiness of their money (Ramzi,2010).

Besides being trained on how to deal with customers, employees should given the freedom to enable them use discretion in informing customers on the progress of their demand and a platform of asking when they are not sure (Saghier& Nathan, 2013). Employees should know their customers' needs and what they think of the firm. Firms may be able to develop relationships with customers that will benefit both parties by talking to them about their needs. Moreover banks can form a platform where customers can give their views about products or services to ensure that they meet their needs. Greater understanding of their requirements and informing them through feedback from customer communications increases customer satisfaction (Lau et al., 2013). In today's' economy, customers are more aware and have a pool of choice as to where to spend their money and time.

Letting customers know as to when services will be performed increases a firms' chance of retaining current customers as well as gaining new ones (Armstrong, 2012). Also, being concise and getting to the point quickly is a good way to respect customer's time that shows responsiveness of information communication technology system. Regular and honest feedback while informing customers is a must. For this to happen properly, firm staff must be proactive and specific. The firm should be able to develop a progress and development plan. Moreover it should be able to link the employee's performance with the firms' goals so that they can offer services that will satisfy customers (Ojo, 2010). Sakhaei et al. (2014) support that important knowledge or skills that relate to the customers should not be possessed by just few people in the firm.

This slows down an employee when they need to respond to a customer if they don't have the required information. Banks should have efficient ways of disseminating knowledge among employees in the various departments. This will be widely used and its value and effectiveness are likely to be maximized. Creating a knowledgeable environment in a bank may be beneficial when it comes to informing customers (Munusamy et al., 2010). Mudassar et al., (2013) argued that however skilled you are at workplace, always provide customers with exceptional service as desired. These includes providing timely responses to customer questions and inquiries, and informing your clients promptly. Greeting them warmly, involving them to determine what they have come for, and responding promptly and accurately to inquiries show customers' quick understanding of the firm. Failure to do so can result in lost business or damage a firm reputation (Kariru&Aloo, 2014). The most common customer complaint is being kept waiting. Being reluctant to return calls or fulfill orders may lead to loss of customers. The customers may be pushed to switch to another company.

They may also engage in negative word of mouth due to the dissatisfaction felt (Armstrong, 2012). Dharmalingam et al. (2011) assert that customers expect firms to treat them in a consistent way and that they will do what they say they will do promptly. By acting in accordance with these wants, a firm provides the customer with a sense of viewing it as company that gives customers' priority .This builds loyalty. Customers will view the service provider as being competent enough to offer the service. The customer will not be satisfied if he or she does feel that the services offered mostly delay. It brings doubt about the competence of the service provider (Ramzi, 2010).

The service that the employees provide and the relationships they build are vital to success of customer satisfaction. The employees need to understand, believe in and be proud of the firm they are a part of. This will lead them to serving their customers promptly (Al-Rousan& Mohamed, 2010). Untimely response to customer requests is one of the stamps of poor customer service. Customers want to feel valued. They want to know their presence and input to the business is appreciated. However when customers feel neglected and unappreciated, there are high chances that they will move to the next competitor (Klemz&Boshoff, 2011). Moreover, they will swiftly do so if they have an immediate need for a service that a firm is failing to deliver, or if they simply do not see work ethics. Poor response time, especially if done repeatedly, results in loss of customers and revenue (Armstrong 2012). The key to generating loyal customers is to provide them with efficient service by the required time frame. The employees should have adequate knowledge to enable them quickly respond to customer (Mudassar et al., 2013).

First impressions have a great impact. Specifically, how firms respond to and treat customers for the first time determines whether they will come back. If well served they may recommend the firm to others (Messay, 2012). Warm Greetings, asking probing questions to understand what they need, and responding promptly and accurately to inquiries demonstrates dedication and willingness to help. For customers to have a tip of satisfaction, willingness should always be maximized (Jayanthy&Umaran, 2012). By voluntarily asking direct questions of the customers, having information on the customers' records and their progress, the firm will convey a message of wanting to assist the customers bringing about some sense of satisfaction (Abdullah &Arokiasamy, 2013).
Geetika and Nandan (2010) further explain that to deliver the quality of service that a firm expects hiring and recruiting staff that are willing to assist customers is a prerequisite. In the recruitment environment, a firm has to compete with similar firms to get the best people with this kind of attitude. Demonstrating that you are listening through body language and making eye contact shows a customer that you are willing to assist them. Willingness to help makes the customer feel understood and appreciated. Customers want firms to focus on helping them (Mohsan et al., 2011). Attitude will always have an upper hand compared to aptitude. Most firms will choose the ones with willingness to go the extra mile or show sacrifice over some with greater technical skills when hiring. It is often easy to increase the technical skills of an employee than change reluctant behavior.

Employees who thrive in the service industry have a natural desire to serve and express willingness when dealing with customers. This is because their free spirit nature to help the customers helps them in retaining and attracting new customers (Ouyung, 2010).

Taiwo et al. (2011) state that many customers have problems that needs to be solved. It is important for firms to have creative problem solvers as the employees. They should always make sure they understand the problem clearly, and offer them possible solutions. Often employees need to think of solutions that fit the needs of a specific customer as they occur (Ramzi, 2010). If an employee cannot find a solution that works for the customer, it is valuable to help them locate additional help. Following up with the customer to make sure the issue has been resolved can change customers perception. Customers will appreciate if they see the firm staff has interest in their problem, and their willingness to help, in whatever way possible (Timothy, 2012). Dharmalingam et al. (2011) pointed that the level of a firms customer service will make or break a business. Proving to customers that you are willing to assist them at their point of need is one of the most vital aspects of customer retention and satisfaction (Atlik&Arslan, 2009). According to Toosi and Kohonali (2011) customers expect timely responses to requests. Therefore, they should not be disregarded or delayed simply because there are underlying issues. Some companies offer online support that provides their clientele with instantaneous resolution to their inquiries at the right first time. Email requests and phone calls should be examined on a case-by-case basis and responded to accordingly (Sakhaei et al., 2014).

Customers are relationships and they take effort to earn and keep. Business opportunity is lost by losing customers. Most businesses put emphasis on earning or gaining customers but are reluctant on following up to retain customers (Al-Rousan& Mohamed, 2010). As a good service provider, a company and its staff should be ready to respond to customers' queries about products and services offered (Ojo, 2010). Customers expect to interact with business people who are willing to respond promptly about the product or service they are promoting or offering. This gives a bank a competitive advantage compared to others of retaining customers. It reflects readiness of employees and their ability to serve the customers as soon as required (Hossan, 2012).

Increasing employee engagement is a necessary way to make them be ready to respond to customers. In addition if the customers are more involved and informed by the employees, they become long term customers, and increasing customer loyalty will significantly lower costs of recruiting new ones. They will more often refer others to your business for proved readiness to serve them (Dado et al., 2012). Providing exceptional service and support to customers will add value to a product or service and a firms' reputation. Choosing wisely when hiring front-line support employees and providing them with the tools they need to be successful will help them be swift and ready in offering services (Sakhaei et al., 2014).

Banks can instill feelings of readiness in its customers if they handle their customers in a professional and competent way (Kadir et al., 2011). Customers trust the readiness of firms to respond to their request based on historical reference. If a firm consistently responds readily to customers queries, customers feel reasonably assured that their next request will be responded to as well. It costs five times more to get a new client than it does to keep an existing one (Messay, 2012). Readily responding to customers makes them feel welcome. This is an important component of a positive customer experience (Mudassar et al., 2013).

2.2.3 Effects of Accessibility on Customer Loyalty

Access involves approachability and ease of contact. It means: the service is easily accessible by telephone whereby lines are not busy and they don't put you on hold, waiting time to receive service at a bank is not extensive; convenient hours of operation and convenient location of service facility. Diverse access channels improves the chances of customer continued transacting. Abbasi, Khalid, Azam&Riaz (2010) pointed out that customers are much more satisfied when they can easily access the services.

He further pointed out that the service should be easily accessible through different channels so as the lines are not busy and they don't put you on hold and the waiting time to receive service should be minimal. Abbasi, Khalid, Azam&Riaz (2010) pointed out that accessibility of information communication technology system is one of the dimensions of service quality that influences customer satisfaction and thus promotes loyalty. Asked to what extent the friendliness of Family Bank staff has improved the chances of customer continued transacting with them, the respondents said to a great extent. Webster &Sundaram (2010) identified friendliness and smiling as one of the positive attitudes that spill over to the customers and promote retaining of the customers.

