

ARE THE WEBSITES OF BANKS QUOTED ON THE NAIROBI STOCK EXCHANGE WORLD CLASS?

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Introduction (1)

- A website can be used to:
- Disseminate company information: annual reports, news releases, mission & vision statements, company history, plant tour, company capabilities , key personnel with photos, projects completed, industry trends, back issues of corporate newsletter, list of sales offices, representatives & distributors;
- Disseminate product information, literature, specifications, advertisements, news releases, prices (if appropriate), parts lists, application notes, owner's manuals and ordering guides

Under the Companies Bill 2007, when **MUST** a communication be placed on a quoted company's website?

- The annual financial statements (s387) & the preliminary statement of results (s388).
- N.B. Interim financial statements have been OMITTED.
- The results of a poll taken at a general meeting (s221).
- The web-site must be maintained by or on behalf of the company & access must be free of charge (s222, 389 & 459).

Introduction (3)

- A website can be used to:
- Sell products online: e-commerce, take credit card orders using shopping cart software, for totally new business models to bring buyers and sellers together;
- Collect information: request for quotation forms, product or service feedback forms, online registration, build an e-mail mailing list;
- Build Credibility: favourable product reviews in magazines, testimonials, awards, prizes, unpublished articles and "white papers", names and logos of prestigious customers
- Enable applicants to apply for a job: applicants can submit a CV through the careers site, or a full online application form is available, enabling the company to effectively capture applicant data (Taleo 2007)

Web site quality assessment model

- Miranda, F. J. Cortés, R. and Barriuso, C. (2006)
“Quantitative Evaluation of e-Banking Web Sites: an Empirical Study of Spanish Banks”
- **CONTENT**
- **ACCESSIBILITY**
- **NAVIGABILITY**
- **SPEED**

The Royal Bank of Canada

<http://www.rbc.com/about-rbc.html>

- **Who We Are**
- Corporate Profile
- Corporate Governance
- History
- **What We Stand For**
- Corporate Responsibility
- The Environment
- Donations
- Sponsorships
- Diversity
- **Careers**
- Working at RBC
- Search for Jobs
- How to Apply
- **Useful Info & Publications**
- Investor Relations
- Media Newsroom
- Economics
- Publications



The Royal Bank of Canada

- **But more importantly:**
- E-BANKING, and to a lesser extent:
- Investing
- Wealth Management
- Insurance
- Advice & Tools
- **Insurance**
- Travel Insurance: Mortgage and Loan Insurance
- More Insurance Information (rbcinsurance.com)

But why consider the Royal Bank of Canada?

- **Royal Bank of Canada** has vaulted to the top spot in a May 2009 independent evaluation of the 7 largest Canadian bank public websites in 2009 titled "*2009 Canadian Bank Public Web Site Rankings*".
- For the past three years, Forrester Research has been evaluating major bank and credit union public websites based on criteria they developed which take into account the needs of the typical Canadian online financial services buyer.
- In Canada: 21 Canadian Banks, 26 Foreign banks with subsidiaries in Canada, 2 Govt owned banks: total 49
- In Kenya: 43 banks; 1 Govt owned bank: total 44

