THE IMPACT OF SPEEDBANKING ON SAVINGS MOBILIZATION; A CASE STUDY OF FIRST CAPITAL PLUS BANK IN KUMASI METROPOLIS

By

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DECLARATION

I hereby declare that this submission is my own work towards the Executive Masters of Business Administration (EMBA) and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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DEDICATION

This work is dedicated to my family for their support and encouragement.

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ABSTRACT

Electronic banking (E-banking) has brought about a revolution in the functioning of banks as it offers major opportunities to banks and their customers. This study therefore seeks to examine the impact of Speedbanking (E-banking) on savings mobilization in the banking industry; a case study of first capital plus bank in Kumasi metropolis. Appropriate frequency tables and charts were used. Seventy (70) structured questionnaires were administered to customers of E-banking products and some banking staffs to gather information. The study indicated that 78.3% of respondents used E-banking products very often and had different types of E-banking products. The study also identified the main E-banking products of the bank namely: Speed banking, ATM, SMS alert, Ezwich and Internet banking with most respondents (40.00%) prefer Speed banking relative to other E-banking products. From the study it is obvious that promotion of E-banking with the bank, secured systems with the bank, ICT competencies within the banking industry and availability, cost of appropriate interoperable systems, support from top management and fast responsive customer service are some of the critical factors that had affected the adoption of E-banking at FCP. The study showed that network failure from internet connection is the major challenge facing customers using E-banking products from FCP. The study however revealed that there is a promising future for E-banking in Ghana. The study also revealed that E-banking has contributed tremendously to saving mobilization at FCP. Some recommendations made based on this study include vibrant client education on the use of E-banking (Speedbanking, ATM etc.), introduction of more point of sale terminal of the Speedbanking cards, reduction of charges associated with subscription to any of the E-banking services.

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LIST OF ABBREVIATION

ATM	Automated teller machine
EFTPOS	Electronic fund transfer point of sale
FCP	First capital plus
ICT	Information and communication Technology
POS	Point of sale
WAN	Wide area network

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

Information and communications technologies (ICTs) have changed the way of conducting business transactions and meeting the growing demands of customers for most organizations. The promise of ICTs in the banking sector has been seen in terms of its potential to increase customer base, reduce transaction costs, improve the quality and timeliness of response, enhance opportunities for advertising and branding, facilitate self-service and service customization, and improve customer communication and relationship (Giraud, 2002).

In Ghana, until the year 2003, internet banking was not very common. After 2003 when most banks were made universal banks, internet banking became very common and easily assessable to all who subscribe to the service. There are minimal researches on internet banking on the Ghanaian banking sector as compared to other electronic banking innovations. Additionally, most studies conducted look at electronic banking (Suganthi, Balachandher & Balachandran, 2001), particularly with reference to the rationales and benefits of Automated Teller Machines (ATMs), customer loyalty and service quality. Nevertheless, comprehensive research investigating the relative importance of factors influencing the adoption of internet banking and other customer preferences, particularly for the case of Ghana has never been carried out to the best of knowledge of the researcher.

The increasingly competitive environment in the financial service market has resulted in pressure to develop and utilize alternative delivery channels. The most recently delivery channel introduced is online or electronic banking also known as E-banking

(Daniel & Storey, 1997). Online or electronic banking systems give everybody the opportunity for easy access to their banking activities. These banking activities may include: retrieving an account balance, money transfers between a user accounts, from a user's account to someone else account, retrieving an account history. Some banks also allow services such as stock market transactions, and the submission of standardized accounting payment files for bank transfers to third parties (Claessens et al, 2002). It had been projected that more than 32 million households globally were banking online by 2003 (Simpson, 2002). Banks and other financial institutions have moved to E-banking in their efforts to cut costs while maintaining reliable customer service (Kolodinsky & Hogarth, 2001).

Electronic banking (E-banking) has been purported by academic and practitioner oriented literature as one of the means in which ICTs can and is impacting the banking sector (Gurau, 2002; Bradley & Stewart, 2003; Shih & Fang, 2004; Boateng & Molla, 2006). The phenomenon, E-banking, as used in this paper, refers to the deployment of banking services and products over electronic and communication networks directly to customers (Singh & Malhotra, 2004).

