

**THE EFFECT OF ELECTRONIC BANKING ON CUSTOMER SERVICE
DELIVERY IN KUMASI METROPOLIS**

BY

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DECLARATION

I declare that I wholly undertook this research under supervision and where other scholarly works have been used, it was duly acknowledged.

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I declare that I have supervised the student in undertaking the research reported herein and I confirm that the student has effected all corrections suggested.

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DEDICATION

I dedicate this work to the Almighty God who has kept me going in everything that I do.

ACKNOWLEDGEMENTS

I acknowledge my parents, Mr. Samuel Adiyia and Mrs. Sara Adiyia for their support in my academic career.

I also acknowledge my supervisor Prof K. Kessey for his tremendous contribution to this study. May God reward him abundantly.

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ABSTRACT

The study was an exploratory study aimed at understanding the effect of electronic banking on customer service delivery in three selected branches of three banks in the Kumasi metropolis. Purposive sampling strategy was adopted to select 69 customers as well as 29 staff of the three selected banks. Questionnaire was used as the principal tool for the data collection. With the aid of the SPSS windows software the data was analyzed using basic statistical tools such as frequencies and percentages. The study among other things brought to the fore that customers prefer to transact business in the halls in spite of the long queues largely because of the difficulty associated with accessing e-banking products. The data analysis also showed that customers of the selected banks were highly aware of the various e-banking platforms available at their respective bank. The study revealed that in spite of the difficulties associated with the use of e-banking products, majority of the respondents highly patronize these services. This was particularly the case with the use of ATM machines as respondents alluded. However, ignorance on the part of the customers regarding the use of e-banking services was a huge challenge. The study, based on the findings recommended among other things that masse public (customer) education regarding the usage/ advantages of e-banking products and services should be embarked by the banks. Also, the researcher suggested that there should be a widespread citing of ATM machines around vantage points.

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LIST OF ACRONYM

Automated Teller Machine	ATM
Automated Voice Response	AVR
Controller of the Currency	(OCC)
Ghana Banking Survey	GBS
Ghana Commercial Bank	GCB
Information and Communication Technology	ICT
Information Technology	IT
Personal Computer	PC
Short Message Service	SMS
Small and Medium Enterprise	SME
Statistical Package for statistical analysis	SPSS
Technology acceptance model	TAM
The society for worldwide interbank financial telecommunications	SWIFT
United Kingdom	UK
Wireless Area Network	WAN

CHAPTER ONE

INTRODUCTION

1.0 Background to the Study

Timothy (2012) posits that decades back banking was a simple business; consumers were not keeping money homes but rather saved their money and received their money from financial institutions from banks. When customers open savings account, they get accounts book from the bank with which the account would be operated; and when it is a current accounts, they get check books for the comparative reason. Today, the banking industry has moved into a time of menu-driven ultra-generous specialized software undertakings called banking applications. These applications can do basically every single banking capacity depending intensely on data accumulation, stockpiling, and transfers and processing. The use of electronic banking products and services to banking operations has turned into a subject of key significance and concerns to all banks. In any case, it ought to be understood, that electronic banking service came out of Information and Communication Technology that made it feasible for service providers and their customers in developing economies to enjoy the services that is also enjoyed in the developed countries. Electronic banking services have given banks the chances to inspire clients which urge them to continue banking with them. Today, it is hard to see a bank in the nation that does not offer one type of electronic banking service or the other, even banks in the most remote parts of the world. Information and communications technology has become a vital asset that has transformed many areas of life including business and commerce. Information systems are used in business to facilitate new products, and create market opportunities. Developed and developing areas of the world

are now using internet banking services as a competitive strategy as noted by (Garau, 2002).

Banking has been one of the services that provide the opportunity to use the internet to enhance business transactions that engenders customer satisfaction.

The term electronic banking was defined by Allen *et al* (2001) to mean the procurement of data or services by a bank to its clients by means of a computer. A more sophisticated service is the particular case that furnishes clients with the opportunity to get access to their accounts and execute transactions and to buy item online by means of the internet (Daniel, 1999).

The competitiveness in the banking industries have called for the need to bringing on board the electronic platform into industries around the world. For example, four Thai banks chose to implement, investigate, analyze and endeavor to present Internet banking service as an intend to decrease holding up time, lapses, costs, and enhance customer service backing 1997. Their internet banking services permit clients to access and inquire about their own particular accounts and perform basic transactions by means of the Internet from their PCs at their workplace and home whenever the timing is ideal time. Additionally, so as to lower cost and keep up business sector authority, bank leaders in Iran have profited by unrivaled services quality and information technology infrastructures.

In Africa, electronic banking is starting to pick up its roots over the mainland. For instance, Madueme, (2009) compose that with globalization, Nigerian banks must choose the option to embrace electronic banking services to upgrade successful service conveyance that rises above to customer satisfaction, on the off chance that they truly need to stay in the business race, not to mention be beneficial and once more, the late

merging activity in Nigerian banking division has drawn the consideration of numerous banks to utilization of different mechanical gadgets in advancing/accomplishing better customer service conveyance that ensured customer satisfaction that interprets into expansion benefit and higher rate of profitability.

In Zimbabwe the first clear type of electronic banking was in the mid-1990s when Standard Chartered Bank and Central Africa Building Society installed Automated Teller Machines. Different types of electronic innovations that have discovered their way into Zimbabwean banks includes 'Electronic Funds Transfer Systems', 'Telephone banking account', 'Personal Computer' and 'internet banking'. These have discharged banks from the trouble in time and geographical location (Kass,1994 referred to by Goi, 2005) and has permitted banks to cut expenses on transactions, enhance their service delivery, and react better to the requests of the business sector as noted by (Chang, 2003 and Sullivan and Wang, 2005). There has been an expansion of electronic banking systems throughout the years, particularly in developed countries where it is driving economies closer to cashless society as it has taken away the requirement for physical money and physical payment systems and supplanted them with cards and internet.

In Zimbabwean banking sector the adoption of this innovation has stayed moderate regardless of the convenience it conveys to the customers and the banks. The segment has been held by a disabling cash crisis from November 2007 which has brought the economy very nearly to a halt.

In Ghana, banking started way back in 1894 by the establishment of the Bank of British West Africa until 1957. According to the Ghana Banking Survey currently there are over 26 banks licensed to operate in Ghana, three of which are the banks under study.

Banks in Ghana have entered into internet banking service since 1990. However, many Ghanaian banks have been striving and facing challenges in providing better electronic banking services to meet customer service needs and satisfaction.

The use of electronic banking products or services to banking operations has turned into a subject and concerns to all banks working inside Ghana and without a doubt a condition for domestic and global competitiveness, noted, (Ezeoha, 2006; Ikechukwu, 2000).

Banks have realized that the banking of tomorrow requires more of electronic banking transactions rather than traditional banking systems. In other words, the paper based transaction is now being replaced by electronic-based transactions. Whether a bank would be successful or not rely on upon the degree to which it is putting resources into IT and utilizing it as a part of an inventive way. This territory has been noted to be a noteworthy competitive ground for banks that are working in the post-solidification time. Telephone banking, Automated Teller Machines (ATMs), internet banking, mobile banking, and network banking and many others are examples of how technology is changing traditional banking now.

The objective of this study is to examine and assess the effect of e-banking services on customer service delivery in the Ghanaian banking industry.

1.1 Statement of the Problem

Existing literature posits that electronic commerce gives competitive advantage for banks by reducing operational cost and provides best satisfaction of customer needs. For example, Burnham (1996) recounted that in the world of electronic commerce, it is very important that banks should provide electronic banking services in order to survive.

Hence, most banks in developed and some in developing parts of the world are currently offering electronic banking services with different levels of complexity. It is normal that banks that don't offer electronic banking services may lose their clients to their competitors (Orr, 1999).

As a result of this emerging trend major national and international banks in Ghana are embracing and incorporating information and communication technology in their day to day operation.

In fact banking started in Ghana in 1894 by the establishment of the Bank of British West Africa until 1957. According to the Ghana Banking Survey (GBS) as at 2012 there were 25 banks licensed to operate in Ghana. In Ghana, the deployment of ICTs in the banking industry has grown from one level of complexity to another since the government of Ghana established an ICT framework to facilitate the development of ICT in all sectors of the economy (ICT4AD, 2003). Aside the ICT4AD project, the government collaborated with the private sector and has initiated the e-zwich electronic payment platform in 2008 to facilitate business, competition and better delivery of services in the economy (Ghana Banking Survey, 2012).

Gyasi *et al*, (2013) acknowledge that currently, some banks like United Bank for Africa, Merchant Bank Ghana, ECOBANK Ghana, Barclays Bank Ghana, among others have adopted internet banking platform and a wide range of electronic products and services, some of which allow customers to receive their monthly bank statements via e-mail, online checking of accounts balance, online transfer of funds, the use of electronic cash systems, and for communicating to customers on regarding bank statements, other banks

use internet banking services to allow business customers to make inter-bank financial transactions and information sharing.

Competition in the Ghanaian banking industry is becoming keener as the more and more banking players enter the market. In response, many financial institutions are directing their strategies towards increasing customer satisfaction and loyalty through improved service quality (Abor, 2011). This has called for a continual strengthening and intensifying electronically based services. The services includes Automated teller machine (ATM), Internet banking, Mobile phone banking, E-switch telephone banking, SMS banking, Home banking, Network banking, Phone banking, Telephone banking, Gsm sim toolkit, Personal computers, Electronic wallet, and many several others.

Even though electronic banking was adopted by banks so as to ease pressure at the banking hall and provide space yet this seem not to have been materialized. Some banks in Ghana have instituted measures to deter people from the normal face – to – face banking by imposing some transactional charges on it while making the electronic transactions virtually free if not little charges.

In spite of all these efforts little has it impacted on the behaviors of many customers and consequently the long queues and congestions exist at the banking hall in Ghana and for that matter Kumasi. The question that arises from the above argument is that why are customers still preferring being in queues and spending more hours in the banking transactions that being at their comfort zone and banking electronically? It is against this background and other related issues that the researcher attempts to answer in this study

by finding out why these problems occur and in most cases persist in the major banks in Kumasi, Ghana.

1.2 Objectives of the Study

The general objective of this study is to find out the effect of electronic banking on customer service delivery. Specifically, the study seeks to;

- Assess customers' preference between banking in the halls and e-banking.
- Investigate whether or not customers are aware of the electronic service products
- Determine the level of customer patronage of electronic banking services
- Examine the benefits and challenges associated with electronic banking

1.3 Research Questions

- Why do customers prefer the banking halls to electronic banking?
- Are customers aware of the existence of the various electronic products?
- At what level do customers patronize electronic banking services?
- What are the benefits and challenges associated with electronic banking services?