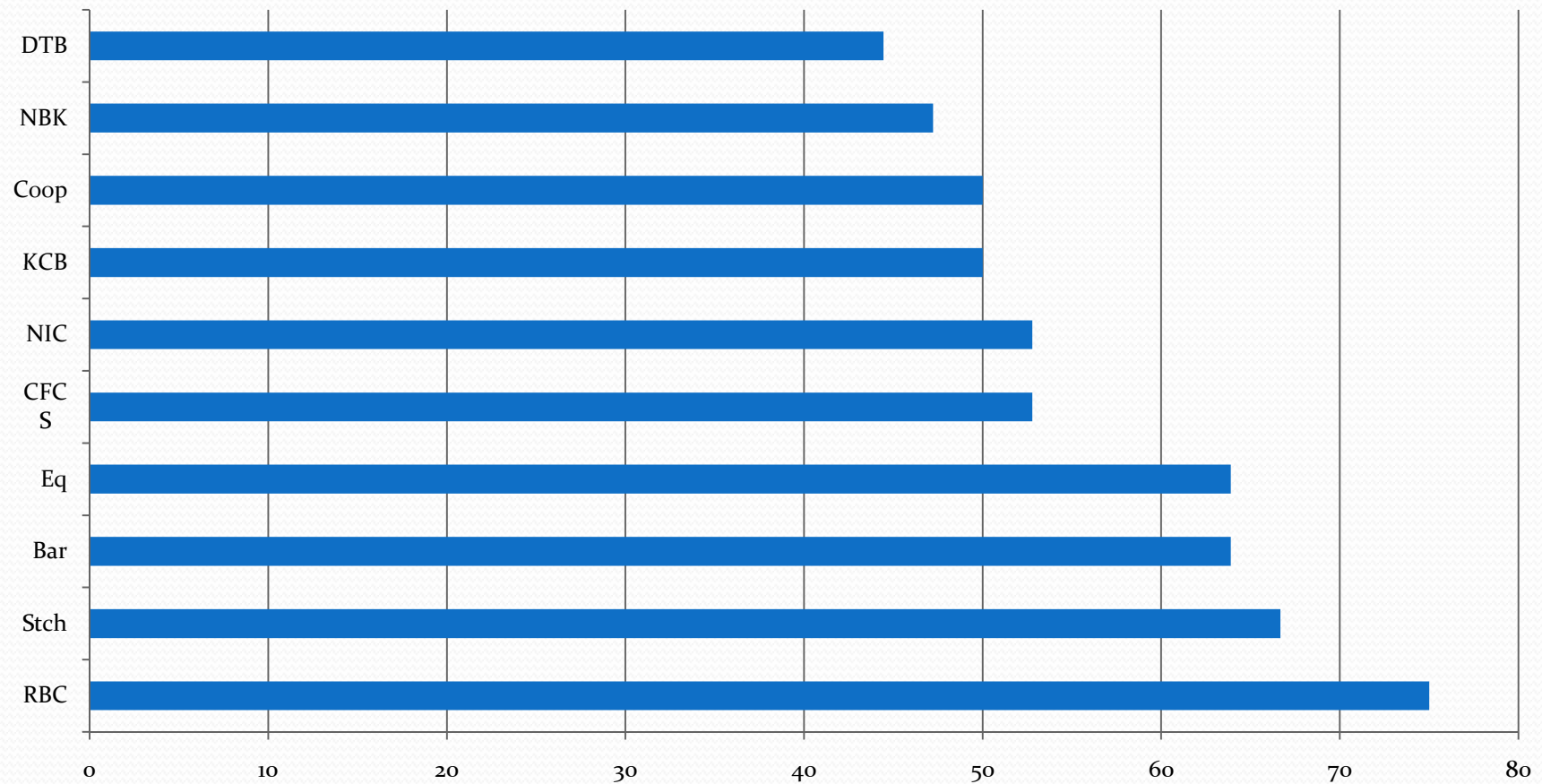
But why not consider banks from other countries?

- UK bank websites are inferior to those in Canada and the US, especially in the area of investors' relations:
- **The number of annual reports available:**
- US: Bank of America - 13: difficult to find any investor info on Citigroup
- UK: HSBC: 1: Royal Bank of Scotland and Barclays - difficult to find any investor info; Lloyds TSB – 9; HBOS – 8;
- Canada: Royal Bank of Canada – 9
- **Canada has the world's soundest banking system, according to a report released this week by the World Economic Forum amid soaring concerns about the health of banking systems here and around the world (Canwest News Service, October 9, 2008)**
- Population: Kenya 40m; Canada 34m; UK 60m; US 300m

