ABSTRACT

Performance of Deposit Taking Savings and Credit Cooperatives (SACCOs) in Kiambu County is deteriorating where 44% of the SACCOs are not meeting the regulator's requirements. Additionally, the SACCOs recorded reduced return on assets of 8% against expected 10%. SACCOs also recorded low deposit of 5.4% against the recommended 8% (2014) and further dropped in 2015 where deposit was 5% while return on assets was 7.5%. Mobile banking has revolutionized how financial institutions conduct business so as to make a niche in a highly competitive environment. The aim of this research was to investigate the influence of mobile banking adoption on performance of SACCOs in Kiambu County, Kenya. The theory of transaction cost, diffusion of innovation and agency were employed in the research. The study utilized descriptive research design that targeted all 14 Deposit Taking Cooperatives in Kiambu County. Purposive sampling technique was used for the identification of three management employees from all the 14 SACCOs in Kiambu County based on their expertise in mobile banking innovations while for the members, convenience sampling aided in the selection of those who visited the banking hall. Semi structured questionnaire was applied in data collection. Six random SACCOs in Nairobi City County were selected for pre-testing to assess the instrument's validity and reliability. Descriptive statistics were used to summarize data while multiple regression assisted in analyzing relationship between the variables. The findings showed that mobile banking had a positive and significant relationship ($r=0.722$, $p<0.05$) while regression demonstrated a significant effect ($\beta=0.72621$, $p<0.05$) indicating that an increase in mobile banking will raise performance of Deposit Taking SACCOs in Kiambu County by 0.72621 significantly. The study concluded that mobile banking has positive and significant effect on performance of Kiambu County SACCOs. It hence recommended enhancement of mobile banking services and introduction of new innovative transaction services to meet the growing needs thus enhance performance.