These electronic and communication networks include Automated Teller Machines (ATMs), direct dial-up connections, private and public networks, the Internet, televisions, mobile devices and telephones. In terms of service sophistication, E-banking services range from information push mono directional services where customers receive information about the bank, its products and services, to information download , bi-directional services where customers can download (or ask in case of telephonE-banking) account information and forms to full-transaction multi-directional services where customers can perform most banking transactions (such as transfer

between accounts, bill payment, third party payment, card and loan applications, etc.) electronically (Boateng & Molla, 2006; Singh & Malhotra, 2004).

It is evident that banks and other financial institutions in developed and developing countries are embracing E-banking. As technology evolves, different kinds of electronic banking systems emerge, each bringing a new dimension to the interaction between user and bank. They include Automated Teller Machine (ATM), mobile and Internet (online) banking, electronic funds transfer, direct bill payments and credit card (Gikandi and Bloor, 2010; Liaoa and Cheung, 2002).

In Ghana, most banks are also adopting E-banking system. In addition, many banks are making what seem like huge investments in technology to maintain and upgrade their infrastructure, in order not only to provide new electronic information based services, but also to manage their risk positions and pricing (Abor, 2004). The earliest forms of electronic and communications technologies used mainly in Ghanaian banking offices were automation devices. However, Telephones, telex and facsimile were employed to speed up and make more efficient the process of servicing clients (Abor, 2004).

1.1 Problem Statement

Traditional banking is characterized by physical decentralization, with branches scattered around populated areas to give customers easy geographical access (Ainin et al., 2005). E- Banking does away with the need for most visits to the bank. However, according to (Locket & Littler, 1997), physical banks assure customers that their banks has substantial resource and guarantee the security of their savings. A study indicated that although electronic banking has been available in the UK since the early 1980s, it is still at an embryonic stage. It is not clear whether all customers want or are comfortable with electronic banking (Daniel & Storey, 1997).

E-banking creates unprecedented opportunities for the banks in the ways they organize financial product development, delivery, and marketing via the Internet. While it offers new opportunities to banks, it also poses many challenges such as the innovation of IT applications, the blurring of market boundaries, the breaching of industrial barriers, the entrance of new competitors, and the emergence of new business models (Saatcioglu et al, 2001).

Over the past decade, researchers in this field have either swayed their study of E-banking to be a beneficial and profitable endeavor. E-banking services and performance is not clear cut since other studies have established it to bear both positive and negative on banking performance. The study therefore seeks to examine the impact of Speedbanking (E-banking) on savings mobilization; a case study of First Capital Plus Bank in Kumasi Metropolis.

1.2 Research Objective

The main objective of the study is to examine the impact of Speedbanking (E-banking) on savings mobilization in the banking industry; a case study of First Capital Plus Bank in Kumasi Metropolis. The specific aims of the study are:

1. To identify types of E-banking products offered by First Capital Plus Bank
2. To examine critical factors that affects the adoption of E-banking at First Capital Plus Bank.
3. To identify the challenges facing the E-banking of services at First Capital Plus Bank
4. To identify customer's preference of E-banking at First Capital Plus Bank
5. To determine the contribution of Speedbanking to saving mobilization at First Capital Plus Bank.

1.3 Research questions

Based on the above statement of the problem, the research sort to answer the following questions;

1. What are the types of E-banking services offered by FCP?
2. What critical factors are affecting the adoption of E-banking at FCP?
3. What are the challenges associated with E-banking FCP?
4. What are customer's preference of E-banking at FCP?
5. What has been the contribution of Speedbanking to saving mobilization at FCP?

1.4 What is the importance of the study to the various stakeholders

Commercial banking is undergoing rapid change, as the international economy expands and advances towards institutional and market completeness. A major force behind these developments is technology, which is breaching geographical, industrial and regulatory barriers, creating new products, services and market opportunities, and developing more information and systems-oriented business and management processes (Liaoa & Cheung, 2002).