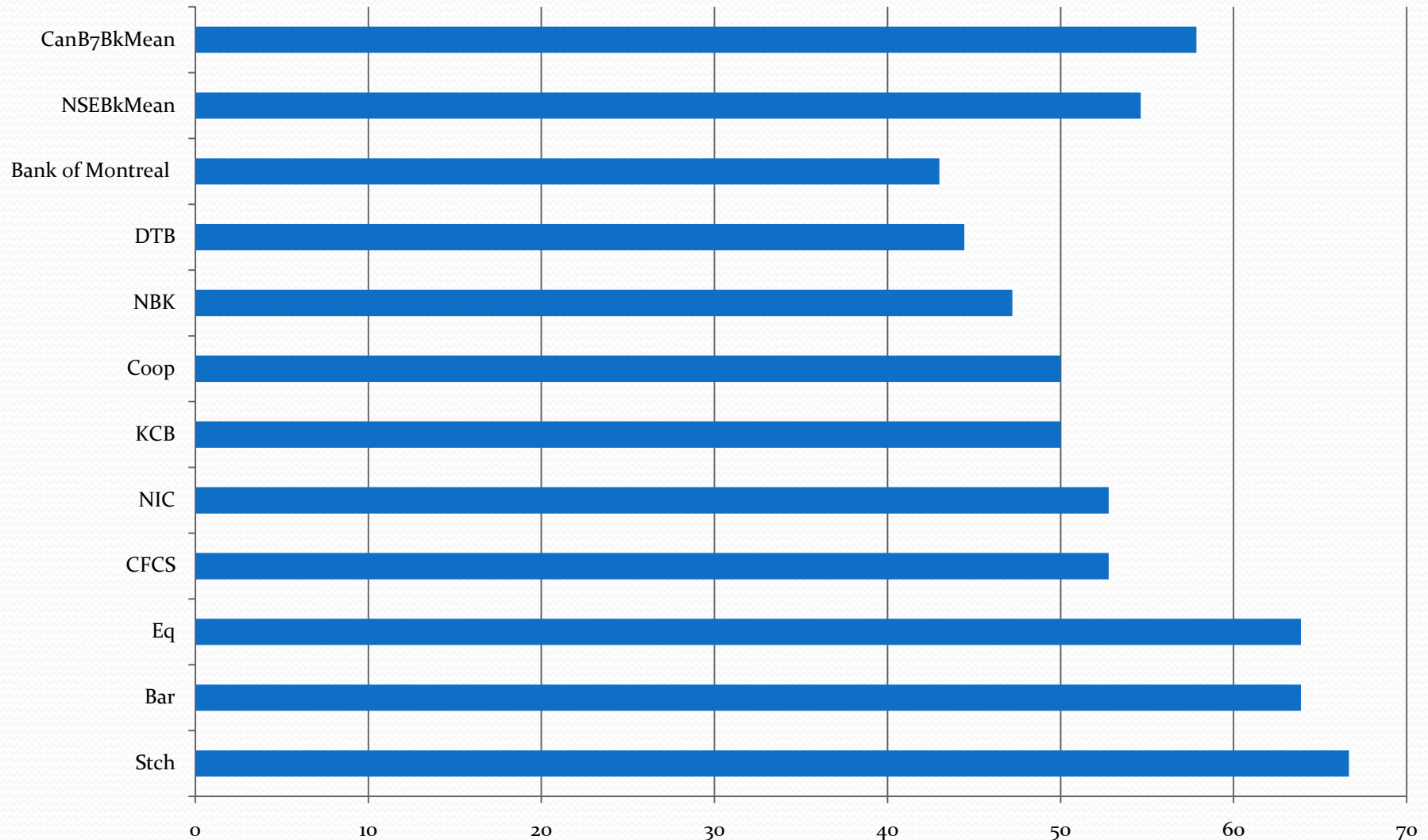
Measuring criteria used in Canada

	RC	BA	CF	DT	EQ	KC	NB	NI	CO	ST
Web site navigation	4	4	4	2	5	3	3	4	3	4
Web site presentation	4	3	4	4	4	3	3	4	3	4
Contact methods	5	4	3	3	5	3	4	3	4	4
Research functionality and content	5	4	2	2	3	2	2	2	2	4
Online application content functionality for chequing accounts	5	3	3	3	4	4	3	4	4	3
Online application content functionality for credit cards	4	5	3	2	2	3	2	2	2	5
	27	23	19	16	23	18	17	19	18	24