According to Akbar &Parvez (2009) accessibility of information communication technology system levels among banks staff improves the chances of customer continued transacting with them as indicated by majority of the respondents who said to a great extent. Competent employees are more accurate in service delivery. According to the American Society for Quality (2010) competency employees promotes reliability of technological devices which influences customer satisfaction and in turn promotes loyalty. On the extent to which prompt response on customer queries by Family Bank staff has improved the chances of customer continued transacting with them, the respondents said to a great extent. One of the aspects that improve customer satisfaction is the willingness by the employees to provide service to the customers.

Promptness in serving the customers increases their satisfaction and thus promoting their loyalty (Akbar &Parvez, 2009). The safety of financial transactions at a bank had improved the chances of customer continued transacting with them, the respondents said to a very great extent. In the financial sector most of the customers are worried about their safety. Akbar &Parvez (2009) pointed out in their study that one of the factors that promote customer satisfaction is the assurance that their products are safe. Bank's consideration of customer interest had improved the chances of customer continued transacting with them. Ahmend et.al (2010) states that, one of the measures of credibility as pointed out by is the interest, in any either the customer's or the company's needs. Bank's extends banking hours has improved the chances of customer continued transacting with them. Ahmed et al (2010) points out that one of the factors that measure the accessibility of the organization is the extensive long hours that ensure customers get the services for a longer period of time.

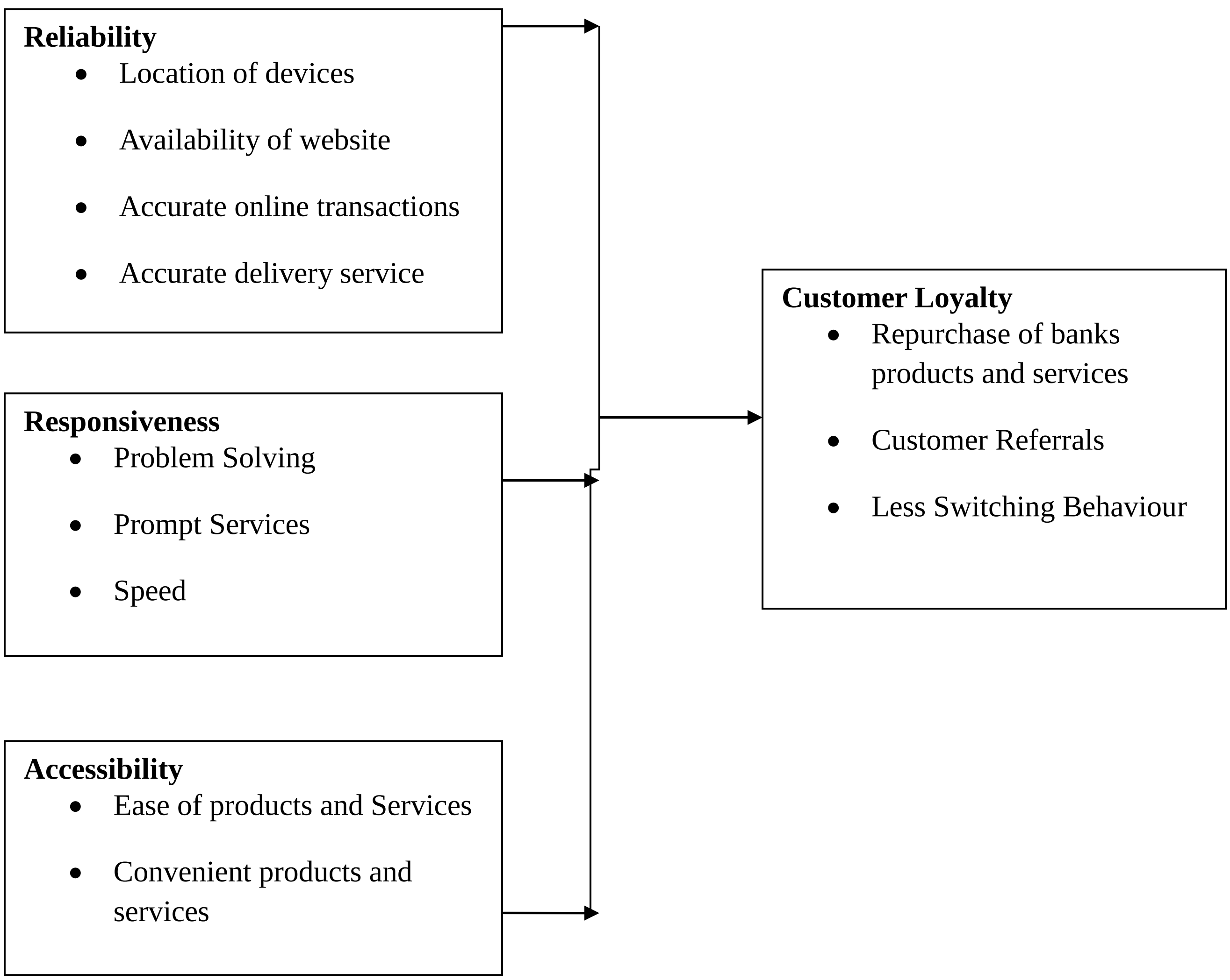
2.4 Conceptual Framework

A conceptual framework is a diagrammatic representation of study variables. In other words, it expresses how the various variables relate to each other. Figure 2.1 outlines the conceptual framework on the relationship between the independent variable and the dependent variable. The aim of the study will be to establish the effects technology adoption on customer loyalty in the banking sector in Kenya with reference to banks within Uasin Gishu County. In the study the independent variables will be technology adoption conceptualized by reliability of technological devices, accessibility of information communication technology system, communication and responsiveness of information communication technology system while the dependent variable will be customer loyalty conceptualized by repurchase of banks products and services, customer referrals and less switching behaviour.

Figure 2.1: Relationship between Technology adoption and Customer Loyalty

Independent variables **Dependent Variables**

(Technology adoption) **(Customer Loyalty)**



Source: (Author, 2016)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

The study adopted a descriptive survey design. Kothari (2001) observes that a descriptive research According to Kombo and Tromph (2006), a research design is a procedural plan that is adopted by the researcher to answer questions validly, objectively, and economically. A descriptive survey research design was used to conduct the study. According to Orodho (2002) the descriptive design was adopted because it is useful in fact finding and also result in formulating important solutions and principles of knowledge to problems Orodho(2002). As cited by Munyi (2015), descriptive research design is used to minimize biasness and reliability maximization of the data collected and the data that was analyzed. It's used to obtain information concerning the current status of the phenomena to describe what exists with respect to variable or condition in a situation It is appropriate for obtaining attitudinal and factual information. This study sought to obtain descriptive and self-reported information from the employees and customers of commercial banks in Uasin Gishu County.

3.2 Study Area

The study was conducted within banks in Uasin Gishu County. Uasin Gishu County is situated in the mid-west of Kenya's Rift Valley, some 330km North West of Nairobi. Uasin Gishu is a cosmopolitan county, covering an area of 3345.2 square kilometres. UasinGishu County borders Kericho County to the south, Nandi to the south west, Bungoma to the west, and Trans Nzoia to the north, Kenya National Bureau of Statistics (KNBS, 2009).