One of the products of global technological changes is the advent of electronic banking (E-banking). E-banking has become prevalent and employed by many financial institutions to reduce costs associated with having personnel serve customers physically, shorten processing periods, increase speed, improve flexibility of business transaction and provide better service in all (Shih & Fang, 2004). It has been identified as the fastest growing area for business (Aladwani, 2001) and many banks are improving on use of their E-banking facilities to move along with global trend. Much documentation on E-banking services has been carried out elsewhere (Daniel and Storey, 1997; Liaoa & Cheung, 2002; Claessens et al., 2002).

However, in Ghana, there is little or no information concerning E-banking usage and deposit mobilization. The impact of E-banking products on banks deposit mobilization needs to be assessed. This assessment would enable the banks to adopt new strategies to cope with challenges and meet customer needs whiles improving upon the savings culture of customers in the use of these E-banking facilities.

The research will serve as a reference to companies (especially banks), yet to implement the usefulness of information technology in their activities and to banks who are already involved but do not provide all the delivery channels for banking products and services. It will increase the knowledge of employers about the use of E-banking on the various banking activities and its effect on banks performance with regards to profitability, credit quality, growth measures, deposit mobilizations etc. Lastly, to enlighten all readers about the contributions of E-banking services to the development of the Ghanaian banking industry.

1.5 Scope of the study

There a lot of banks in Ghana that uses E-banking. However, the study was limited to First Capital Plus Bank, Kumasi mainly due to time constraint and the attention needed from the officials and respondents of the bank.

The choice of FCP was informed by the fact that, FCP is one of the newly licensed banks in Ghana that has introduced a unique E-banking product on the market known as Speedbanking. Questionnaires were administered to officials and customers of the bank.

1.6 Overview of methodology

The research design for this study was the mixed method which utilizes both the quantitative and qualitative methods. The sampling method adopted for this study was

the purposive random sampling method. The methodology used for the study was primarily the use of questionnaires for respondents to answer and structured interviews. All questions were close ended and arranged in proper order, in accordance with the relevance. This is to make interpretation a lot easier. The questionnaire will be designed in a straightforward manner for easy understanding to elicit the exact and appropriate responses required for the study. The questionnaires will be self-administered to staff and customers of First Capital Plus Bank and this will help to explain to respondents the essence of the research. The study will make use of Microsoft Excel and Statistical Package for Social Science version 19 for the data analysis. The information gathered will be tabulated and then presented in both bar and pie charts for interpretation and analysis.

1.7 Limitations of research

This study was limited by a number of factors which included; time constraint and inadequate funds. Due to these limitations, the study dwelled on Kumasi branch of First capital plus bank. Notwithstanding the limitations, the unique characteristic of the Kumasi, offers the researcher a comprehensive and an equally unique platform to obtain representative findings that can be generalized for all branches of the bank.

1.8 Structure of the research

The study is organized in five chapters.

Chapter one looked at the background to the study, it defines the term electronic banking and the importance of E-banking. It also identifies the statement of the problem, research objectives, research question posed, significance of the study and scope and limitation of the study. Chapter Two dealt with a comprehensive review of available relevant literature. The researcher went ahead to look at the history and the evolution of banks in Ghana, concentrated on how First Capital Plus Bank came into the business of banking, when they started operations and where they have reached in terms of their provision of electronic banking services, discussed briefly their products and services and the major electronic banking services being currently provided and finally concluded this chapter with the benefits and problems of electronic banking services.

Chapter Three involved the methods used in arriving at my data. The simple random technique was use as a method of analysis to give a fair representation from respondents. Primary and Secondary data was use. Chapter Four comprised of data presentation, analysis and discussion of findings. Finally, Chapter Five deals with the summary of my findings, conclusion and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter appraises previous research by accredited scholars and researchers. The theories which form the foundation of the study have also been considered in this chapter. The chapter starts with the evolution of E-banking, definition of E-banking, the various types and forms of E-banking, E-banking in Ghana, E-banking benefits and challenges