1.4 Scope of the Study

The scope of the study concentrates on two major areas. This comprises of the contextual and geographical scope of the study. Contextually, the research will emphasize on electronic banking focusing its potential effect on customer service delivery. There are numerous and emerging types of electronic banking such as Automated teller machine (ATM), internet banking, mobile phone banking, debit cards, E-switch telephone banking, SMS banking, home banking, and network banking just to mention a few. However, four of the numerous electronic banking has been randomly selected because

of numerous electronic banking services in Ghana. In doing this all the existing electronic banking services were identified and out of which those available in Ghana were selected from which four of them were randomly selected by making a survey to know which ones were available to the banks chosen for the research. After the survey SMS service, ATM services, mobile banking and internet banking were selected. There are a lot of banks that offer electronic banking to its customers in Ghana; hence the study will be limited to some chosen banks.

Again, the geographical scope of the study is situated within the Kumasi metropolis. However, banks within the Kumasi metropolis are many and as such it is practically impossible for the researcher to study all the customers in these banks. For this reason the scope encompasses three selected banks where the five electronic banks were prevalent. These included Tech Junction Ghana Commercial Bank, Atonsu branch of Fidelity Bank, and Ahodwo branch of Barclays Bank forms the geographical scope of this study.

1.5 Significance of the Study

Literature on electronic banking is scarce in developing countries such as Ghana are scarce if not non-existing. This study, therefore, shall contribute to knowledge and serve as source of reference in the academia. For this future researcher can read the methodology as well as the findings of this study.

This study seeks to help stakeholders in the banking industry identify and formulate strategies that will promote e-banking. For example, study will be useful for government such as Bank of Ghana as well as non -governments like Consumer Protection Agency in

drafting policy framework on electronic banking. Here they will be informed on the empirical challenges and benefits of electronic banking service delivery.

Closely related to the above stated point is the fact that various banks that offer electronic banking can tap on the findings of this study and determine how they can improve on electronic banking service delivery. This is especially so for the three individual banks being studied. They will benefit immensely on the finding of the study. They as well shall be informed by the strength and the weaknesses of the service they are providing. One major benefit to them shall come from the recommendations of the study. These recommendations if implemented by them will help them to grow their businesses. Finally, having studied electronic banking in class, the study would afford the researcher an opportunity to learn at firsthand what happens at the work environment and thus, bridge the gap between theory and practice.

1.6 Limitations of the Study

According to best and Khan (1989) 'limitations are those conditions beyond the control of the researcher that will place restrictions on the conclusions of the study and their application to other situations. This study is, therefore, constraint by the wide area the study is supposed to have captured, shorter period for the completion of the study, inadequate funds for this study and bureaucratic rules in the study settings.

The study as a matter of fact should have captured all the customers of major banks in Ghana if not Africa. This is, however, impractically impossible due to many factors such as a huge research team and many other factors.

The researcher per the rule of the university is supposed to complete this study within one semester. This is a rule ought to be complied with strongly. This condition is beyond

the control of the researcher as he is expected to present the report of this study within a relative shorter period.

One major limitation of this study is the lack of fund. The researcher as an individual student has to manage his meager income in undertaking this study. It is a known fact that there are lack of financial support for research in Africa of which Ghana is of no exception. With the necessary research sponsorship the study could have captured a wide spectrum rather than the three selected banks. This may affect the findings of this particular study especially in making general conclusions and comparing this study to similar ones with the requisite financial support.

The last limitation of this study is the bureaucratic procedures to be observed in the selected institutions of study. Corporate bodies have their own laid down rules binding workers, customers, and the general public of which the researcher is a part. These rules or protocols cannot be broken no matter how unfavorable they will be to the researcher. In institutions such as banks where staff are to be interviewed certain sensitive or vital information cannot be released to an outsider such as a researcher.

1.7 Methodology

Self-administered questionnaire was used as the main tool for primary data collection. Three same sets of questionnaire was administered – one each for the three selected banks. The choice of self-administered questionnaire was used because the researcher anticipated that all the respondents patronizing electronic banking were literate and could, therefore, read, comprehend and write to answer questions. The data was analysed and presented statistically using SPSS, frequency tables, pie charts, bar charts and making inferences.

1.8 Organisation of the study

The study is divided into five chapters. Chapter One is concern with the background to the study, statement of the problem, research question, objectives of the study, significance of the study, the organisation of the study, scope, limitation of the study and lastly how the whole study is organised. Chapter Two dealt with the literature review. This chapter examines the views of other theorists and authors about the issues under discussion as well as review of previous studies on electronic banking and customer service delivery. Chapter Three outlines the research methods the researcher employs in carrying out the study. The chapter also deals with the study area, sample size and the sample selection as well as methods of data collection, management among others. Chapter Four presented the analysis and presentation of data in this study. Chapter Five being the final chapter of this study presented the summary, conclusion and the necessary recommendations of the study which emanated from the findings of the study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The research problem focused on electronic banking and customer service delivery. In this area, other scholars have propounded various theories in attempt to explaining the concepts or variables. Also similar researches have been done serving as empirical studies. It is, therefore, important that the researcher reviews some of these theories and earlier works on the subject matter. Although most of these works had been written in different setting and context, their contribution to the success of this study is very meaningful. This chapter shall broadly look at two major sections. First, theoretical review, this section is primarily concerns with the various theories explaining electronic banking and how it satisfies the customer or delivers to the customer. The second section concentrates on empirical works which has been conducted by other researchers.

2.1 Theoretical Review

Innovation Diffusion Theory

This hypothesis created by Roger in 1983 discloses people's aim to embrace a technology as a methodology to perform a customary action. The basic elements that focus the appropriation of advancement at the general level are the accompanying: relative favorable position, similarity, complexity, trial ability and perceptibility. It is concerned with the way in which another innovative thought, antique or procedure, or another utilization of an old one, relocates from creation to utilize. As per (IDT) hypothesis, mechanical development is imparted through specific channels, after some time, among the individuals from a social framework. The stages through which a mechanical

advancement passes are: information (presentation to its presence, and comprehension of its capacities); influence (the shaping of a good state of mind to it); choice (duty to its selection); execution (putting it to utilize); and affirmation (support taking into account positive results from it).

Early users for the most part are all the more very educated, have higher economic wellbeing, are more open to both broad communications and interpersonal channels of correspondence, and have more contact with change specialists. Broad communications channels are relatively more imperative at the information stage, while interpersonal channels are relatively more essential at the influence stage. Development choices may be discretionary (where the individual or organization has a genuine chance to receive or reject the thought), aggregate (where a choice is come to by accord among the individuals from a framework), or power based (where a choice is forced by someone else or organization which has essential force, status or specialized ability).

Vital qualities of a development include: relative advantage (the extent to which it is seen to be superior to anything what it supersedes); similarity (consistency with existing qualities, past encounters and needs); multifaceted nature (trouble of comprehension and utilization); trial ability (the extent to which it can be tried different things with on a constrained premise); observability (the perceivability of its outcomes). Diverse adopter classifications are distinguished as: pioneers (venturesome); early adopters (respectable); early dominant part (think); late lion's share (incredulous); slow pokes (customary).

Prior adopting individuals tend not to appear as something else in age, but rather to have years of education, economic wellbeing and social versatility, be in larger organizations, have prominent empathy, low dogmatism, a more noteworthy capacity to manage

abstractions, more noticeable rationality, prominent intelligence, a prominent capacity to adapt to uncertainty and risk, higher goals, more contact with other individuals, more noteworthy presentation to both broad communications and interpersonal correspondences diverts and participate in more dynamic data looking for.

Imperative parts in the development procedure include: opinion leaders (who have generally visit casual impact over the conduct of others); change operators (who emphatically impact advancement choices, by intervening between the change organization and the applicable social framework); change associates (who supplement the change specialists, by having more concentrated contact with customers, and who have less skill believability *yet all* the more accurately or reliability validity).

The change operators capacities are: to build up a requirement for change with respect to the customer; to set up a data trade relationship; to analyze the customer issues; to make purpose to change in the customer; to make an interpretation of this expectation enthusiastically; to balance out reception and avoid discontinuance; and to move the customer from dependence on the change specialists to confidence.

2.2 Definition of Electronic banking

Daniel (1999) defines electronic banking as the delivery of banks' information and services by banks to customers through different delivery channels that can be used with different electronic devices such as computer and a mobile phone with browser software, telephone or digital television.

Pikkarainen *et al* (2004) defines electronic banking as an "internet portal, by which customers can use different kinds of banking services ranging from bill payment to making investments". Apart from withdrawals of cash, electronic banking gives

customers access to distinctive sorts of banking transaction just by the snap of a mouse (De Young, 2001). In fact the use of electronic banking as an option for the dissemination of financial institutions has turned into a competitive tool rather than only an approach to accomplish competitive advantage of preference with the appearance of globalization and fiercer rivalry (Flavián *et al*, 2004; Gan and Clemes, 2006).

Timothy (2012) electronic banking alludes to the utilization of the Internet as a remote conveyance channel for giving administrations, for example, opening a bank account, transferring funds among diverse accounts and electronic bill presentment and payment. This can be offered in two principle ways. A bank with physical offices can build up a Website and offer these services to its clients notwithstanding its customary conveyance channels. Second, is to set up a virtual bank, where the PC server is housed in an office that serves as the lawful location of such a bank. The banks offer their clients the capacity to make deposits and withdraw funds by means of ATMs (Automated Teller Machines) or other remote conveyance channels claimed by different foundations, for which an administration expense is acquired. Ahasanul (2009) Electronic banking is modern delivery channel of banking services.

2.3 Forms of Electronic Banking

2.3.1 Automated Teller Machines (ATMs)

Rose (1999) as cited in Abor, describes ATMs as follows: “an ATM combines a computer terminal, database system and cash vault in one unit, permitting customers to enter the bank’s book keeping system with a plastic card containing a PIN or by punching a special code number into the computer terminal linked to the bank’s computerized records 24 hours a day”. It offers a great deal of banking services to

clients. They are mostly situated outside the banks. They were introduced initially to serve as cash dispensing machines. However, as a result of the rapid increase in technology, ATMs go to the extent of given accounts balances and bill payments. Banks use this electronic banking device, to gain competitive advantage. The combination of automation and human tellers gives more productivity for the bank during banking hours. It additionally spares time in customer service delivery as customers do not queue in banking halls, and along these lines can invest such time spared into other productive activities. ATMs are efficient method for yielding higher profitability as they accomplish higher efficiency per duration of time than human tellers (a normal of around 6,400 exchanges for every month for ATMs contrasted with 4,300 for human tellers (Rose, 1999). Furthermore, ATMs ability to work after banking hours provide continue productivity.