3.3 Target Population

Mugenda and Mugenda (2003) define target population or absolute population is all that conforms to a given specification that a researcher would like to generalize results from. The study involved 27 commercial banks in Uasin Gishu County with target population of 8635 customers, 27branch managers, 27 Head of departments of information and communication technology and another 27 customer care manager of each bank. The target population of the customers was selected from list of expected customers of the selected banks in a day. This information on bank customers is presented in the table below;

Table 3.1 Target Population

Bank Name	Number of expected customers in a day
Barclays Bank	700
Bank of Africa	250
ABC bank	165
Bank of Baroda	180
Chase Bank	210
Commercial Bank of Africa	195
Consolidated Bank of Kenya	135
Eco bank	210
Equatorial Bank	100
Equity Bank market Branch	1500
Family Bank	500
Guardian Bank	150
Housing Finance Co. Ltd	185
K-Rep Bank Ltd	250
Kenya Commercial Bank	900
National Bank of Kenya	450
Fina Bank	85
Oriental Commercial Bank	95
Standard Chartered Bank	270
Trans-National Bank Ltd	240
Prime Bank Limited	125
Diamond Trust bank	130
Co-op bank	1200
I & M bank	105
Post bank limited	120
NIC bank	115

Bank of India	70
Total	**8635**

3.4 Sample Size and Sampling Procedure

3.4.1 Sample Size

According to Amin (2005) a sample size is a small population selected for observation. The ideal sample size should be large enough to serve as adequate representation of the population about which the researcher wishes to generalize and small enough to be selected economically in terms of subject availability, expenses in both time and money. The sample size of the respondents for this study was determined using sample size determination table formula advanced by Krejcie and Morgan (1970) as cited by Kasomo (2001) and Mehdi (2012). From the formula, the sample size of 368 customers was determined from a population size of 8635customers.Additionally, 27 branch managers and 27 Head of departments of information and communication technology and another 27 customer care manager of each bank were purposively selected to participate in the study making the total sample size to be 449.

3.4.2 Sampling procedure

Sampling procedure refers to part of research plan that indicates how cases are to be selected for observation while sample size refers to number of items sampled from bigger population that their findings was to be used to generalize about the whole population Kothari, (2004). This study therefore used Stratified Random sampling where the banks were selected to form strata. The researcher considered this method suitable because it is administrative convenient. In addition, for banks with more than one branch in Uasin Gishu County, the branch with the highest number of expected customers in a day was considered most appropriate.

Table 3.2 Sample Frame

Bank Name	**Number of expected customers**	**$n_i = (N_i \times n)/N$**	**Sample size**	**k^{th}**
Barclays Bank	700	(700x368)/8635	30	23
Bank of Africa	250	(250x368)/8635	11	23
ABC bank	165	(165x368)/8635	7	24
Bank of Baroda	180	(180x368)/8635	8	23
Chase Bank	210	(210x368)/8635	9	23
Commercial Bank of Africa	195	(195x368)/8635	8	24
Consolidated Bank of Kenya	135	(135x368)/8635	6	23
Eco bank	210	(210x368)/8635	9	23
Equatorial Bank	100	(100x368)/8635	4	25
Equity Bank market Branch	1500	(1500x368)/8635	64	23
Family Bank	500	(500x368)/8635	21	24
Guardian Bank	150	(150x368)/8635	6	25
Housing Finance Co. Ltd	185	(185x368)/8635	8	23
K-Rep Bank Ltd	250	(250x368)/8635	11	23
Kenya Commercial Bank	900	(900x368)/8635	38	24
National Bank of Kenya	450	(450x368)/8635	19	24
Fina Bank	85	(85x368)/8635	4	21
Oriental Commercial Bank	95	(95x368)/8635	4	24
Standard Chartered Bank	270	(270x368)/8635	12	23
Trans-National Bank Ltd	240	(240x368)/8635	10	24
Prime Bank Limited	125	(125x368)/8635	5	25
Diamond Trust bank	130	(130x368)/8635	6	22
Co-op bank	1200	(1200x368)/8635	51	24
I & M bank	105	(105x368)/8635	4	26
Post bank limited	120	(120x368)/8635	5	24
NIC bank	115	(115x368)/8635	5	23
Bank of India	70	(70x368)/8635	3	23
Total	**8635**	(8635x368)/8635	**368**	

After using stratified sampling and in particular proportional allocation method to determine the sample size, for each of classified group, systematic random sampling technique was applied to select a respondent in every stratum sample. In this case a respondent will be selected based on the k^{th} value (Mugenda&Mugenda, 2003)

3.5Research instruments

The researcher employed both secondary and primary sources of data. The secondary data was obtained from textbooks, journals, internet and articles related to the study while primary data was obtained by the use of questionnaires. Mugenda and Mugenda, (2003) observed that questionnaires are used to obtain descriptive information from a larger sample. It also ensures objective replies due to its confidentiality. They also helped the researcher to compare responses given to different items and hence minimize subjectivity and makes possible to use quantitative analysis. For that reason, the researcher used structured questionnaire to collect data from customers, Head of Information and Communication Technology and customer care manager. In addition, the questionnaire contains closed questions so as to encourage complete responses from the respondents and a 5-Likert rating scale was adopted as they allowed the responses to be quantified.

3.6 Validity and Reliability of Research Instruments

3.6.1 Validity of Research Instruments

Validity is the degree to which a test measures what is supposed to measure, it is the accuracy and meaningfulness of inferences, which are based on research results (Orodho, 2004). The study employed the content and construct validity to ascertain the accuracy of the research instrument. Content validity was determined by the supervisors, lecturers and the experts who evaluated the applicability and appropriateness of the content, clarity and adequacy of constructs of the instrument from a research perspective.

3.6.2 Reliability of Research Instruments

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials, thus giving it accuracy or precision Mugenda (2003). The study used the test-retest method in order to test reliability of the research instruments. Research instruments were retested on a sample of ten respondents who were representatives drawn from five commercial banks in the neighbouring Trans Nzoia

County. The researcher established the reliability of the instrument by using Cronbach alpha method. A Cronbach alpha coefficient of 0.964 was obtained which was above the expected value of 0.7 thus confirming the reliability of the research instruments. These results are in line to Creswell (2003) and Mugenda and Mugenda (2003) who asserts that a reliability value above 0.7 is considered to be adequate.

3.7Data collection Procedure

Upon approval of the proposal by the School of Graduate Studies, the researcher obtained an introduction letter from Kisii University that enabled her get a permit from National Commission for Science, Technology and Innovation (NACOSTI). On acquiring of the permit, the researcher proceeded to bank branch managers for permission to collect data at the institutions. The respondents were requested to fill the questionnaire and hand them back on the same day. Collecting the questionnaires the same day ensures a high return rate as opposed to when the respondents are left with them indefinitely. In case of absentee respondents, questionnaires were left behind with the heads of departments and arrangements made to pick them at a later time.

3.8 Data Analysis and Presentation

Cooper and Schindler (2008) highlight data analysis as inspection, cleaning, transforming and modeling data in order to highlight useful information to draw conclusions and to support decision making. The questionnaires were checked for completeness and consistency to ensure that respondents have completed them as required. The questionnaires were coded using Statistical Package of Social Sciences (SPSS) Version 21. In this study, only quantitative data analysis was adopted. Quantitative analysis involves coding responses into categorical variables followed by application of a Statistical Package for Social Sciences (SPSS) techniques of analysis (Mbwesa, 2006). To analyze the data both descriptive and inferential statistics was adopted. For the descriptive statistics, the study employed means and standard deviation, while in inferential statistics; multiple linear regression was used as the technique for analysis. Finally, the quantitative data analyzed was presented by use of tables.

The regression model was in the form:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where Y will be customer loyalty and;

X_1= Reliability

X_2= Responsiveness

X_3= Accessibility

α=constant value

ε =error term

3.9 Ethical consideration

The study observed ethical conduct during the process of data collection. The researcher obtained a research permit from National Commission for Science, Technology and Innovation (NACOSTI) and an introductory letter from Kisii University to be presented to commercial banks for familiarising purpose. The respondents were notified that the study is for academic purpose only and not other parties applying the principle of voluntary participation which requires that people are not coerced into participating in research. The researcher ensured that prospective research participants are informed about the procedures and risks involved in research and should give their consent to par

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Response Rate and Data Screening

4.1.1 Response rate

Out of the 449 questionnaires administered, only 351 respondents returned the questionnaires, giving a respondents rate of 78.17%. This is shown in table 4.1 .Such a response rate is viewed as being highly favorable according to Mugenda and Mugenda (2003) who assert that a response rate of 50% is adequate, 60% good and above 70% is rated as being very good. This is further supported by Creswell (2003) who provides guidance that a 40% response rate is adequate.