2.1 The evolution of E-banking

The first electronic banking product was money transferred via telegraph in the mid 1800‘s. Wire transfer remained the major electronic banking product for more than 100 years. In the1970‘s, balance reporting came into being. Balance reporting involved use of a terminal and a modem to dial up a host where account balance information and transaction summary information could be printed on a terminal such as the Texas Instruments Silent 700 Thermal Printer. Advances in microprocessors led to the development of the personal computer which could retrieve both summary and detail bank account information. The personal computer also allowed the user to move funds, which provided greater control of cash. The growth of electronic banking has not been limited to advances in information reporting. Electronic payments have become a force majeure. Electronic payments lower cost, improve cash forecasting and provide straight through processing to accounts payable or accounts receivable. With increased acceptance and advances in technology, the use of electronic banking products will continue to increase. For organizations to stay competitive and to grow, they must embrace electronic banking products (Gurau, 2002).

According to Wang et al. (2003), E-banking was under-utilized as business organizations used it only to market their products and services. Thornton and White (2001), who examined customer orientations and usage of financial distribution channels in the Australian financial industry, found that more recently most financial institutions, faced with competitive pressure after the introduction of deregulation in 1983, had rethought their strategies to take full advantage of Internet technology. Tan and Teo (2000) note that the challenge to expand and maintain banking market share has influenced many banks to invest more in making better use of the Internet. The emergence of E-banking had made many banks rethink their Information Technology (IT) strategies in competitive markets. This notion was also confirmed in a study conducted by Jasimuddin (2004) who examined the role of E-banking in Saudi Arabia. Jasimuddin indicated that the majority of Saudi banks had taken advantage of Internet technology to establish web sites but few offered E-banking services. He suggested that if the Saudi Arabian banking industry wished to be successful in the global economy it would need to integrate Internet technology into its banking strategy.

In recent years, the adoption of E-banking began to occur quite extensively as a channel of distribution for financial services due to rapid advances in IT and intensive competitive banking markets. Automated Teller Machines (ATMs) were the first well-known machines to provide electronic access to customers. With the advent of the ATM, banks are able to serve customers outside the banking hall. The ATM is designed to perform the most important function of the bank. It is operated by a plastic card with its special features. The plastic card is replacing the cheque, personal attendance of the customer, banking hour's restrictions and paper based verification. ATMs have made hard cash just seconds away all throughout the day at every corner of the globe. ATMs allow the Bank's customers to do a number of banking functions – such as withdrawing

cash from one's account, making balance inquiries and transferring money from one account to another, purchase prepaid mobile phone a credits using a plastic, chip or magnetic-stripe card and a Personal Identification Number (PIN) issued by the financial institution. The adoption of electronic banking is often credited with helping fuel strong growth in the many economies (Coombs et al, 1987). It seems apparent then that, electronic banking affects not just banking and financial services, but also the direction of an economy and its capacity for continued growth.

2.2 Definition of E-banking

According to Vilattes (1997), E-banking is defined as a distance banking that not only handles the flow of information between customers' "living spaces" (e.g. homes, offices, etc) and the physical facilities of the bank, but also deals with solicitation, sales, distribution and access to services, all without requiring the customer and the financial institution representative to be in the same physical place at the same time. According to Mols (1998), electronic banking is the automated delivery of new and traditional banking products and services directly to customers through electronic medium. This system allows customers to access their accounts, transact business, make enquiries and have prompt responses from banks. E-banking can be defined as the deployment of banking services and products over electronic and communication networks directly to customers (Singh & Malhotra, 2004). These electronic and communication networks include Automated Teller Machines (ATMs), direct dial-up connections, private and public networks, the Internet, televisions, mobile devices and telephones.

According to Daniel (1999), E-banking is online banking (or Internet banking) which allows customers to conduct financial transactions on a secure website operated by their retail or virtual bank, credit union or building society. This implies that E-banking is a

service that allows an account holder to obtain account information and manage certain banking transactions through a personal computer via the financial institution web site on the internet.

Sathye (1999) also asserted that electronic banking can be defined as a variety of the following platforms. This include internet banking (or online banking), telephone banking, television-based banking, mobile phone banking and pc banking (or offline banking). For many consumers, electronic banking means 24-hour access to cash through an Automated Teller Machine (ATM) or Direct Deposit of pay checks into checking or savings accounts (FTC, 2006). E-banking is also defined by Singh and Malhotra, (2004) as the use of electronic and communication networks by banks to directly serve customers.