2.3.2 Telephone Banking

"Telephone Banking (Telebanking) can be considered as a form of remote or virtual banking, which is essentially the delivery of branch financial services via telecommunication devices where the bank customers can perform retail banking transactions by dialing a touch-tone telephone or mobile communication unit, which is connected to an automated system of the bank by utilizing Automated Voice Response (AVR) technology" (Balachandher *et al*, 2001).

As indicated by Leow (1999), telephone banking offers several advantages for customers and banks. It provides convenience, easy access and customers also saves time. On the part of the banks telephone-banking services are less costly than those of branch based services. It has almost all the benefits of ATMs, except that it lacks the productivity

generated from cash dispensing by the ATMs. Customers get access to banking services at their various offices and homes.

2.3.3 Personal Computer Banking

Personal Computer Banking is a sort of service which provides the bank's clients to access their banking data through a restrictive system, through software installed on their personal PC. By having access the customer can perform a great deal of banking services. The significance of PC proficiency has brought about expanding the utilization of PCs. This positively bolsters the development of PC banking. Customers have access banking services even at their homes and offices (Abor, 2005).

2.3.4 Internet banking

According to Essinger (1999) internet banking is: “to give customers access to their bank accounts via a web site and to enable them to enact certain transactions on their account, given compliance with stringent security checks”. To the Federal Reserve Board of Chicago’s Office of the Controller of the Currency (OCC) Internet Banking Handbook (2001), Internet banking is described as “the provision of traditional (banking) services over the internet”. Internet banking provides convenient and flexible services to customers. It enables customers to transact almost all their banking transactions online. One could check accounts, query the bank and also transfer funds to other people on different accounts, it is the most financially savvy innovative method for yielding higher profitability. Another feature of internet banking is that, it gives a 24/7 access to customers.

2.3.5 Branch Networking

Networking of branches can be depicted as the computerization and between associating of geographically diverse stand-alone bank branches, into a framework of Wide Area Network (WAN) for making and sharing of solidified client data (Abor, 2005). It provides quick inter-branch transactions and hence the effect of time and distance are eliminated. Almost all banks in Ghana have various branches across the country networked. Regardless of where a customer opened his or her accounts, he or she can access it anywhere.

2.3.6 Mobile Banking

A very recent addition to the electronic banking products in Ghana is the mobile banking. Literally this is banking on the mobile phone. Mobile banking is a system or platform in which customers are automatically updated on any changes in their account. These changes are may come in the form of account debits and credits or any charges to the account. All it needs for mobile banking is a mobile phone with a well-functioning text messaging system. SMS banking falls under this category. This system uses short text messaging system to inform customers of their account (Chovanova, 2006).

2.4 Benefits of E-Banking

The benefits of electronic banking cannot be over emphasized. This is to say that it provides a lot of benefits both to the customer and the bank itself. To begin with a foremost benefit e-banking service is competitive branding and as well as better appreciation to the market demands. As such banks that provide services are known to be leaders in technology implementation and advancement. Thus, the better image brand they enjoy.

The other advantages may be measured in terms of money. The primary objective of every institution is to increase profits with which banks can not be excluded. Many contend that E-banking can do away the hitherto laborious and less viable methods for banking. As indicated by perspectives communicated by Mols (1998) it was opined that the Internet is a revolution that will do away the old request holds much influence. The internet revolution in electronic-banking transaction is much less expensive than branch or even telephone transactions. According to Jen and Michael (2006) electronic-banking has made common open doors for banks and businesses around the world, and that is clear in the way they sort out financial transaction. Although opportunities to banks, there are various difficulties such as the innovation of IT applications, the obscuring business sector limits, rupturing modern boundaries, the passage of emerging competitors, and the development of new plans of action (Liao and Cheung 2003).

Studies by Rikya (2007) and Han (2008) on the presentation of internet banking and prospects for Bangladesh presumes that the coming of advances have truly gotten data upheaval the general public and that Internet Technology is rightly viewed as the third flood of upset after the farming and mechanical unrests. The approach and adoption of the internet by businesses has uprooted the constraint of time, distance and communication making the globe really a little village. Han (2008) likewise discovered the good effect of informational technology on SME finance. SMEs that adapt e-banking are more productive that those that utilize conventional channel.

According to Rotchanakitumnuai and Speece (2003) E- banking provides various benefits to both banks and customers. With electronic banking customers can check accounts, transfer money and can have access to numerous banking products and

services. There is no need for Customers to visit banks to make transactions, (Cheng *et al.*, 2006).

Electronic banking assumes a vital part in the economy helping buyers and sellers to make financial worth via the exchange of goods and services by avoiding physical contacts (Bakos, 1998). Through electronic banking, banks have the capacity to draw in versatile clients which give to a great degree huge profit by giving portable money related services. Wind (2001), demonstrated that numerous banks are roused to actualize E-banking by components identifying with augmenting their profit through expansion market scope. The increase use in credit card is attributable to electronic banking. Customers are able to shop worldwide without the need of carrying paper money.

2.5 Challenges of E- banking

A research by Daft (1982) demonstrated that the rise of E-banking may be a smart thought however with respect to customers they may confront some risk connected with the specific type of innovation. Daft identified what he described Strategic Risk. Management of financial institutions should know and understand risks associated with e- banking and provide remedies for it. Poor E-banking planning and investment decisions can increase a financial institution's strategic risk.

The costs of establishing e-banking services are high. Establishing a trusted brand is very costly as it requires the purchase of expensive technology. Some of the problems that customers face in using electronic banking services include risk arising from fraud, network and system errors and other unanticipated events resulting in the organization's inability to convey banking products and services. This risk could be inherent in different products and services (Earl, 2000).

Earl further commented that banking activities can expand their activities of establishment's and the amount of its transaction or operational risk, particularly if the organization is putting forth imaginative administrations that have not been institutionalized. Financial institutions should therefore provide reliable services to help customers gain easy access at all times.

Another security issue associated with E-banking as introduced by the Economist journal (1999) recounts that E-banking insecurities is classified into three categories, firstly those associated with fraud and theft secondly those by hackers' and lastly flaws in systems design or set up leading to security breaches (genuine users seeing / being able to transact on other users' accounts). All of these insecurities have financial and legal reputations.

Other challenges associated with electronic banking spans from the type of technology selected, lack of knowledge and lastly implementation. Earl (2002) furthermore identified that while managers understand their business and operational process, their employees mostly lack the skills and experience to adapt to software technologies and educate their customers.

In order to embrace global technology, there ought to be a satisfactory level of infrastructure and human capacity building before developing nations can receive the global technology for their nearby necessity. The society for worldwide interbank financial telecommunications (SWIFT) to the internet shows that in many developing countries full migration has not occurred as a result of inadequate infrastructure, required technical expertise and working capital.

Many corporate and consumers in some developing countries do not have access to the necessary infrastructure to enable them process electronic payments.

There are a few ramifications of international electronic banking. It is for all intents and purposes realized that low transactional cost possibly make it much less demanding to conduct international banking electronically. For some banks, cross-border operations offer a chance to harvest economies of scale. But it requires a higher level of supervision.

In response, many financial institutions have already modified their regulations to achieve their main objectives, ensuring the safety and soundness of the domestic banking system, promoting market discipline, and protecting customer rights and the public trust in the banking system.

2.7 Empirical Review

The review of empirical literature gives an evidence-based and factual analysis of related works done in the country or outside and in the same area of study or related. Using the technology acceptance model (TAM) model put forward by Davis (1989) and the use of questionnaires, Ankra (2012) conducted a survey in the Greater Accra region with a sample size of 6 banks and 360 customers. He finds that all the banks are engaged in internet banking and had business websites. Customers of the banks are also found to be generally enthused and satisfied with the banks. However the study finds out that most the customers do not visit the websites of the banks and do not patronize the SMS banking though all the banks had this product (Abor, 2005). Customers are also found not to be patronizing the internet banking platform of the banks. Though most of the customers do not use the internet products and services, they are satisfied with banks with state of the art technology.

In 2008, Woldie, Hinson, Iddrisu, and Boateng, (2008) conducts a study to examine how internet banking can improve the relationship between clients (firms) and banks in Ghana. A sample of 180 firms is used. The results indicates that, as at then only 68% of the respondent firms have heard of internet banking while about 33% have never heard of it. 55% of the firms indicate they do not patronize internet banking because of the fear of security. Majority of them indicates that even with the adoption of electronic/internet banking; they would still love to bank manually.

In Nepal, Khatri and Upadhyay (2013) uses data from five banks and 60 of their customers to analyze internet banking. They find out that though majority of the sampled customers of the banks use the internet generally and have some knowledge about internet banking, they had not developed completely the attitude to make use of the internet banking facility. Khatri and Upadhyay (2013) points out that the under-utilization of the internet banking in the country is as a result of inadequate awareness and the fear of security. Bad internet infrastructural development in the country was also cited as the major challenge of internet banking in the country.

Ahmad and Al-Zu'bi (2011) study the adoption of electronic banking in Jordan and the impact it has customer satisfaction, loyalty and positive word of mouth. In using purposive sampling, they selected 179 customers from 24 commercial banks. The study finds a positive effect of internet banking on customer satisfaction, loyalty.

In using the four major commercial banks in Botswana (Barclays Bank, First National Bank, Bank of Baroda and Standard Chartered Bank) and 100 customers from these banks, Mobarek (2007) studies electronic banking practices and customer satisfaction. The study focuses on the use of automated teller machines, internet and telebanking. 98% of the respondents are satisfied and saw the use of the automated teller machine to be good. Though 88% of them do not use telebanking, 62% of the respondents do not see

telebanking as important. 78% see internet banking to be important. On a whole, 72% of the respondents prefer electronic banking to the manual type of banking. The study also finds out that electronic banking is more patronized by younger folks and business persons.

Mohammed Ariff, Yun and Zakuan (2013) examine the relationship and effect of electronic service quality on electronic loyalty in the internet banking industry in Malaysia. Specifically the study is conducted on a particular commercial bank and 265 internet banking customers of the bank. The study finds positive relationship between internet banking satisfaction and aesthetics (attractiveness and appearance of website) assurance and the rate at which customers are responded to. However it finds a negative relationship with privacy.

Aghaei, Biglar, Jamshidian and Asadollah (2013) using 384 customers in Tehran investigates the effect of electronic banking on customer satisfaction finds a positive relationship between electronic banking services provided by the surveyed banks and customer satisfaction. A positive correlation between customers' income and satisfaction of electronic banking services is found. Customers' positive experience with electronic banking is positively related to electronic banking customer satisfaction. The study however finds a negative relationship between customers' education and their satisfaction of electronic banking services. Also customers' satisfaction with services of electronic banking is negatively related to their acquaintance with the services provided by banks.