Table 4.1: Response Rate

Category	Frequency	Percentage
Distributed	449	100 %
Returned	351	78.17%

4.1.2 Data Screening

Out of all the 351 questionnaires received, 308(87.7%) of the questionnaires were dully filled while 43(12.3%) were not fully filled. This implies that the response was adequate representation of the entire population. The researcher dropped the unfilled questionnaires to avoid statistical errors during data analysis. This is shown in table 4.2

Table 4.2: Data Screening

Category	Frequency	Percentage
Dully filled	308	87.7%
Incomplete	43	12.3%
Total	351	100%

4.2 Data Analysis and Interpretation

4.2.1 Demographics

This section consists of information that describes basic characteristics such as Age of respondents, gender of respondents, level of education and length of service they had worked in their respective banks**.**

4.2.1.1 Respondents' gender

The study sought to assess the gender distribution of the respondent. This is because different gender has different opinions about various issues. The researcher wanted to find out the views of different gender interviewed. The findings are indicated in figure 4.1

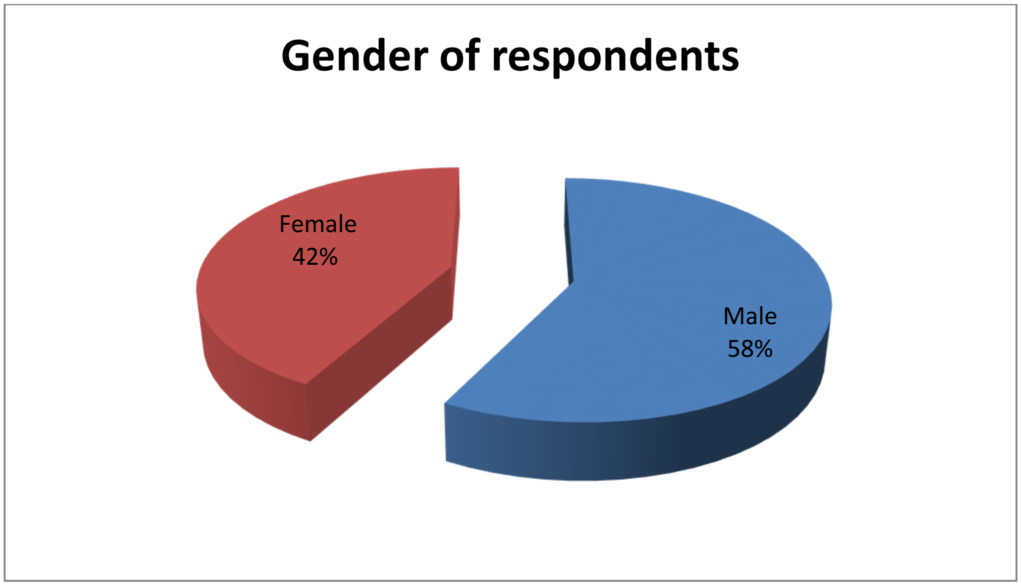


Figure 4.1: Gender of the respondents

The finding in table figure 4.1 shows that 57.8% of the respondents were male and 42.2% of the respondents were female. This implies that more males were interviewed during the research, it further indicates that commercial banks in UasinGishu County, has attained the gender parity which requires that not more than 2/3 of staff should come from either gender (Constitution of Kenya, 2010)

4.2.1.2 Education Level

The respondents were requested to indicate the highest level of education. The level of education was important in order to show the respondents understanding on the effects of technology adoption on customer loyalty. The results are presented in figure 4.2.

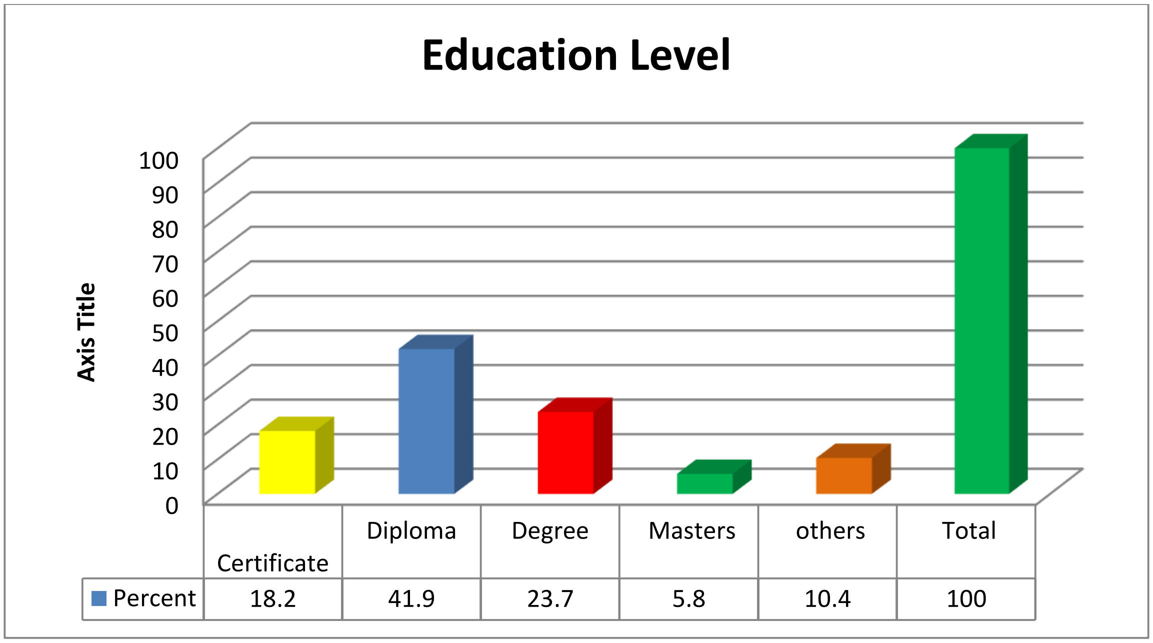


Figure 4.2: Education Level of respondents

The results indicate that 18.2% of the respondents had attained certificate level, 41.9% are said that their highest level is diploma level, 23.7% had attained degree level, 5.8% masters level and10.4% of the respondents represented others who include, primary level, secondary school level and PHD level. This shows that majority of the respondent were diploma holders, followed by degree, which implies that, all the respondents selected were educated, therefore they understood the effects of technology adoption on customer loyalty in commercial banks.

4.2.1.4 Length of service with the Bank

The respondents were requested to indicate the length of service with the Bank. Length of service with the bank was important in order to determine the respondents' level of understanding of internal information pertinent to the company. The results are presented in figure 4.3

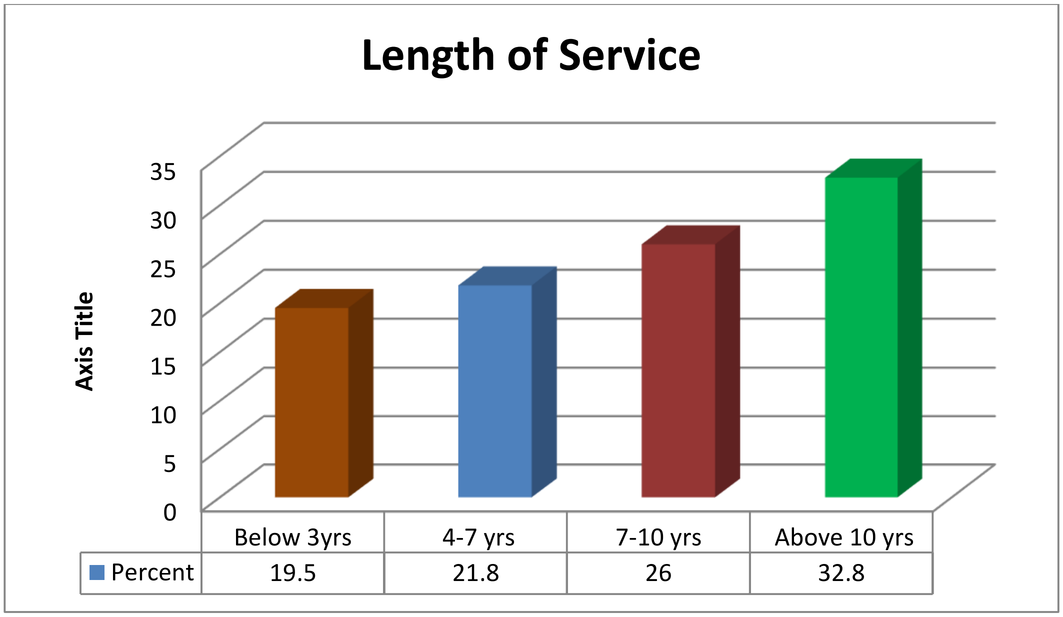


Figure 4.3: Length of Service with the Bank

From figure 4.3 above, the results show that that 19.5% of the respondent had been working in the Bank for a period below 3 years, 21.8% of the respondent had been in the bank for a period of between 4-7 years, 26.0% have worked in the bank for a period of between 7-10 years and 32.8% had been in the bank for over 10 years. The results indicate that majority of the respondents have worked in the bank for a long time and therefore they understand the effects of technology adoption on customer loyalty and what needs to be done in order to get it right.

