

## ABSTRACT

Technology use especially Internet banking has become a vital issue in the business world today. The need for convenient ways of accessing financial resources beyond the conventional norms has seen the recurrent expansion and modernization of banking patterns. Although there is a significant growth of Internet users in Kenya, Internet banking services have not been widely used by bank customers in Kisumu City. According to Kenya National Bureau of statistics report of 2015, Kenya's Internet penetration stood at 54.8% of the population. The number of transactions carried out through Internet banking still remains low and stands at 19%. Some customers feel that Internet banking services could make them lose their money through fraud done online. The main purpose of this study is to analyze Consumers attitudes on use of Internet banking services in Kenya. Specific objectives are; establish the extent of use of Internet banking services by consumers; determine consumer's attitudes towards Internet banking; determine the effect of consumer attitudes on use of Internet banking services. The study adopts TAM model, descriptive survey design and convenience sampling. Inferential statistics was used to establish the nature and magnitude of the relationships between the variables and to test the hypothesized relationships. A sample of 384 bank customers is arrived at using Corbetta formula. A pilot study was carried out for pretesting of research instruments. The Cronbach's alpha coefficient ( $\alpha$ ) was used to test for reliability while Questionnaires were used to obtain primary data from the field while secondary data was sourced from relevant reviewed literature. Regression analysis and Pearson correlation were used to establish strengths and direction of the relationship between consumer attitude and use of Internet banking. Study findings; Pearson Product moment correlation indicated a moderate positive significant correlation between consumer attitude and Internet banking ( $r=.657$ ,  $p=.000$ ). Which when squared, yielded an R square value of 0.432. This means that consumer attitude explained 43.2% change in Internet banking ( $R\ square=.432$ ) There was a moderate application level on extent of use of internet banking. Regression analysis shows that consumer attitude uniquely contributed to Internet banking ( $\beta=.657$ ,  $p=.000$ ). This implies that consumer attitude is positively associated with Internet banking and contributes to the use of Internet banking. Study recommends that banking sectors carry out appropriate awareness among their customers on the importance of using

Internet banking. Study may be significant in adding value to existing knowledge in consumer behavior and the government.