Bello (2005) uses some banks in Nigeria (First Bank Nigeria Plc, Zenith Bank Plc and Guaranty Trust Bank Plc) and 155 customers that maintain current account with these banks, finds the impact of electronic banking on customer satisfaction. The study finds out though most of the respondent customers patronize electronic banking, they still patronize the going of the bank branches to have encounter with the officials. It also finds out that users of electronic banking of the banks are not satisfied with the quality and efficiency of services.

In analyzing customers' loyalty to banks in Ghana, specifically the Wa Municipality, Mumin, Nkegbe and Kuunibe (2012) uses 130 bank customers and find out that satisfaction, bank type, distance, automated teller machine, time to transact, switch cost, loan commitment, other facilities and auxiliary banking are the significant determinants of customers' loyalty to their main banks.

2.8 Chapter summary

The chapter looks at the theoretical background of the study. The innovation diffusion theory was adopted. The theory explains individual's intention to adopt a technology as a modality to perform a traditional activity. The chapter also explored the concept of electronic banking. It was revealed that the varied definition was based on the context, situation and the environment under which the concept existed. But the common theme that permeates through all the definitions was underlined by key words such as the exchange of information using ICT tool to foster good customer relation. In other words electronic banking was explained as a mechanism by which banks adopt in order to deliver quality services to their clients.

The review also took a look at the various forms of electronic banking. These include internet banking, branch networking, telephone banking, and automated teller machines just to mention a few.

Benefits and challenges associated with adaptation of electronic banking was also captured under the chapter. The advantages of electronic banking were identified to be the comfort and reliability it provides both to the banker and the customer in banking transactions were identified. On the other hand issues such as high set up cost, operational risk as well as increase complexities were identified to be among the key disadvantages of electronic banking.

Lastly, empirical studies were also reviewed. This included specific research works on electronic banking generally ones conducted around the globe and Ghana specifically.

CHAPTER THREE

METHODOLOGY AND ORGANIZATIONAL PROFILE

3.0 Introduction

This chapter described the methodology the researcher adopted in carrying out the study. According to Sharma; “methodology refers to as system of principles and methods of organizing and constructing theoretical and practical activity (Sharma, 1992). Similarly Collins Dictionary (2010) has defined methodology as “the techniques and strategies employed within a discipline to manipulate data and acquire knowledge”. The chapter, therefore, presented the research design, sampling procedure, techniques, and sample size just to mention a few.

3.1 Research Design

A research design includes an outline of what the investigator will do from untying the hypothesis, or research questions, and their operational implications to the final analysis of data (Polit& Beck, 2006).

Again, Mouton (2001) defines research design as a plan or blueprint of someone intending to conduct research. Research design involves how the researcher has planned to carry out the research. The research design for this study among other things concentrates on the type of study, the approach to study and the strategy.

The type of study is an exploratory study. Exploratory research design refers to social research which explores a certain phenomenon with the primary aim of understanding the phenomenon or situation (Bless &Hingson-Smith, 2010).

Exploratory research is also used to get clarity and define the problem at hand clearly (Brink, 2008). As an exploratory study the researcher aims at establishing the relationship between electronic banking and customer service delivery so as to add to the existing literature on the subject matter. The study adopts the social survey strategy in investigating the phenomena. A social survey has been defined as the method for collecting quantitative information about members in a population (Amedahe, 2002).

Again, Bell (1999) argues that the social survey strategy is useful when research participants are asked the same question in as far as possible under the same circumstance. Social survey became eminent since the researcher has to combine the customers of the three banks and as such same questions shall be given to all respondents. Also, social survey, generally takes a relative shorter period for completion studies. This research is an academic work hence, six months is given to the researcher to submit the final report and this makes social survey the convenient strategy to be employed by the researcher.

The approach to the study was quantitative approach and quantitative research study aims at establishing or determining the relationship between one thing and another one in the population (Hopkins, 2000,). A quantitative research design was selected for this study because it is a formal objective, systemic process in which numerical data are utilised to obtain information (Burns & Grove, 2005). One of the characteristic of quantitative research made it suitable for this study was that the researcher used structured interview instrument to collect the data on each participant. However, the study made use of qualitative approaches in the data analysis as well. This became necessary when the researcher made deductive arguments and inputted some meanings

based on the response. The researcher therefore combined quantitative and qualitative (mixed) approaches.

3.2 Sampling Procedure

3.2.1 Population Universe

The universal population for the study comprised of all customers of the various banks that used electronic banking in Ghana and the staff members of banks. In other words, the study was interested in assessing the effects of electronic banking service delivery among all customers in Ghanaian financial institutions.

3.2.2 Study Population

It is because of that the fact that financial institutions were quite many in Ghana and thus, the researcher could not have studied all customers in the institution. For this reasons customers in three selected institution formed the study or target population. This implied that the study concentrated on the customers and bankers of the Ahodwo branch of Barclays Bank, Fidelity Bank Atonsu branch and Ghana Commercial bank at Tech. Junction branch.

3.2.3 Sampling Units

The sampling units for the study were the individual customers and the bankers of the three (3) selected institutions in the Kumasi Metropolis. It was these individuals who were selected to participate in the study. Thus, the researcher used the purposive sampling as a non-probability sampling to select the respondents for the study. The approach was that those who transacted business on the days of (the researcher) visit to the banks and who were accounts holders of the selected banks were chose for the study.

3.2.4 Sample Size and Sample Selection

The researcher could not have access to the sampling frame (list of customers) because of the security implications for the banks as financial institutions as well as the huge number of customers involve. For example the researcher was verbally given the number of customers of the Fidelity Bank of Atonsu branch to be around six thousand seven hundred (6700). The researcher therefore decided to use one month period to collect the data through personal visits to administer the questionnaire. This notwithstanding, the required permission was sought from the respective banks. Volunteering customers who held accounts and were met on days of banks visits were purposively given the selected. Also, the banks staffs were also selected using the purposively sampling strategy. After the data collection period a total number of 69 customers and 29 staffs of the selected banks were interviewed. This gave a total sample size of 98 respondents. This, therefore, meant that the sample size could not be predetermined based on the factors enumerated above.

The sampling selection technique for this study was the non-probability sampling. Non-probability sampling may be defined as any sampling method where some elements of the population have no chance of selection, or where the probability of selection cannot be accurately determined. It involves the selection of subjects based on assumptions regarding the population of interest, which forms the criteria for selection. However, the several types of non-probability sampling. Twumasi (2002) writes *‘as the name implies, the researcher, adhering to the objectives of the study, selects respondents who can answer his research questions. With good calculation and a relevant research strategy he picks the respondents he wants to be included in his sample’*. The researcher observed through many previous visits to the selected banks that not all individuals at the banking

halls were necessarily the banks customers. Some indeed passer byes either sent to clear cheques or deposit cash as well as other errands. For this reason the researcher intended to purposively select participants who were active customers of the selected banks. Again, key staff members of the various banks who can provide answers to the needed research questions were be selected. This informed the choice of the purposive sampling technique for this study.

3.3 Tools for Collecting Primary Data

The self-administered questionnaire was used as the main tool for data collection. Three same sets of questionnaire were administered – one each for the three selected banks. The choice of self-administered questionnaire was because the researcher anticipated that all the respondents patronizing electronic banking will be literate and could, therefore, read, comprehend and write to answer questions.

3.4 Fieldwork

In Ghana, organisations have rules and regulations governing the conduct of research into their operations. These corporate rules determine what can be done or not by researchers. For these reasons it is ethically binding on researchers to seek approval from top management before studies are conducted in organisations.

In order to satisfy the above conditions, letters of introduction were sent to the selected institutions for approval before the research commenced. This gave the researcher the opportunity to establish good rapport with officials of the organisations especially the security men on duty within the banking halls and also to explain the important and extent of the study. This again gave the researcher the opportunity to collect information

on the institutions. It therefore, became relatively flexible during the periods of data collection though time consuming.

3.5 Data Handling and Analysis

This consisted of data editing and data entry. The aim of editing the questionnaire was to detect unanswered questions and irregularities. It was also to eliminate errors such as double answers. Data was cleaned and coded for entry into the SPSS Windows software by the researcher. Computer editing was done after keying in of the data was completed. The data was analysed and presented statistically using simple statistical approaches such as frequency tables, pie charts, bar charts and making inferences.

3.6 Ethical Considerations

In this study, ethical issues of informed consent, invasion of privacy, anonymity of respondents, confidentiality, voluntarism and plagiarism was catered for. On informed consent, I sought the permission of all participants in the research before conducting the study. That is, introductory letters was sent to the management of the selected institutions and their approval received before the commencement of the research. Again individual respondents were approached and debriefed of the purposes of the study before commencement.

In order not to unnecessarily invade the privacy of participants, the researcher asked the staff members of the various institutions to first approach the customers of the exercise before he finally got to them and explained further on the purpose of the study to them. This was done so as not to make the customers not to blame the institutions for any discourteous conducts or whatsoever. Neither names nor any identifiable information

from respondents were taken as a way of ensuring the ethical principle anonymity in social research.

While distributing the questionnaire, the researcher verbally informed all respondents who consented to answer the questionnaire that their participation is voluntary and as such they could opt out at any stage of the research process. They could also skip questions they do not know the answers or do not want to answer; otherwise any guess they make would be taken as a correct answer for analysis of the data.

Pieces of information sourced from earlier researchers to buttress analysis of the study have been duly acknowledged through both in-text referencing and bibliography in order to avoid academic dishonesty otherwise known as plagiarism.

3.7 Research Setting

The study is set in the Kumasi Metropolis (regional capital of the Ashanti Region of Ghana), located in the transitional forest zone, about 270km north of the national capital, Accra. It covers a total land area of 254 square kilometers, stretching between latitude 6.35o – 6.40o and longitude 1.30o – 1.35o. Kumasi is bounded to the north by Kwabre District, to the east by Ejisu, Juabeng District, to the west by Atwima-Nwabiagya District and to the south by Bosomtwe, Atwima-Kwanwoma District. The calm climatic condition (average minimum temperature of about 21.5oc and a maximum average temperature of 30.70c) has precipitated the influx of people from every part of the country and beyond its frontiers to the Metropolis. According to the 2010 Population and Housing Census Report, Kumasi accommodated a total of 1,170,270 people as of 2010, reflecting an inter-censual growth of 5.4% between 1984 and 2000. Unlike most of the districts and metropolises in the country and even the nation, Kumasi has a unique sex male/female ratio of 1:0.97. The 2010 census results revealed that 57.7 percent of the

population constitutes the active population. The census report also revealed that 16 percent of the active population is unemployed reflecting economic dependency ratio of 1:1.1. In terms of religion, Christianity is dominant (78.8%) followed by Islam (16%) and African Traditional Religion (0.3%). Nevertheless, about 4.2 percent of the population does not associate with any of these religious organisations.