4.2.3 Effects of reliability on customer loyalty

The researcher wanted to determine the effects of reliability on customer loyalty within banks in UasinGishu County in a five point Likert scale. The results are shown in table 4.3

Table 4.3 Descriptive statistics on effects of Reliability on Customer Loyalty

Reliability	**M**	**S D**
Reliability of technological devices ensures customers satisfaction	3.61	1.445
Reliability of technological devices shows the service provider's ability to perform services in a dependable and accurate manner	3.65	1.237
Reliability of technological devices reduce customer complaints immediately	4.08	1.001
Reliability of technological devices provides accurate delivery of customer service	3.96	1.020

On the extent that aspects of Reliability affect Customer Loyalty in the banking industry, the respondents indicated that reliability of technological devices ensures customers satisfaction as shown by a mean score of 3.61, reliability of technological devices shows the service provider's ability to perform services in a dependable and accurate manner is supported by a mean score of 3.65, Reliability of technological devices reduce customer complaints immediately with a mean of 4.08 and the issue that Reliability of technological devices provides accurate delivery of customer service was supported by a mean of 3.96, The results indicate that the banks in UasinGishu County consider the reliability of technology adoption which will enable them to maintain their customers loyalty and achieve the intended objective of technology adoption.

These results are supported by Safwan et al. (2010) who argued that reliability shows the service provider's ability to perform services in a dependable and accurate manner. Furthermore, it involves doing it right the first time and it is a crucial service component of customers (Messay, 2012) noted that being reliable is an exceptionally important quality to have, especially in the banking industry he further states that, in such a sector, variability occurs largely when services are being offered. It is difficult for service providers to control such variations since each employee is somewhat different from the others in personality, skills and attitudes. Further Mohammad &Alhamadani (2011) stipulates that the key aspects under reliability of technological devices include providing service as promised, dependability in handling customer service problems, performing services right at the first time and maintaining error free records. According to Klemz and Boshof (2011), the major reason for customers to choose banks for investment funds is because of the reliability of technological devices and reputation of banks.Lastly these results are supported by Systems theory which significant in technology adoption and customer loyalty as it clearly demonstrated the interrelationship of the organization and its environment. Proper management of that relationship ensures that the conversion process of inputs to outputs is smooth. Systems theory views the management in totality and helps in seeing the problems of the organization in a wider perspective (Deming, 1986).

4.2.4 Effects of responsiveness on customer loyalty

The study sought to investigate the effects of technology adoption on customer loyalty: a case of commercial banks in UasinGishu County, Kenya; the findings are shown in table 4.4 below

Table 4.4: Descriptive statistics for effects responsiveness on customer loyalty

Responsiveness	**M**	**SD**
The technology within the bank ensures that customers are aware of the critical announcements like collection of ATM, expiry date and interest rates	3.69	1.423
The technological services within the bank are of high speed that ensures that employees in the bank recommend appropriate products and services to customers	4.05	1.117
The bank addresses the problem like system failure with immediate effect hence customer loyalty	4.38	.862
The bank employees respond to customers requests quickly like account information using computers hence customer loyalty	4.68	.978

According to the findings on Table 4.4, majority of the respondents indicated that the aspects of technology adoptionresponsiveness that influence customer loyalty in the banking industry to a great extent include, the aspect that technology within the bank ensures that customers are aware of the critical announcements like collection of ATM, expiry date and interest rates with a mean score of 3.69, The technological services within the bank are of high speed that ensures that employees in the bank recommend appropriate products and services to customers with a mean score of 4.05, The bank addresses the problem like system failure with immediate effect hence customer loyalty with a mean score of 4.38 and The bank employees respond to customers' requests quickly like account information using computers hence customer loyalty with a mean score of 4.16.This implies that responsiveness of technology adoption in the banking sector is a significant factor in ensuring customer loyalty and also responsiveness of information communication technology system is positively related to customer satisfaction .

These results support that of Timothy (2012) who stated that the steps taken to keep customers informed when problems occur can strengthen or harm the relationship. Keeping customers well informed of what is going on can have lasting effects on the relationship. By letting customers work out their problems and not being proactive, firms miss an opportunity to strengthen customer relationships. Armstrong (2012) also states that if the customer realizes that as a service provider you're working hard to fix a reported problem, then the customer will feel well taken care of and feels that he is getting his money worth. Further Dharmalingam et al. (2011) assert that customers expect firms to treat them in a consistent way and that they will do what they say they will do promptly. By acting in accordance with these wants, a firm provides the customer with a sense of viewing it as company that gives customers' priority .This builds loyalty. Customers will view the service provider as being competent enough to offer the service.
Lastly this study was supported by diffusion theory which states that the end result of this diffusion is that part of a social system, where people adopt new ideas, behaviors, or products. Adoption here refers to the process of doing something differently than what they had done previously. An individual to successfully adopt something must first perceive the idea or product as new or innovative.

4.2.5 Effects of accessibility on customer loyalty

The study sought to establish the effects of accessibility on customer loyalty; the results are shown in table 4.5 below

Table 4.5: Descriptive statistics for effects of accessibility on customerloyalty

Accessibility	M	SD
Easy accessibility of banks products and services system has improved the level of loyalty in the bank	3.70	1.449
There is high usage of the banks services and products by the customers hence enhancing customer loyalty	3.98	1.183
Technology has shortened the services processing duration hence customer loyalty	4.31	.903
Customers who can easily access information are much more satisfied and thus improve their loyalty	4.07	1.028

The results in table 4.5 indicate that the respondents were in agreement that easy accessibility of banks products and services system has improved the level of loyalty in the bank (mean 3.70). The respondents further agreed that there is high usage of the banks services and products by the customers hence enhancing customer loyalty (mean 3.98), they also agreed that technology has shortened the services processing duration hence customer loyalty, this had a mean score of 4.31 and lastly customers who can easily access information are much more satisfied and thus improve their loyalty with a mean score of 4.07,this implies that accessibility of banks products and services system is effective in ensuring customer loyalty.

These results support that of Abbasi, Khalid, Azam&Riaz (2010) who pointed out that accessibility of information communication technology system is one of the dimensions of service quality that influences customer satisfaction and thus promotes loyalty. Asked to what extent the friendliness of Family Bank staff has improved the chances of customer continued transacting with them, the respondents said to a great extent. Webster &Sundaram (2010) identified friendliness and smiling as one of the positive attitudes that spill over to the customers and promote retaining of the customers. They further state that accessibility of information communication technology system levels among banks staff improves the chances of customer continued transacting with them as indicated by majority of the respondents who said to a great extent.

4.2.6 Effects of technology adoption on customer loyalty

The study sought to establish the effects of technology adoption on customer loyalty; the results are shown in table 4.6 below

Table 4.6: Technology Adoption and Customer Loyalty

customer loyalty	**M**	**SD**
Technology adoption ensures repurchase of banks products and services	3.74	1.310
Technology adoption leads to Customer Referrals	3.84	1.263
Technology Adoption ensures less Switching Behaviour	4.18	.935

The results in table 4.6 indicate that the respondents were in agreement that Technology adoptionensuresrepurchases of banks products and services (mean 3.74). The respondents further agreed that technology adoptionleads to Customer Referrals (mean 3.84), they also agreed that Technology Adoption ensures less Switching Behaviour, this had a mean score of 3.784, this implies that to reduce costs while improving customer service, satisfaction and loyalty.

These concurs with Goi, (2006) who stated that technology adoption in these banks have been used conveniently as a new physical banking service which is to attain more potential customers and allow customer loyalty and moreover as it allows bankers to deliver banking services to a wider segment of customers through technological advancements. Further today Steven, (2002)Stated that the banking industry in Kenya cannot at any point overlook the importance of technology like information systems because they play a critical role in contemporary banking system, they point out that the entire cash flow of most banks are linked to information system.These findings are also supported by the theory of Reasoned Action *(TRA)* which was developed to best understand the relationships between attitudes, intentions and behaviors by Fishbein, (1967). The theory of reasoned action posits that individual behaviour is compelled by behavioural intentions. The theory received specific attention in the field of consumer behaviour as it provides a simple tool to identify possibilities to change customers' behaviour when using an innovation. To this regard, the actual use of an innovation is determined by the individual's behavioural intention to use it.