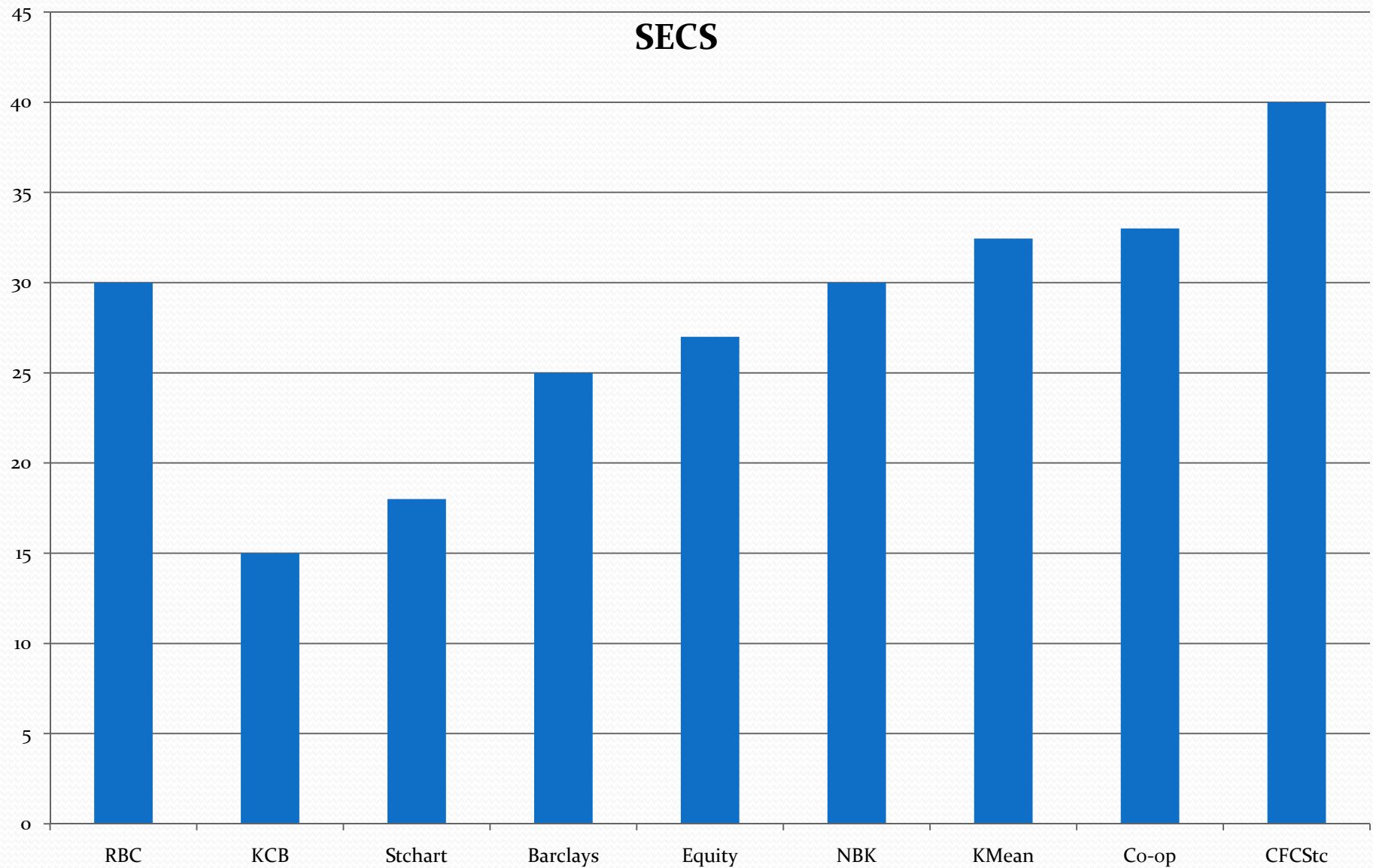
NSE Banks vis-a-vis Royal Bank of Canada expressed as %ages