The Metropolis has a total of 2325 educational facilities supporting the provision of formal education within the metropolis comprising basic schools, senior high schools (SHS), vocational and technical schools, training colleges and tertiary institutions. Basic education occupies most (96%) of these facilities. The private sector also plays a significant role in ensuring quality and easy access to education in Kumasi.

The dominant ethnic group in Kumasi is Akan (77.7%) specifically Asante. Nevertheless, the other ethnic groups in Ghana are fairly represented. In terms of economic activities, 5% of the active population is into agriculture, 23% is into industry and 72% is into commerce and service.

3.8 Profile of the selected banks

3.8.1 Ghana Commercial Bank (GCB) Tech Branch

The Ghana Commercial Bank Limited started its operation in Ghana 1953 as Bank of the Gold Coast to provide banking services to the emerging nation for socio-economic development. The Bank was to provide special services to Ghanaian traders, business people and farmers who could not elicit support from the expatriate banks. In 1957, when Ghana gained its independence, the Bank of Ghana was established as the Central Bank while the Bank of the Gold Coast was renamed Ghana Commercial Bank to focus solely on commercial banking services. Since then GCB branches have been opened across the length and breadth of the country tapping the potential of the 10 regions that

make Ghana. The Tech Branch of the Ghana Commercial Bank started operations on 3rd November, 2008, as the 154th branch in the country. The reason for its establishment was to ease pressure from the constantly increasing number of customers on the KNUST Campus Branch and also serve the surrounding communities around the university. It is located on the premises of the KNUST directly opposite the university hospital at the Tech Junction traffic lights in the Kumasi Metropolis.

3.8.2 Profile of Fidelity

In October 1998 The Fidelity Group was set up as a financial services group by Edward Effah. This group was made up of Fidelity Bank Ltd., Fidelity Asset Management Ltd., Fidelity Equity Fund 1 Ltd. and Fidelity Equity Fund 2 Ltd. In June 2006 Fidelity Bank emerged as a commercial banking institution in Ghana, the 22nd of such institutions to be licensed by the Bank of Ghana. Fidelity Bank was however previously known as Fidelity Discount House, one of the foremost discount house in the country. It operated profitably for eight years, after which the stakeholders decided to take advantage of the existing economic climate to set it up as a bank. (Bank's website).

Edward Effah is the bank's managing director and CEO. Fidelity Bank run 43 networked branches and has 65 VISA enabled ATM's at several sites across the country as at 2013, with its head office at the Ridge Towers in Accra. The bank offers services such as loans, checking and savings accounts, investments, debit cards and mortgages. It also offers other tailored services such as executive and private banking, retail banking, wholesale banking, trade services, and treasury. (Bank's website)

Operating with the motto "*the new standard*", the bank's goal is to succeed as one of Ghana's five top-ranking banks by December 2014 as adjudged by primary performance indicators. The major shareholders of the bank include Africa Capital LLC, Social

Security and National Insurance Trust, ENO International LLC, SIC Lie Company Ltd, J & S Associates, Fidelity Trust and some foreign and Ghanaian individuals. The remaining shares are held by the general public. Fidelity Capital Partners Limited and Fidelity Securities Limited (formerly Fidelity Asset Management Limited) are currently Fidelity Bank's two corporate associates. Fidelity Capital Partners Limited is Ghana's premier venture capital and private equity fund manager, with a sum of US\$ 25 million presently under its administration in two dedicated funds. Fidelity Securities Limited is also a professional investment banking organization, and one of the small number of pension fund managers operating in Ghana under the regulation of the Securities and Exchange Commission of Ghana.

In 2007, Corporate Initiative Ghana awarded the bank as the best growing bank in Ghana. Fidelity Bank aims at continuing to develop as a premier financial organization that earns high returns for all its stakeholders. It also seeks to contribute its quota to the development of Ghana's financial sector and also the expansion of the economy. The bank strives to accomplish this through its highly professional staff, continuous investments in state-of-the-art technology, outstanding standards of corporate governance, superior knowledge of the local market, as well as its core values which include integrity, passion for service, and a culture of excellence.

The Bank has about 28,000 customers in the Kumasi metropolis. Currently Fidelity Bank has eight branches at the following locations in the metropolis- Atonsu, Adum, Adum Post Office, Suame, Santasi, Stadium, Ahodwo and KO Methodist. The Adum branch is the busiest branch.

3.8.3 Barclays Bank

Barclays has worked in Ghana for more than ninety years and has been firmly connected to the nation's development. The bank has branches across the nation. They are existence to help improve the businesses of customers.

Barclays bank was established in Ghana on fourteenth February 1917. Its parent organization in the UK, Barclays PLC, is cited on the London, New York and Tokyo Stock Exchanges. Three hundred years of banking skill and an all-around earned notoriety for quality and quality in the realm of fund has made Barclays a noteworthy compel globally in both corporate and retail banking. It combines our global expertise and product knowledge with the rich experience and appreciation of the local environment to bring the best of banking to their customers. The vision of the bank is to be the leading contributor to Africa's growth and to be one of the most admired financial services organisations in the world.

The bank has 75 service outlets across the nation: 57 branches, 3 Agencies, 10 Prestige Centres and 2 Premier Suites. Barclays Ghana also has over 155 ATMs spread across the country.

In addition to these, the bank has free e-banking solutions (Internet Banking, Hello Money Mobile Banking, Smartphone Banking, SMS Alerts and e-Statements) which customers can access any time of the day.

Currently the bank has 11 branches in Kumasi- Ahodwo branch, Asafo branch, Bantama branch, kejetia branch, Krofrom branch, KNUST branch, Manhyia branch, Old Suame branch, Prempeh II street branch, Tanoso branch, and the Tafo branch. For the purpose of this study the ahodwo branch was selected.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Introduction

This chapter presents data analysis and discussion of findings. It has been grouped broadly under six major headings. This includes socio- demographic characteristics of respondents, reasons why they prefer banking at the hall, customer awareness of electronic banking services, customer patronage of e-banking, challenges they face as well as the advantages in using customer service products. It must be noted, however, that the analysis of data were solely numerical summary and as such interpretation and inferences have been drawn based on the analysis. These inferences are done in relation to the literature review for comparisons and contractions.

4.2 Socio-demographic Characteristics of customers.

In studies like this it is important to analyze the background information of the respondents. This is because people's social background influences their thinking pattern and to larger extent what they do. The background information comprised of age, gender, educational level, and the number of years they have saved with the bank.

Table 4.1 Socio-demographic characteristics of respondents (Customers)

Variable	Classification	Frequency	Percentage
Gender	Male	38	55.1
	Female	31	44.9
	Total	69	100.0
Age	Below 30	28	40.6
	30-39	21	30.4
	40-49	15	21.7
	50-59	2	2.9
	60 and above	3	4.3
	Total	69	100.0
Education	Basic JHS	5	7.2
	SHS	12	17.4
	Tertiary	52	75.4
	Total	69	100.0
Marital Status	Single	33	47.8
	Widowed	3	4.3
	Divorced	4	5.8
	Separated	2	2.9
	Married	27	39.1
	Total	69	100.0
Years with the bank	1-3 years	21	30.4
	4-6 years	28	40.6
	7-9 years	9	13.0
	10 years and above	11	15.9
	Total	69	100.0

Source: Field Data, 2015

From table 4.1, it is revealed that majority 38 (55.1%) of the respondents are males whiles, 31(44.9%) of them are females. Though the number of males sampled is more than the females, it did not affect the result of the study. This is because the gender of the interviewee did not have any direct bearing on the responses he or she provided. Again,

28(40.6%) respondents were below the age of 30 years while 21 respondents (30.4%) fell within the age range of 30 and 40. Also, customers who were within the ages of 40-49 accounted for 21.7 % but 2.9 % and 4.3 % were within the ages of 50-60 and above 60 years respectively. This finding suggest that most of the customers were found in the working age bracket as they might be much involve in transaction daily banking business. The results further showed that 75.4% of the respondents have obtained education up to the tertiary level while 17.4% have had formal education to the level of senior high school. Only 7.2% of the respondents have had formal education up to the basic level. This finding is attributed to the fact that banking processes requires some basic literacy and as such it was no surprise that all the respondents had some level of formal education.

4.3 Socio-demographic Characteristics of Bank Staff

Also a total of 29 bank officials selected from the sampled banks completed the questionnaires. These officials were purposively selected based on their knowledge in the various e-banking products currently implemented by the bank. The background characteristics of these respondents are summarized in Table 4.2. The background information solicited includes respondents' gender, age, education, work experience and rank.

Table 4.2 Frequency Distribution of the background information of selected bank officials

Variable	Classification	Frequency	Percentage
Gender	Male	18	62.1
	Female	11	37.9
	Total	29	100.0
Age	Below 30	9	31.0
	30-39	13	44.8
	40-49	4	13.8
	50-59	3	10.3
	Total	29	100.0
Education	Basic JHS	0	0.0
	SHS	0	0.0
	Tertiary	29	100
	Total	29	100.0
Banking(Work) Experience	1-5 years	13	44.8
	6-10 years	9	31.0
	11-15 years	2	6.9
	15 years and above	4	13.7
	Total	29	100.0
	Junior Staff	14	48.3
	Senior Staff	13	44.8
Ranks	Manager	2	6.8

Source: Field Data,

Out of the total of 29 officials, majority 18 (62.1%) were males while the remaining 11 (37.9%) were females. This finding throws much light on the patriarchal nature of the Ghanaian society. In both the 2000 and 2010 national population censuses females were reported to be more than males in Ghana. However, this is not reflected in job acquisition as in this study just as many organizations males are more than females. This could stem from the dual factors of the traditional perception that the woman's place is in the kitchen and the reproductive/community roles they play. Again, majority of the

respondents 29(100%) have had formal education up to the tertiary level. Interestingly none of the respondent had basic level of education. This implies that the banks under study had quality human resource who can contribute to the success of their various banks should the right needed support be put in place. The respondents also have varying level of experience in their field of operations. It can be observed that 44.8% of the respondents have worked with the bank for between 1 to 5 years, 31% have worked with the bank for between 6 to 10 years; while 13.7% have worked with the bank for over 15 years. This result shows that the respondents have the necessary experience in banking to respond appropriately to the questions posed. As far as the rank of the respondents are concerned, 14(48.3%) are junior staff; 13(44.8%) are senior staff; while the remaining 6.8% occupy management positions.

4.4. Customers and e-banking products

The evolution of electronic banking in Africa, especially in Ghana, has been hailed by business and individual customers alike. Banks are also taking advantage of e-banking to reduce investment in the number of employees and physical structures and branches. However, many bank customers continue to visit the banking hall for services and product they can easily access through electronic banking platforms. A number of reasons have theoretically been cited for this phenomenon. One aim of this study is to empirically examine the main reasons behind this phenomenon in Ghana, using Ashanti Region as a case study.