4.3. Inferential Statistics

4.3.1 Regression analysis

The study adopted the regression model to evaluate how each of the identified variables i.e.; reliability ,accessibility ,responsiveness and how these affects customer loyalty in commercial banks n UasinGishu County, The results were illustrated in the following regression output tables;

4.3.1.1 Test of Linear assumption

The linear regression analysis tests the relationship between the independent and dependent variables and if the relationships are liner in nature. From the study test of assumption of linearity was done using the Pearson product moment as shown in table 4.7 below

Table 4.7 Test of Linear assumption

		reliability	**responsiveness**	**accessibility**	**Customer loyalty**
Reliability	Pearson Correlation	1	.		
Responsiveness	Pearson Correlation	.892**	1		
Accessibility	Pearson Correlation	.876**	.859**	1	.*
Customer loyalty	Pearson Correlation	.852**	.849**	.813**	1

**. Correlation is significant at the 0.01 level (2-tailed).

4.3.1.2 Test of Homoscedasticity assumption

Homoscedasticity assumes that the dependent variable show an equivalent level of variance across the range of predictor variable. Homoscedasticity is one of the assumptions required for multivariate analysis. The study used Durbin-Watson statistic to test the assumption of Homoscedasticity, the Durbin-Watson statistic should be between 1.5 and 2.5.the results in table 4.8 indicated that The Durbin-Watson statistic is 1.868 which is between 1.5 and 2.5 and therefore the data is not auto correlated.

Table 4.8 Test of Homoscedasticity assumption

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.878[a]	.770	.768	.43340	1.868

a. Predictors: (Constant), accessibility, responsiveness, reliability

b. Dependent Variable: customer....loyalty

4.3.1.3 Test of Normality assumption

Normality is one of the assumptions for multivariate analysis. Regression assumes normality between the variables under analysis, Skewness and kurtosis measures of the distributions should be calculated, skewness describes how symmetrical the distribution is around the centre, kurtosis describes how flat or peaked the distribution is. According to Hair *et al., (*2010) skewness and kurtosis should be between ±1.96. Table 4.9 shows all variables with corresponding skewness and kurtosis values. Clearly, most of the variables did not violate (or are at least close enough to) the assumption of normality based on the rule of ±1.96 If it is between -1.96 and +1.96 the data is normal and if lies outside the bracket the data significantly deviate from a normal distribution.

Table 4.9 Skewness and Kurtosis Scores

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Reliability	308	-.716	.139	-.272	.277
Responsiveness	308	-.747	.139	-.382	.277
Accessibility	308	-.963	.139	.202	.277
Customer loyalty	308	-.952	.139	.322	.277

4.3.2 Test of formulated Hypotheses

A simple linear regression model was used to investigate the study hypotheses as shown in table. All the three null hypotheses were tested using the multiple regression models. The study hypothesized that:

H_{O1}: There is no significant effect of reliability on customer loyalty within banks in Uasin Gishu County

Table 4.10: Regression Results on the effect of reliability on customer loyalty

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.280	.131		2.141	.033
	reliability	.951	.033	.852	28.463	.000

a. Dependent Variable: customer....loyalty

Results from Table 4.10 indicate that there was a significant effect (p = 0.000) of reliability on customer loyalty at commercial banks in UasinGishu County. This was interpreted to mean that reliability is an exceptionally important quality to have, especially in the banking industry; it shows the service provider's ability to perform services in a dependable and accurate manner. This concurs with Ghost &Gnanadhas

(2011) who stated that reliability improvement is key in service quality enhancement efforts. This is because when a firm is unreliable, they communicate less concern to what customers care about. Customers may form a negative perception about the firm and will switch to a competitor without second thoughts

H_{O2}: There is no significant effect of responsiveness on customer loyalty within banks in UasinGishu County

Table 4.11: Regression Results on the effect of responsiveness on customer loyalty

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.392	.156		2.522	.012
	Responsiveness	1.059	.038	.849	28.124	.000

a. Dependent Variable: customer....loyalty

From Table 4.11 the results from the regression model above also indicated that there was a significant effect (p = 0.000) of responsiveness on customer loyalty at commercial banks in UasinGishu County. This was interpreted to mean that bank customers look for banks that willingly help them in their banking operations; also it indicates that customer satisfaction may be achieved in the banking sector when the service provider is willing to assist its customers when required. These results concur to that of Akbar (2009) who stated that "responsiveness of information communication technology system is positively related to customer satisfaction and customers can refers others if satisfied". Further Mudassar et al., (2013) argued that organizations should always provide customers with exceptional service as desired. These includes providing timely responses to customer questions and inquiries, and informing your clients promptly.

H_{O3}: There is no significant effect of accessibility on customer loyalty within banks in Uasin Gishu County

Table 4.12: Regression Results on the effect of accessibility on customer loyalty

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.029	.164		.179	.858
	accesibility	.983	.040	.813	24.439	.000

a. Dependent Variable: customer....loyalty

The results on table 4.12 indicated that there was a significant effect (p= 0.000) of accessibility on customer loyalty at commercial banks in UasinGishu County. This was interpreted to mean that service should be easily accessible through different channels to ensure that they access the banks services at their convenient times. These findings are in agreement to Abbasi, Khalid, Azam&Riaz (2010) who pointed out that accessibility of information communication technology system is one of the dimensions of service quality that influences customer satisfaction and thus promotes loyalty.

4.3.3 Overall Regression Model

The summary of results for hypothesis testing was done with a significance level of 0.05, such that when the p-value is less than the conventional 0.05 the null hypothesis is rejected and when it is above the conventional value 0.05 the null hypothesis is accepted, as shown in table 4.13 below

Table 4.13 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.878[a]	.770	.768	.43340

a. Predictors: (Constant), accessibility, responsiveness, reliability

From the results on model summary R= 0.878, R- square = 0.770, adjusted R- square= 0.768, and the SE= .43340. Multiple correlation R coefficients indicate the degree of linear relationship of customer loyalty with all the predictor variables, whereas the coefficient of multiple determinations R-square shows the provision of the total variation in customer loyalty that is explained by the independent variables, accessibility, responsiveness and reliability in the regression equation. The R-square gives us the coefficient of determination between the variables the results from the regression analysis give an R-square value of 0.770, which means that 77.0% of the independent variables cause the change on dependent variable (customer loyalty).

Table 4.14ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	191.481	3	63.827	339.799	.000[b]
	Residual	57.102	304	.188		
	Total	248.583	307			

a. Dependent Variable: customer loyalty

b. Predictors: (Constant), accessibility, responsiveness, reliability

To test the significance of the model, the study used ANOVA model as shown in table 4.14 above, the significance value is 0.000 which is less that 0.05 thus the model is statistically significance in predicting how accessibility, responsiveness and reliability affect customer loyalty in commercial banks in UasinGishu County. The F value of 339.799 indicates that all the variables in the equation are important hence the overall regression is significant, this shows that the model was significant.

Table 4.15 Regression coefficients for all the study Variables

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.377	.148		2.554	.011
	Reliability	.419	.077	.375	5.437	.000
	Responsiveness	.467	.081	.375	5.764	.000
	Accessibility	.197	.074	.163	2.677	.003

a. Dependent Variable: customer loyalty

From the results in table 4.15, it is indicated that all the four predictor variables (reliability P=0.000, responsiveness P=0.000 and accessibility=0.003) showed a statistically significant effect on the dependent variable (customer loyalty). Taking all other independent variables at zero, this implies that 1% change in reliability will lead to 41.9% change in customer loyalty, further 1% change in responsiveness would lead to 46.7% in customer loyalty finally 1% change in accessibility would lead to 19.7% change in customer loyalty.

These finding are supported by Goi, 2006).who stated that technology adoption in commercial banks have been used conveniently as a new physical banking service which is to attain more potential customers and allow customer loyalty and moreover as it allows bankers to deliver banking services to a wider segment of customers through technological advancements. Ghost &Gnanadhas (2011) who stated that reliability improvement is key in service quality enhancement efforts. This is because when a firm is unreliable, they communicate less concern to what customers care about. Customers may form a negative perception about the firm and will switch to a competitor without second thoughts.