NSE Banks vis-à-vis Bank of Montreal expressed as %ages



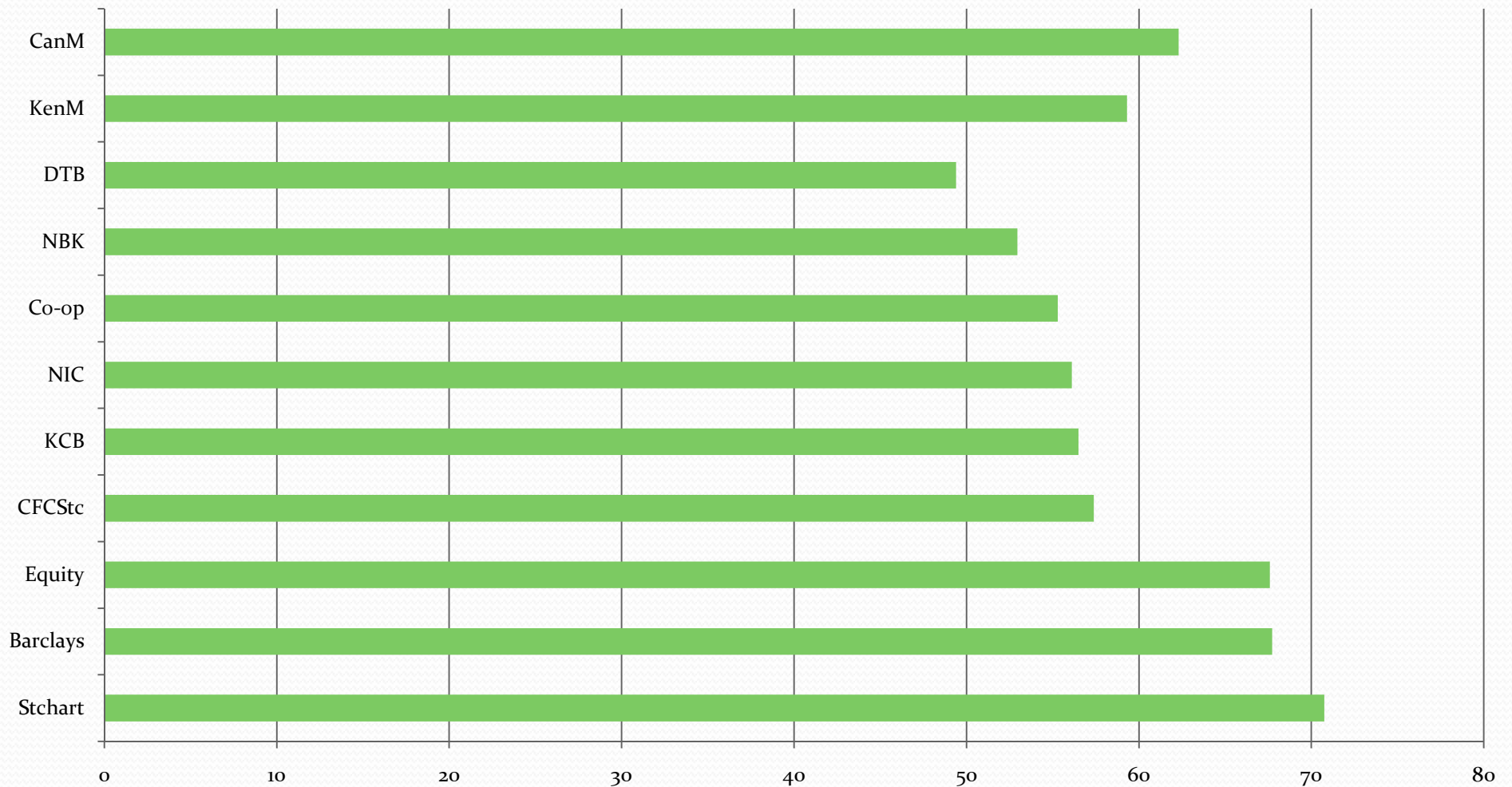
Time to Open Website



Web assessment index (Miranda, F. J. Cortés, R. and Barriuso, C. 2006)

CATEGORIES	Weights
Accessibility	15
Speed(in seconds)	15
Content quality	55
Information content	20
Communication content	15
Transaction content	20
Navigability	15

Overall scores: NSE banks vis-à-vis mean of Canada's Big 7



Electronic (e) banking

- Banking in which funds are transferred through an exchange of electronic signals over a network connecting financial institutions, rather than the exchange of cash, paper cheques, etc.
www.firstach.com/front/resources_glossary.html
- A service that allows an account holder to obtain account information and manage certain banking transactions through a personal computer via the financial institution's Web site on the Internet. (This is also known as Internet or online banking.)
www.helpwithmybank.gov/dictionary/index.html
- Involves both the use of automatic teller machines (ATMs) and the instant processing of retail purchases.
www.prenhall.com/rm_student/html/glossary/e_gloss.html
- Almost all banks and building societies provide their clients access to their business bank accounts through online electronic-based services that can be reached through a computer or a mobile phone.
www.business-banking.arollo.com/glossary.html
- Conducting banking from home. It includes many activities ranging from paying bills to securing a loan
ecommerce.etsu.edu/Glossary.htm

NSE Banks which provide e-banking facilities

- All do except:
- Co-operative Bank
- KCB

Conclusions:

- The information and content of NSE banks is up to world class standards.
- The navigability of some NSE banks is up to world class standards: DTB, NBK and Co-op Banks need improvement.
- Co-op Bank and KCB need to introduce e-banking



Further research

- Extend this research to all the banks in Kenya
- Customers' abilities to make use of websites and e-banking needs to be assessed
- How mobile phones can be used to extend e-banking to the vast numbers of Kenyans who remain unbanked.