4.5 Reasons why customers prefer banking in the halls to e- banking

In terms of preference for e- banking compared to banking at the hall, the study revealed that 58% preferred e- banking for the reason that it is less cumbersome to access the e- banking services.

However some of them (75.4%) indicated the difficulties in accessing e- banking products and services inform their decision to use the banking hall. The responses obtained from the staff of the selected banks corroborated the responses elicited from the customers. Majority of the workers (69%) indicated that difficulty in accessing electronic banking is the main reason given by customers as to why they use the banking hall and not e-banking products.

Also 64.8% of the respondents preferred using the banking halls to e- banking as a result of the insecurities associated with e- banking. This was in sharp contradiction to the responses of the staffs as only 15% of the staff agreed that insecurity associated with e- banking products force customers to use the banking hall. The staffs' response did not conform to that of the customers because, they made a clear indication that most of the insecurities are caused by the customers. Some customers may have their password leaked as a result of carelessness and also not conforming to the operational regulations of the bank. For example customers have been told not to carry their debit card along with their password but they mostly forget to follow this instruction.

The findings is in agreement with several studies Chung and Paynter (2002) ;(IDC, 2005); Westland (2001) who identified that, consumers will find it difficult to accept anything that possesses a threat to them in terms of the possibility of losing money. Even if such threats are not real, they nonetheless reduce acceptance rate for such products. This is because human action-s are often influenced by our perceptions and not

necessarily by what is factual. These perceive fears of customers will be higher in developing countries such as Ghana where information is low and rumors influence people decision. Once a customer hears of any insecurity it becomes difficult for such a customer to trust the system.

4.6 Customer awareness of e-banking products/services

One of the objectives of the study was to examine the awareness level of customers when it comes to e-banking products. Customers can only patronize a service or product if they are aware of its existence and possible usage. Understanding the awareness level of customers regarding e-banking products will help banks in their e-banking management and policy. Respondents were asked a series of questions. The Responses to these questions are summarized in Table 4.4

Table 4.3customer awareness of e-banking services

Awareness	Response	Frequency (N)	Percentage (%)
Awareness of electronic banking	Yes	64	92.8
	No	5	7.2
	Total	69	100.0
Medium through which the awareness is created	Advertisement on the media	22	32.4
	Phone calls from the banks	16	23.5
	Notice within the bank	35	51.5
	Social Contacts	12	17.6
	Others	6	8.8
	Total	69	100.0

Source: Field Data, June 2015

From table 4.4 it is evident that customers are generally aware of e-banking products in their respective banks. For instance, out of a total of 69 respondents sampled, majority 64 (92.8%) stated that they were aware of e-banking products available in their banks. Only 5(7.2%) gave a contrary view. The interview with the staff of the various banks confirms that of the customers. Out of 29 responses, 27(93.1%) indicated that customers of the banks as a result of advertisement and notices within the banks are aware of the various e-banking products offered by the banks. Only 2(6.9%) had contrary view. These responses in favour of awareness indicate that the banks have done much to create awareness of their e-banking products. However it would have been more prudent for the researcher to know the number of customers using e- banking services with respect to the various banks. This information was not available because of confidentiality and also the cumbersome nature to gain these statistics.

In response to the question of the medium through which their awareness was created, majority of the respondents (51.5%) cited notice within the bank; 32.4% of them cited advertisement in the various media platforms, while 23.5% cited phone calls from the banks.

Table 4.4 customer awareness of e-banking services

Awareness	Response	Likert scale	Frequency	weight	Ranking
How long have you been aware	Very long	1	22	22	3 rd
	Long	2	31	62	2 nd
	Don't know	3	3	9	4 th
	Recently	4	0	0	5 th
	Very recently	5	13	65	1 st
	Total		69		

Source: Field Data, June 2015

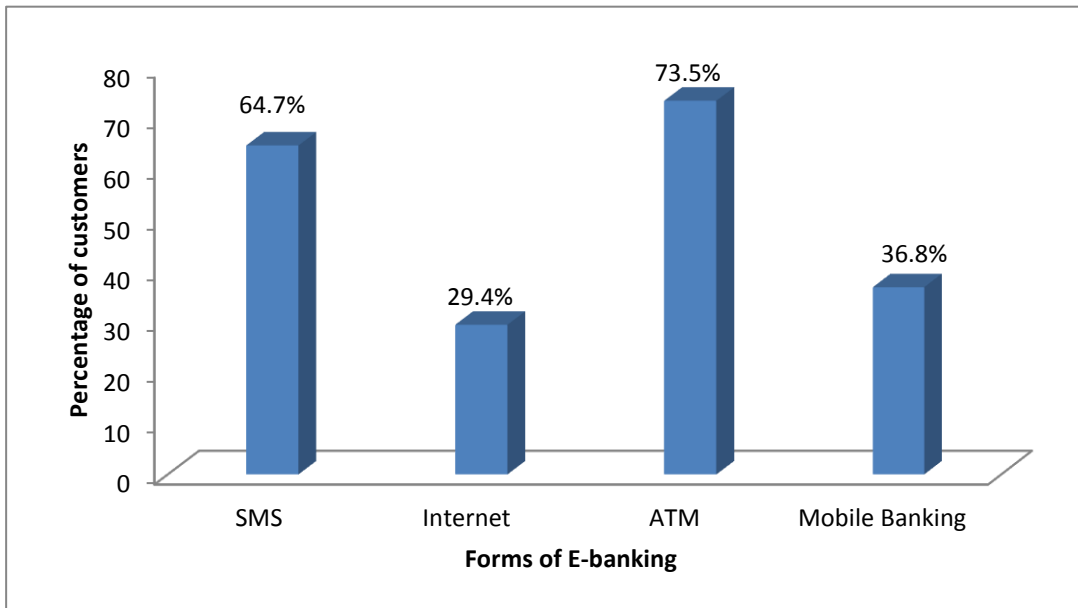
Respondents also stated how long they have been aware of the e- banking services. In Table 4.5, it can be observed that majority of the respondents have been recently aware of the e- banking products and services and hence ranked first on the likert scale. Even though majority of them said they been recently aware, most of the respondents (ranked second) also said it has been ‘‘long’’ since they got to know of e- banking products and services. Therefore these responses indicate that the banks through advertisement and notices within their premises are putting much effort in promoting awareness of e- banking services

4.7 Level of customer patronage of e-banking products

It is one thing to be aware of a product/service and another to patronize or use the product. The analysis showed that customers were generally aware of e-banking products such as ‘‘ATMS, SMS, Internet and Mobile banking’’ that are offered by the banks. The study further sought to determine the level of patronage of e-banking products among the selected customers.

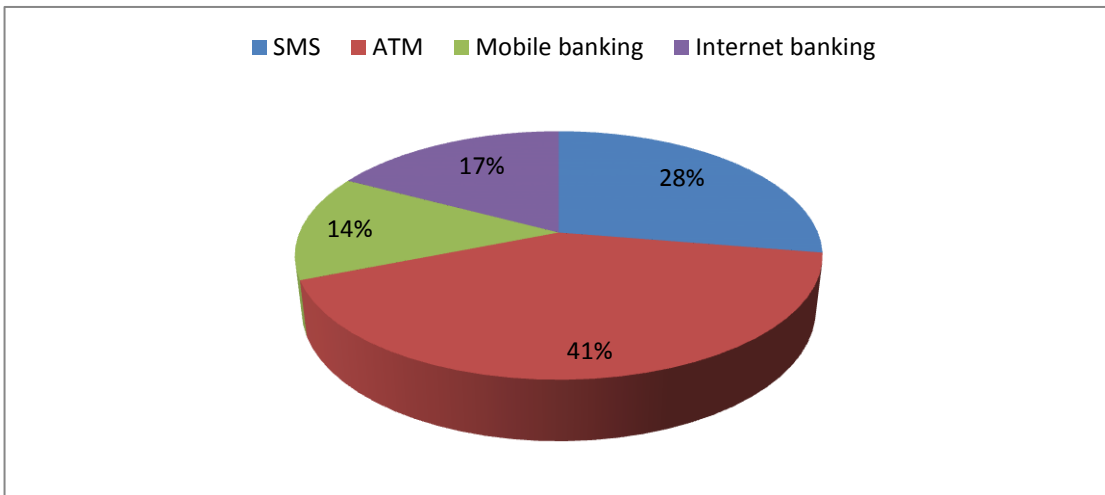
With regard to the question of respondents rating their level of patronage of e-banking products, 27.5% rated as very high, 46.4% as high, and 13.0% as low. Only 1.4% of the respondents rated their level of patronage as very low. 11.6% of the respondents however were not certain about their level of patronage. This implies that customers generally rated their patronage of electronic banking services as high which accounted for over 70% though they admitted that processes were sometimes difficult.

Figure 4.1 Provides responses from customers regarding the most patronized banking products



Source: **Field data, June 2015**

Figure 4.2 Responses of bank officials regarding the most patronized e-banking products.



Source: **Field data, June 2015**

As presented in Figure 4.1, and Figure 4.2, ATM received the highest patronage compared to all other e-banking products. This finding is in agreement with the findings of Abor (2004) who indicated that the ATM is the main e-banking product that has seen much patronage in Ghana for the past decade. This may be as a result of the fact that the ATM plays a very vital role in the banking process. This includes the fact that the machines work even when the banks close and especially on the weekends. The situation may be on the rise especially as some banks are taking giant step in implanting ATM machines that has been configured to accept cash deposits. This result is not surprising because among most of the innovative e-banking products/services introduced over the years, the use of ATM technology is highly convenient for customers and users. Bank customers can easily obtain cash from their banks without having to be physically present at the bank premises. Apart from benefit of convenience, the ATM innovation is one of the most secure means for customers to access their cash. The ATMs innovation gives banking customers greater access to their money by taking banking to their doorsteps. There are virtually no queues in banking halls, no time limit for cash withdrawals and customers can easily access their bank balances. It is also one of the simplest e banking products as customers do not go through difficulties in cash withdrawal. All these benefits have contributed to make the ATM innovation one of the most successful banking innovations. The findings also concur with Humphery *et al.* (2006) who found that ATMs are highly patronized compared to other e-banking platforms.