Akbar (2009) who stated that "responsiveness of information communication technology system is positively related to customer satisfaction and customers can refers others if satisfied". Further Mudassar et al., (2013) argued that organizations should always provide customers with exceptional service as desired. These includes providing timely responses to customer questions and inquiries, and informing your clients promptly.Abbasi, Khalid, Azam&Riaz (2010) who pointed out that accessibility of information communication technology system is one of the dimensions of service quality that influences customer satisfaction and thus promotes loyalty.

Thus the regression equation becomes;

$$\mathbf{Y = 0.377 + 0.419X_1 + 0.467X_2 + 0.197X_3 + \varepsilon}$$

Where Y is Customer loyalty

β0-The regression model constant (Y-intercept) and

X_1 = Reliability

X_2 = Responsiveness

X3 = Accessibility

ε =error term

CHAPTER FIVE:

SUMMARY OF STUDY FINDINGS

5.1 Summary of the findings

5.1.1 Effects of Reliability on Customer Loyalty

The study findings indicated that there is a significant relationship between reliability and customer loyalty in commercial banks in UasinGishu County. Further the findings indicated that reliability affect Customer Loyalty in the banking industry, the respondents indicated that reliability of technological devices ensures customers satisfaction, reliability of technological devices shows the service provider's ability to perform services in a dependable and accurate manner, Reliability of technological devices reduce customer complaints immediately and the issue that Reliability of technological devices provides accurate delivery of customer service, The results indicate that the banks in UasinGishu County consider the reliability of technology adoption which will enable them to maintain their customers loyalty and achieve the intended objective of technology adoption.

These results are supported by Safwan et al. (2010) who argued that reliability shows the service provider's ability to perform services in a dependable and accurate manner. Furthermore, it involves doing it right the first time and it is a crucial service component of customers (Messay, 2012) noted that being reliable is an exceptionally important quality to have, especially in the banking industry he further states that, in such a sector, variability occurs largely when services are being offered. It is difficult for service providers to control such variations since each employee is somewhat different from the others in personality, skills and attitudes. Further Mohammad &Alhamadani (2011) stipulates that the key aspects under reliability of technological devices include providing service as promised, dependability in handling customer service problems, performing services right at the first time and maintaining error free records. According to Klemz and Boshof (2011), the major reason for customers to choose banks for investment funds is because of the reliability of technological devices and reputation of banks.

Lastly these results are supported by Systems theory which significant in technology adoption and customer loyalty as it clearly demonstrated the interrelationship of the organization and its environment. Proper management of that relationship ensures that the conversion process of inputs to outputs is smooth. Systems theory views the management in totality and helps in seeing the problems of the organization in a wider perspective (Deming, 1986).

5.1.2Responsiveness and Customer Loyalty

The study findings also indicated that there is a statistical significant relationship between responsiveness and customer loyalty, it was also indicated that majority of the respondents indicated that the aspects of technology adoptionresponsiveness that influence customer loyalty in the banking industry to a great extent include, the aspect that technology within the bank ensures that customers are aware of the critical announcements like collection of ATM, expiry date and interest rates, The technological services within the bank are of high speed that ensures that employees in the bank recommend appropriate products and services to customers, The bank addresses the problem like system failure with immediate effect hence customer loyalty and The bank employees respond to customers requests quickly like account information using computers hence customer loyalty.This implies that responsiveness of technology adoption in the banking sector is a significant factor in ensuring customer loyalty and also responsiveness of information communication technology system is positively related to customer satisfaction.

These results support that of Timothy (2012) who stated that the steps taken to keep customers informed when problems occur can strengthen or harm the relationship. Keeping customers well informed of what is going on can have lasting effects on the relationship. By letting customers work out their problems and not being proactive, firms miss an opportunity to strengthen customer relationships. Armstrong (2012) also states that if the customer realizes that as a service provider you’re working hard to fix a reported problem, then the customer will feel well taken care of and feels that he is getting his money worth.

Further Dharmalingam et al. (2011) assert that customers expect firms to treat them in a consistent way and that they will do what they say they will do promptly. By acting in accordance with these wants, a firm provides the customer with a sense of viewing it as company that gives customers' priority .This builds loyalty. Customers will view the service provider as being competent enough to offer the service.

Lastly this study was supported by diffusion theory which states that the end result of this diffusion is that as part of a social system, where people adopt new ideas, behaviors, or products. Adoption here refers to the process of doing something differently than what they had done previously. An individual to successfully adopt something must first perceive the idea or product as new or innovative.

5.1.3 Effects of accessibility on customer loyalty

The study findings also indicated that there is a statistical significant relationship between accessibility and customer loyalty indicate that the respondents were in agreement that easy accessibility of banks products and services system has improved the level of loyalty in the bank . The respondents further agreed that there is high usage of the banks services and products by the customers hence enhancing customer loyalty, they also agreed that technology has shortened the services processing duration hence customer loyaltyand lastly customers who can easily access information are much more satisfied and thus improve their loyalty with a mean score of,this implies that accessibility of banks products and services system is effective in ensuring customer loyalty.

These results support that of Abbasi, Khalid, Azam&Riaz (2010) who pointed out that accessibility of information communication technology system is one of the dimensions of service quality that influences customer satisfaction and thus promotes loyalty. Asked to what extent the friendliness of Family Bank staff has improved the chances of customer continued transacting with them, the respondents said to a great extent. Webster &Sundaram (2010) identified friendliness and smiling as one of the positive attitudes that spill over to the customers and promote retaining of the customers. They further state that accessibility of information communication technology system levels among banks staff improves the chances of customer continued transacting with them as indicated by majority of the respondents who said to a great extent.

5.1.4 Technology Adoption and Customer Loyalty

The findings lastly indicate that the respondents were in agreement that Technology adoptionensuresrepurchases of banks products and services. The respondents further agreed that technology adoptionleads to Customer Referrals, they also agreed that Technology Adoption ensures less Switching Behaviour, this implies that to reduce costs while improving customer service, satisfaction and loyalty.

These concurs with Goi, (2006) who stated that technology adoption in these banks have been used conveniently as a new physical banking service which is to attain more potential customers and allow customer loyalty and moreover as it allows bankers to deliver banking services to a wider segment of customers through technological advancements. Further today Steven, (2002) Stated that the banking industry in Kenya cannot at any point overlook the importance of technology like information systems because they play a critical role in contemporary banking system, they point out that the entire cash flow of most banks are linked to information system.

These findings are also supported by the theory of Reasoned Action *(TRA)* which was developed to best understand the relationships between attitudes, intentions and behaviors by Fishbein, (1967). The theory of reasoned action posits that individual behaviour is compelled by behavioural intentions. The theory received specific attention in the field of consumer behaviour as it provides a simple tool to identify possibilities to change customers' behaviour when using an innovation. To this regard, the actual use of an innovation is determined by the individual's behavioural intention to use it.

5.2 Conclusions

Based on the results of research, analysis and discussion, it can be concluded that reliability of technological devices ensures customers satisfaction; it shows the service provider's ability to perform services in a dependable and accurate manner, further it reduces customer complaints immediately and lastly provides accurate delivery of customer service. These are similar to previous research findings byMohammad &Alhamadani, (2011). Who stated that the key aspects under reliability of technological devices include providing service as promised, dependability in handling customer service problems, performing services right at the first time and maintaining error free records. This conclusion is also supported by Systems theory which states that technology adoption takes form the system theory since it has a central database which is the bigger system from which other applications such as the financial transactions is done and other banks services and products are obtained, human resource, reporting application amongst other application emerge.

On the effects of responsiveness on customer loyalty, the study concluded that,technology within the bank ensures that customers are aware of the critical announcements like collection of ATM, expiry date and interest rates, also they are of high speed that ensures that employees in the bank respond to the need for products and services to customers further the bank addresses challenges on system failure with immediate effect hence customer loyalty and lastly the bank employees respond to customers requests quickly like account information using available technologies hence customer loyalty. These concurs to Mudassar et al., (2013) who stated that however skilled you are at workplace, always provide customers with exceptional service as desired. These includes providing timely responses to customer questions and inquiries, and informing your clients promptly. This is also supported by diffusion of innovation (DOI) Theory, developed by E.M. Rogers, it is also established that majority of the general population fall in the middle categories within the five established adopter categories. This makes it still necessary to understand the characteristics of the target population. When promoting an innovation, there are a variety of strategies used to appeal to the different adopter categories.

Further it was concluded that easy accessibility of banks products and services system has improved the level of loyalty in the bank, also there is high usage of the banks services and products by the customers hence enhancing customer loyalty, further technology has shortened the services processing duration hence customer loyalty and customers who can easily access information are much more satisfied and thus improve their loyalty. The findings are in line with previous literature by Gronroos (2000) who stated that with the emergence of new and advanced technologies and processes, most financial institutions are now beginning to understand each customer better than before and are becoming selective with whom to do business with and how to manage customers' ever changing behaviours and attitudes. Systems theory also supports this conclusion because of its significance in technology adoption and customer loyalty as it clearly demonstrated the interrelationship of the organization and its environment. Proper management of that relationship ensures that the conversion process of inputs to outputs is smooth. Systems theory views the management in totality and helps in seeing the problems of the organization in a wider perspective (Deming, 1986).

Lastly it was concluded that technology adoption is effective in ensuring repurchase of banks products and services,technology adoption leads to Customer Referrals and technology Adoption ensures less Switching Behaviour. These is similar to previous research findings byJoseph and Stone (2003), technology adoption raises the one question whether accounts transactions, service delivery and new product development in banks represent positive change and are delivering enhanced customer loyalty hence improved service quality. Whilst technology adoption can among other functions save time and money and eliminate errors, therefore addressing various issues associated with the cultural changes and social trends, it can also reduce any associated service value and direct customer interaction to be gained. Additionally this is supported by theory of reasoned action (TRA),this states that the actual use of an innovation is determined by the individual's behavioural intention to use it. The model resulting from their research is visualized in and consists of the following components: Starting from the behavioural intentions, these include the functions of an individual's attitude towards the behaviour and the subjective norm surrounding the performance of the behaviour.

5.3 Recommendation of the Study

On organizational the effect of reliability on customer loyalty the study recommends that, commercial banks should ensure that the system it uses is easy to operate and complements the business for employees to keep records as required, this will ensure reliability of services to its customers.

The study recommends that commercial banks should train its employees on how to deal with customers, and they should also be given the freedom to use discretion in informing customers on the progress of their demand and a platform of asking when they are not sure. Moreover banks should form a platform where customers can give their views about products or services to ensure that they meet their needs. Greater understanding of their requirements and informing them through feedback from customer communications increases customer satisfaction.

The study further recommends that, bank services should be easily accessible through different channels to its customers, accessibility improves the chances of customer continued transacting in the bank.

Lastly it was recommended that commercial banks should develop strategies that are aimed at adopting new technology , technology adoption saves time and money and eliminate errors, therefore addressing various issues associated with the cultural changes and social trends, it can also reduce any associated service value and direct customer interaction .

5.4 Recommendation for further research

It is recommended that a similar study be conducted to find out how the other factors that affect customer loyalty in commercial banks. Also a similar study be conducted on the same topic but in other banks and also other regions in the country.

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APPENDIX I: APPROVAL LETTER OF RESEARCH

Dear respondent

RE: CONSENT FOR PROVISION OF ACADEMIC DATA

My name is purity Murrey a student of Kisii University undertaking a course leading to the award of master's degree in business administration.

I would like to request for your consent to provide data which will be meant for academic purpose, the title of the research is effects of technology adoption on customer loyalty: a case of Commercial Banks inUasinGishu County, Kenya

Information provided will be treated as confidential and for only academic purpose. Your consent therefore will be highly appreciated.

I consent to provide required data

Sign …………………………………..Date…………………………………..

Witness

Sign Date

APPENDIX II: QUESTIONNAIRE

Instructions

The questionnaire is made up of two sections A and B. Please answer each question by writing on the spaces provided or tick (√) against the boxes provided. The information provided will be used for the purpose of this research only; therefore do not write your name on the answer sheet.

SECTION A

1. Gender:

Male [ ] Female [ ]

2. What are your academic qualifications?

[ ] Certificate

[ ] Diploma

[ ] Degree

[ ] Masters

[ ] Other Specifications…………………………………………………………

3. For how long have you been in the Bank?

[ ] Below 3years

[ ] Between 4- 7years

[ ] Between7-10 years

[ ] Above 10 years

SECTION B: RELIABILITY OF TECHNOLOGICAL DEVICES ON CUSTOMER LOYALTY

To what extent do you agree with the following statements on the effects of reliability on customer loyalty within banks in Uasin Gishu County? Where SA-5 Strongly Agree, A-4 Agree, N-3 Neutral, D-2 Disagree, SD-1Strongly Disagree

Reliability	**SA 5**	**A 4**	**N 3**	**D 2**	**SD 1**
Reliability of technological devices ensures customers satisfaction					
Reliability of technological devices shows the service provider's ability to perform services in a dependable and accurate manner					
Reliability of technological devices reduce customer complaints immediately					
Reliability of technological devices provides accurate delivery of customer service					

SECTION C: RESPONSIVENESS OF ICT ON CUSTOMER LOYALTY

To what extent do you agree with the following statements on the effects of responsiveness on customer loyalty within banks in Uasin Gishu County? Where SA-5 Strongly Agree, A-4 Agree, N-3 Neutral, D-2 Disagree, SD-1Strongly Disagree

Responsiveness	**SA 5**	**A 4**	**N 3**	**D 2**	**SD 1**
The technology within the bank ensures that customers are aware of the critical announcements like collection of ATM, expiry date and interest rates					
The technological services within the bank are of high speed that ensures that employees in the bank respond to the need for products and services to customers					
The bank addresses challenges on system failure with immediate effect hence customer loyalty					
The bank employees respond to customers' requests quickly like account information using available technologies hence customer loyalty					

SECTION D: ACCESSIBILITY OF ICT DEVICESON CUSTOMER LOYALTY

To what extent do you agree with the following statements on the effects of accessibility on customer loyalty within banks in UasinGishu County? Where SA-5 Strongly Agree, A-4 Agree, N-3 Neutral, D-2 Disagree, SD-1Strongly Disagree

Accessibility of information communication technology system	**SA 5**	**A 4**	**N 3**	**D 2**	**SD 1**
Easy accessibility of banks products and services system has improved the level of loyalty in the bank					
There is high usage of the banks services and products by the customers hence enhancing customer loyalty					
Technology has shortened the services processing duration hence customer loyalty					
Customers who can easily access information are much more satisfied and thus improve their loyalty					

SECTION E: TECHNOLOGY ADOPTION AND CUSTOMER LOYALTY

To what extent do you agree with the following statements on customer loyalty within banks in UasinGishu County? Where SA-5 Strongly Agree, A-4 Agree, N-3 Neutral, D-2 Disagree, SD-1Strongly Disagree

customer loyalty	**SA 5**	**A 4**	**N 3**	**D 2**	**SD 1**
Technology adoptionensuresrepurchase of banks products and services					
Technology adoptionleads to Customer Referrals					
Technology Adoption ensures less Switching Behaviour					

APPENDIX III: SAMPLE DETERMINATION

TABLE 1
Table for Determining Sample Size from a Given Population

N	*S*	*N*	*S*	*N*	*S*
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—*N* is population size.
S is sample size.

Appendix VI: Banks in Uasin Gishu County

	Banks
1	Barclays Bank
2	Bank of Africa
3	ABC bank
4	Bank of Baroda
5	Chase Bank
6	Commercial Bank of Africa
7	Consolidated Bank of Kenya
8	Eco bank
9	Equatorial Bank
10	Equity Bank market Branch
11	Family Bank
12	Guardian Bank
13	Housing Finance Co. Ltd
14	K-Rep Bank Ltd
15	Kenya Commercial Bank
16	National Bank of Kenya
17	Fina Bank
18	Oriental Commercial Bank
19	Standard Chartered Bank
20	Trans-National Bank Ltd
21	Prime Bank Limited
22	Diamond Trust bank
23	Co-op bank
24	I & M bank
25	Post bank limited
26	NIC bank
27	Bank of India

Source: (Kenya Association of Banks, 2016)