Table 4.5 Patronage of E-banking products by Customers

Patronage	Response	Frequency	Percentage
Years of electronic business transactions	Less than 2 years	25	36.2
	Less than 3 years	15	21.7
	Less than 4 years	18	26.1
	4 years and above	11	15.9
	Total	69	100.0
How often Electronic systems are patronized	Daily	18	26.1
	Weekly	29	42.0
	Monthly	20	29.0
	Yearly	2	2.9
	Total	69	100
Rate of Electronic banking patronage	Very High	19	27.5
	High	32	46.4
	Don't Know	8	11.6
	Low	9	13.0
	Very low	1	1.4
Total	69	100.0	

Source: Field data, June 2015

Table 4.7 depicts the responses provided for the number of years, frequency and rate at which customers patronize electronic banking. The analysis shows that 36.2 % of the respondents had patronized electronic banking services for less than two years and 21.7 % for three year. Again respondents who indicated that they have transacted business electronically for less than four years were 26.1% and those above four years were 15.9%. this response gathered could stem from the fact that electronic banking is a new phenomenon of banking in Ghanaian business environment as such customers may had fewer years transacting business on electronic platforms.

Again, the responses from the respondents indicated that 26.1% of the customers used the electronic banking platform on daily basis as against 42 % who claimed they use the platform on weekly basis. However, 29% and 2.9% of the respondents alerted they use the platform on monthly and yearly basis respectively.

Closely related to the above response was that provided with regard to customers rating their level of patronage. To this effect customers ranked their patronage as very high (27%) and as high (46.7%). This gives a combine high rating of 73.9% as against only 1.4% who saw their electronic banking patronage as low whereas 11.6% did not know how to rate their level of patronage. This confirms earlier findings that customers were highly aware of the existence of the electronic banking products and also their frequent usage of the services and product. It was therefore not surprising when respondents rated their patronage as high.

4.8 Challenges Associated with E-banking

Though e-banking is seen by many customers and bankers as the convenient way of banking, it is fraught with a number of challenges. Challenges such as insecurities of e-banking, example fraud committed by internet hackers, difficulties in transacting electronic banking such as, network and system errors have affected the level of patronage of these products. The study sought to examine the key challenges associated with e-banking from the perspective of customers and the bank.

The result of the challenges affecting the use of e-banking products from the perspective of customers is captured in Table 4.8.

Table 4.6 Challenges associated with e-banking (from the perspective of customers)

Challenges	Response	Frequency (N)	Percentage (%)
Security Challenges	Yes	35	50.7
	No	34	49.3
	Total	69	100.0
The perception electronic banking is a problem	Yes	14	20.3
	No	55	79.7
	Total	69	100.0
Difficulty in transacting electronic business	Yes	52	75.4
	No	17	24.6
	Total	69	100.0
Instability in power supply	Yes	49	71.0
	No	20	29.0
	Total	69	100.0

Source: Field data, June 2015

The result presented above indicates that security is a challenge affecting the usage of e-banking products. Out of the total number of 69 customers sampled, 35 (50.7%) indicated that security is a major challenge hindering their patronage of e-banking services. Also, a large majority of the respondents (71%) stated that the instability in electricity power supply is a major challenge hindering their patronage of e-banking services. This may be the case especially with internet and mobile banking platforms where constant electricity is a prerequisite. If power supply is erratic powering computers and mobile phones becomes highly impossible thereby rendering electronic banking virtually impossible. Again majority of the customers 52(75.4%) indicated that difficulty in transacting electronic business is also major challenge. Some of the difficulties that respondents said they face are system and network failures. The finding is in agreement with Earl(2000) who identified the challenges that customers face in

using electronic banking services which include, risk arising from fraud, network and system errors and other unanticipated events resulting in the organization's inability to convey banking products and services.

The tables below depicts challenges Associated with the implementation of E-banking services (From the perspective of selected bank officials)

Table 4.7 E-banking has a high startup cost

Challenges	Response	Likert scale	Frequency	weight	Ranking
E-banking has a high startup cost	Strongly Disagree	1	3	3	5th
	Disagree	2	2	4	4th
	Neutral	3	3	9	3rd
	Agree	4	13	52	1st
	Strongly Agree	5	8	40	2nd
	Total		29		

Source: Field data, June 2015

Bank officials drawn from the selected banks were asked to indicate the main challenges affecting the implementation and maintenance of e-banking services. The result showed that high startup cost is a major challenge affecting the implementation of e-banking services. It can be observed from figure 4.90 that respondents ‘‘agreed’’ that high startup cost is a major challenge has the highest ranking with a weight of 52. This may be as result of the economic turmoil countries globally are experiencing in recent times and specifically Ghana. High inflation rates, depreciation of the local currency, freeze on employment just to mention but a few. Organisations are generally complaining of difficult times and this may have accounted for the citing high startup cost as a main challenge confronting e-banking.

Table 4.8 using e-banking has high operational cost

Challenges	Response	Likert scale	Frequency	weight	Ranking
Using e-banking has high operational cost	Strongly Disagree	1	2	2	5th
	Disagree	2	10	20	2nd
	Neutral	3	2	4	4th
	Agree	4	14	56	1st
	Strongly Agree	5	1	5	3rd
	Total		29		

Source: Field data, June 2015

From table 4.91 it can be inferred that respondents that agreed that using e- banking has high operational cost had the highest ranking with a weight of 56 and those that strongly disagreed had the lowest rank. This implies that implementation of e- banking is costly. Thus introducing new products and services undoubtedly require substantial financial resources. This notwithstanding authenticates the writings of other authors. For example, Duffie and Rahi (1995) found that high cost of implementing innovations such as e-banking in the banking industry is a major challenge hindering e-banking implementation in the industry. The initial cost of implementing e-banking and some technology systems can be expensive and in most cases banks without a strong capital base cannot afford to undertake. Introducing new products and services undoubtedly requires substantial financial resources. Huge sums of money must be pumped into research and development before such innovations become a reality.

Table 4.9 E- banking is prone to security breaches

Challenges	Response	Likert scale	Frequency	weight	Ranking
E- banking is prone to security breaches	Strongly Disagree	1	1	1	5 th
	Disagree	2	7	14	4 th
	Neutral	3	10	30	1 st
	Agree	4	7	28	2 nd
	Strongly Agree	5	4	20	3 rd
	Total		29		

Source: Field data, June 2015

The above table shows that e- banking is prone to security breaches. Even though those that remained neutral as to the insecurities with e banking is ranked first, those that Agreed had the second rank with respondents that strongly disagreed ranked last. This notwithstanding is not surprising since e- banking such as fraud by internet hackers and also most of the insecurities are caused by the customers. Some customers may have their password leaked as a result of carelessness and also not conforming to the operational regulations of the bank.

Table 4.10 Ignorance on part of the customers is a challenge to e- banking

Challenges	Response	Likert scale	Frequency	weight	Ranking
Ignorance on part of the customers is a challenge to e- banking	Strongly Disagree	1	3	3	5 th
	Disagree	2	2	4	4 th
	Neutral	3	3	9	3 rd
	Agree	4	16	64	1 st
	Strongly Agree	5	5	25	2 nd
	Total		29		

Source: Field data, June 2015

Ignorance on the part of customers towards the use of e-banking product was also identified by the officials as one of the major challenges affecting e-banking. Respondents that ‘‘agreed’’ ranked number one, while those that ‘‘strongly disagreed’’ ranked fifth. This was surprising to the researcher because the analysis revealed that almost all the respondents were literate and as such could read and write.

Table 4.11 Advantages of E-banking

Advantages	Frequency (N)	Percentage (%)
Convenience	14	20.3
Fast	18	26.1
Availability	37	53.6
Total	69	100.0

Source: Field data, 2015

Table 4.10 presents the responses provided when participants were asked to state the benefits they derived from electronic services and products. The responses show that 20.3% claimed that e-banking is convenient and that is the advantage they derived from it. They further explain that services such as the ATM prevent them from joining longer queues at the banking hall. Also, 26.1 percent of the respondent reported that electronic banking in generally is fast. They gave instances where remaining balances are easily received on phones via text messages and electronic mails rather walking to the banking hall to request for it. 53.6% of the respondent indicated that electronic banking is always available in 24 hours daily. The ATM for example operates at weekends and nights when the banking gates are locked.

E banking also plays a vital role in remittances, thus customers are able to electronically receive money from abroad. Remittances over the years have played a vital role in the socio- economic development of Ghana.

CHAPTER FIVE

KEY FINDINGS, CONCLUSION AND RECOMMENDATIONS OF THE STUDY

5.1 Introduction

This chapter presents the overall summary of the study, recommendation and the conclusion of the study. The recommendations however, consisted of two parts. It is made up of the main recommendation as well as recommendation for future research. It is important to also mention that the recommendations provided emanated from the findings of the study

5.2 Findings of the study

The study was an exploratory study aimed at understanding the effect of electronic banking on customer service delivery in three selected branches of three banks in the Kumasi metropolis. Purposive sampling strategy was adopted to select 69 customers as well as 29 staff of the three selected banks.

The study examined the various theories as well as specific empirical studies to form the background of the study. Among other things, the literature review captured the definition of electronic banking, forms of electronic banking, benefits and challenges of electronic banking to mention a few.

Questionnaire was used as the principal tool for the data collection. The data was analyzed using basic statistical tools such as frequencies and percentages. Most of the questions were framed in a closed ended manner. There were however, few of the questions which were open ended. The SPSS windows software was used in analyzing the data.

The study uncovered some findings. For example the study brought to the fore that customers prefer to transact business in the halls in spite of the long queues largely because of the difficulty associated with accessing e-banking products. This was revealed when, 75.4% stated that difficulty in assessing e-banking services inform their decision to use the banking hall. This finding is similar to the studies of Chung and Paynter (2002) and Domeher *et al.* (2014) who observed the perceived financial risk and difficulty in assessing e-banking services/products inhibit the use of these products by customers.

The data study revealed customers of the selected banks are generally aware of the various e-banking platforms available at their respective bank. Analysis of the customer responses indicates that 92.8% of the respondents were much informed of e-banking products. Only 7.2% of the respondents stated that they are unaware of the e-banking products offered by the banks. The findings were corroborated by the responses offered by bank officials. The overwhelming response in favour of e-banking awareness indicated that the banks have done much to create awareness of their e-banking products.

The result from the data analysis indicated that in spite of the difficulties associated with the use of e-banking products, majority of the respondents patronize these services. When asked to rate their level of patronage of e-banking products, 27.5% ranked as very high, 46.4% as high, and 13.0% as low. Only 1.4% of the respondents rated their level of patronage as very low. The results further show that the main e-banking products patronized by customers include ATM, internet banking, SMS banking and mobile banking. Among these e-banking products, the ATM appears to be highly patronized. For instance 75.5% of the respondents indicated that they use the ATM services offered

by their banks. The second most patronized e-banking product was identified as SMS banking

Ignorance of customers regarding security of the e-banking services was identified as one of the main challenges affecting the smooth implementation of e-banking services in the banking industry. The findings further revealed majority of the bank officials agreed that high startup cost is a major challenge.

5.3 Conclusion

From the study, customers admitted they prefer banking halls to the electronic banking services in spite of the longtime they waste in queues. They cited among other things the difficulty in accessing the electronic banking services and products as well as the perceived insecurity associated with its usage as some of the main reason responsible for their decision. This claim authenticated the reports of several other studies Chung and Paynter (2000); DIC, (2005) and Westland (2001).

The study again, brought to the fore that customers were highly aware of the existence of electronic banking services and products. This claim was overwhelmingly confirmed by the respondents from the bank workers.

Majority of the respondents indicated that they will rate their patronage of the electronic banking services as high and very high, they access the services on daily, weekly and monthly basis.

The study acknowledged that insecurity, erratic power supplies, as well as difficulty in transacting business electronically were the main challenges associated with electronic

banking. As such amelioration of these obstacles especially allaying the fears of insecurity will boost customers' confidence and eventually lead to high patronage.

In spite of all these, the study identified some strength in electronic banking services. These include the speedy nature of the services especially ATM. Respondents also confirmed that some of these services are safe and convenient.

5.4. Recommendations

The study revealed that majority of the bank staff were males. This is unfair, especially in a country where feminist groups are fighting for women empowerment. It is therefore, recommended that the banks take notice of this phenomenon and revert it to at least create some gender balance in their future employments.

The study indicated that majority of the customers were aware of the existence of varied electronic products in the banks. This was a positive phenomenon and as such the researcher recommends that giant step should be taken in sustaining the high awareness level. It should be however, stated that the awareness was not hundred per cent as such the banks should not be complacent as there is always more room for improvement.

The findings further revealed that sizeable number of respondents stated that they prefer the banking hall to e-banking products because of the cumbersome nature of some e-banking platforms. Based on this finding it recommended that the banks need to incorporate into such products mechanisms that will make it possible for clients to understand how to use them with very little effort. This is so because complicated procedures increase the likelihood of clients making mistakes which may have severe financial consequences.

The study established that ATM usage was high among customers. This was positive and encouraging. The researcher therefore recommends that more user friendly automated

teller machines be put not only at the bank premises but also around vantage points within the metropolis to boost business transactions. Again, frantic efforts should be made to acquiring cash deposits ATM machine as done in some parts of the world.

Further, the study revealed that ignorance on the part of the customers with regard to the use of electronic banking services was a challenge. The only 'cure' to ignorance is education. Based on this it is recommended that the banks should embark on rigorous mass public education to sensitize the customers on the usage of electronic banking services. This can be done on public forums, print media, television shows to mention a few.

5.5 Recommendation for Future Research

Electronic banking services have become one of the mainstream banking strategies globally. In spite of it numerous advantages there have been some challenges which hinders it optimum usage both to the public and the bank themselves. The complexities associated with e-banking patronage are so large that a single study could not discover all. Again, due to limited resources and time this study could only sample three branches of three selected bank even though the study could have covered a wide setting.

In view of the above, the researcher recommends that funds be made available for the study to be replicated in the other banks since the findings of the current study indicated that there are varied challenges as well as advantages with electronic banking services. Recommendations from such a study would lead to a much better administration and patronage of electronic banking product for economic growth and development.

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APPEENDIX

QUESTIONNAIRE FOR CUSTOMERS

MASTERS THESIS

Effects of electronic banking on customer service delivery.

By:

Prince Adiyia Kwarteng

DEPARTMENT OF FINANCE

SCHOOL OF BUSINESS, KNUST

SUPERVISOR:

Prof. Kwaku D. Kessey

QUESTIONNAIRE FOR CUSTOMERS

I am Prince Adiyia Kwarteng, a postgraduate student of the School of Business, KNUST.

I am conducting this research as part of preparation for a Master's Degree Programme.

Your bank has been chosen as one of several others to be studied. The study is for learning purposes and as such I would appreciate your voluntary cooperation to complete the questionnaire or allow me to interview you. Your responses will not be disclosed to any person. I do appreciate the least effort you make at enabling me complete my programme successfully.

Thank you.

Table 1. Socio-demographic characteristics of respondent

Sex	Tick ✓	Age Group	Tick ✓	Education	Tick ✓	Marital Status	Tick ✓
Male	1	Below 30	1	Basic J.H.S	1	Single	1
Female	2	30 - 39	2	Secondary	2	Widowed	2
		40 - 49	3	Tertiary	3	Divorced	3
		50 - 59	4		4	Separated	4
		60+	5		5	Married	5

Instructions: Please tick or circle the figure that corresponds to your appropriate choice of answer for the remaining questions.

5. How long have you been a consumer of this bank?

1. 1-3 years
2. 4-6 years
3. 7-9 years
4. 10 years and above

Preference for Banking Hall

Use of banking hall instead of electronic banking

6. Would you say the difficulty in assessing electronic banking informs your decision to come to the banking hall?

1. Yes
2. No

7. Is there any insecurity associated with the use of the electronic banking?

1. Yes
2. No

8. Do you think using the electronic banking for transactions is preferable?

1. Yes
2. No

9. Do you see banking in the halls to be convenient?

1. Very convenient
2. Convenient
3. Not convenient
4. Not convenient at all

10. Have you ever heard that your bank has electronic banking services?

1. Yes
2. No

11. If “Yes” How frequent do you hear of the service in question 10?

1. Very frequent
2. Frequent
3. Not frequent
4. Not frequent at all

5. Don't know

12. Which service do you use?

1. SMS

2. Internet

3. ATM

4. Mobile banking

13. How cumbersome is using electronic devices in your banking transactions?

1. Cumbersome

2. Not cumbersome

14. If "Yes" do you use the service?

1. Yes

2. No

15. By which means or medium did you get to know of the electronic service in question
13?

1. Advertisement on the media

2. Phone call from the bank

3. Notices within the bank

4. Social contact (e.g. Friend, relatives etc.)

5. Others

16. In all how would you rate your awareness level of the availability of electronic
banking?

1. Highly aware

2. Aware

3. Unaware

4. Highly unaware

Level of Patronage

17. How long have you been transacting business electronically?

- 1. Less than 2yrs
- 2. Less than 3yrs
- 3. Less than 4yrs
- 4. 4yrs and above

18. How often is your patronage of the electronic banking system?

- 1. Daily
- 2. Weekly
- 3. Monthly
- 4. Yearly

19. Has the current power rationalization affected your electronic bank patronage?

- 1. Yes
- 2. No

20. If “Yes” in question 19, indicate by what ways it has affected your patronage?

- 1. System off
- 2. Phone off
- 3. Server down
- 4. Computer off
- 5. Others

20. If “No” give reason for

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21. How would you assess your overall patronage of the electronic banking service?

- 1. Very high
- 2. High
- 3. Don't know
- 4. Low
- 5. Very low

Challenges Associated With E-Banking

22. Do you see security reasons as a problem with electronic banking?

- 1. Yes
- 2. No

23. Do you see banking electronically a problem?

- 1. Yes
- 3. No

23b. give reason for your answer in question 23

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24. As a customer do you find difficulty (ies) in transacting business electronically?

- 1. Yes
- 2. No

25. What major challenge and advantage do you face in using e-banking services (SMS, ATM, internet and mobile banking)?

CHALLENGES

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ADVANTAGES

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QUESTIONNAIRE FOR WORKERS

MASTERS THESIS

Effects of electronic banking on customer service delivery.

By:

Prince Adiyia Kwarteng

DEPARTMENT OF FINANCE

SCHOOL OF BUSINESS, KNUST

SUPERVISOR:

Prof. K. Kessey

QUESTIONNAIRE FOR STAFF

I am Prince Adiyia Kwarteng, a postgraduate student of the School of Business, KNUST. I am conducting this research as part of preparation for a Master's Degree Programme. Your bank has been chosen as one of several others to be studied. The study is for learning purposes and as such I would appreciate your voluntary cooperation to complete the questionnaire or allow me to interview you. Your responses will not be disclosed to any person. I do appreciate the least effort you make at enabling me complete my programme successfully.

Thank you.

TABLE 1: Background information of the respondent

Instruction: Please tick the number which corresponds to your choice, ATR = African Traditional Religion

Sex	Tick	Age Group	Tick ✓	Education	Tick ✓	Marital Status	Tick ✓	Rank	tick ✓
Male	1	Below 30	1	Basic J.H.S	1	Single	1	Junior Staff	1
Female	2	30 - 39	2	Secondary(SHS)	2	Widowed	2	Senior Staff	2
		40 - 49	3	Tertiary	3	Divorced	3	Manager (Head)	3
		50 - 59	4		4	Separated	4	Top Management	4
		60+	5		5	Married	5	Group Supervisor	5

6. How long have you worked with this bank?

1. 0-5 years
2. 6-10 years
3. 11-15 years
4. 15 years and above

Preferences for banking in the halls to electronic service.

7. Would you say that customers prefer to transact their business on a face-to-face bases at the hall than electronic service?

1. Yes
2. No

8.1. Explain the bases of your choice

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9. What complaints do you receive from customers on electronic banking?

1. Difficulty in assessing the internet
2. Insecurity associated with internet banking
3. Other specify

Customer Awareness (IB= Internet banking, MB= Mobile banking)

10. Do you think your customers are aware that (SMS, ATM, IB and MB) services existed in this bank?

1. Yes
2. No

11. If “Yes” to question 12, how did the customers get to know of the electronic banking service?

1. Advertisement on the media
2. Telephone calls
3. Notice within the bank
4. Other specify

12. As a staff of this bank, how would you rate your customer awareness of the electronic banking service?

1. Highly aware
2. Aware
3. Don't know
4. Unaware
5. Completely unaware

13. How long has the bank introduced electronic banking?

1. Less than 5 years
2. Less than 10 years
3. Less than 15 years
4. 15 years and above

14. Do you think with the introduction of electronic banking, customer service has improved?

1. Yes
2. No

15. Please give reason(s) to answer in question 14

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16. Which of the electronic banking services do the customers patronize most?

1. SMS
2. ATM
3. Mobile banking
4. Internet banking
5. Multiple sources

Challenges with Electronic Banking.

Please indicate to the extent to which you agree or disagree with the following statements regarding challenges of the e-banking services in your bank. Use the scale below as a guide and please circle the figure that corresponds to your answer.

- Strongly agree (5)
Agree (4)
Neutral (3)
Disagree (2)
Strongly disagree (1)

	Strongly disagree	agree	Disagree	Neutral	Strongly agree
17. E – banking has a high startup cost	1	2	3	4	5
18. Using e-banking has high Operational or transactional cost.	1	2	3	4	5
19. E-banking is prone to security breaches.	1	2	3	4	5
20. Ignorance on the part of the customers is a challenge associated with E-banking.	1	2	3	4	5
21. What are the advantages of e-banking?					
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