E-banking is seen as a medium through which customers can access diverse banking services such as electronic bill payment, deposit account, making investment, and online transfer (Pikkarainen et. al., 2004; De Young, 2001). E-banking can generally be referred to as the situation where a customer does not necessary need to visit the banking premises to receive services and products. The scope can be extended to include online service deliveries such as Internet banking, personal computer (PC) banking, remote electronic banking, virtual banking, remote electronic banking, phone banking, online banking, and home banking. Internet/online banking and PC banking is patronizing by customers more than the others.

2.3 Types of E-banking

Over the past years, two types of electronic banking services have emerged in the banking sector; they are internet and phone banking (Adriana, 2006)

2.3.1 Internet banking

Internet banking is a new age banking concept. It uses technology and brings the bank closer to the customer. Internet banking refers to systems that enable bank customers to get access to their accounts and general information on bank products and services through the use of bank's website, without the intervention or inconvenience of sending letters, faxes, original signatures and telephone confirmations (Thulani et al, 2009).

Broadly, the levels of banking services offered through internet can be categorized into three types: The Basic Level Service is the banks websites which disseminate information on different products and services offered to customers and members of public in general. It may receive and reply to customers" queries through e-mail. In the next level are Simple Transactional Websites which allows customers to submit their instructions, applications for different services, queries on their account balances, etc, but do not permit any fund-based transactions on their accounts. The third level of Internet banking services are offered by Fully Transactional Websites which allows the customers to operate on their accounts for transfer of funds, payment of different bills, subscribing to other products of the bank and to transact purchase and sale of securities. The above forms of Internet banking services are offered by traditional banks as an additional method of serving the customer. (Adriana, 2006).

2.3.2 Telephone Banking (TelE-banking)

Telebanking (telephone banking) 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). It allows consumers to phone their financial institutions with instructions to pay certain bills or to transfer funds between accounts (FTC, 2006).

2.4 Forms of E-banking service delivery channels

E-banking services are delivered through various electronic means collectively called electronic delivery channels. Electronic Banking is really not one technology, but an attempt to merge several different technologies. Each of these evolved in different ways, but in recent years different groups and industries have recognized the importance of working together (Abor, 2004). The various delivering channels for E-banking are discussed as follows:

2.4.1 Automated Teller Machines (ATMs)

ATM is also called 24-hour tellers are electronic terminals which give consumers the opportunity to bank at almost any time (FTC, 2006). ATM banking is one of the earliest and widely adopted retail E-banking services in Kenya (Nyangosi et al. 2009). It is described as a combination of a computer terminal, record-keeping system and cash vault in one unit, permitting customers to enter the banks book keeping system with a plastic card containing a Personal Identification Number (PIN) or by punching a special code number into the computer terminal linked to the banks computerized records 24 hours a day (Rose, 1999).

They are mostly located outside of banks, and are also found at airports, malls, and places far away from the home bank of customers. Some ATMs charge a usage fee for this service, with a higher fee for consumers who do not have an account at their

institution. If a fee is charged, it must be revealed on the terminal screen or on a sign next to the screen (Rose, 1999).

ATM services have a lot of advantages. They include increase in productivity during banking hours if the service is available in addition to the human tellers. ATMs are a cost-efficient way of yielding higher productivity as they achieve higher productivity per period of time than human tellers (an average of about 6,400 transactions per month for ATMs compared to 4,300 for human tellers (Rose, 1999). Furthermore, it saves customers time in service delivery as alternative to queuing in bank halls, customers can invest such time saved into other productive activities (Abor, 2004).

2.4.2 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 dialling 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).

According to Leow (1999), telebanking has numerous benefits for both customers and banks. As far as the customers are concerned, it provides increased convenience, expanded access and significant time saving. On the other hand, from the banks' perspective, the costs of delivering telephone-based services are substantially lower than those of branch based services. It has almost all the impact on productivity of ATMs, except that it lacks the productivity generated from cash dispensing by the ATMs. For, as a delivery conduit that provides retail banking services even after banking hours (24 hours a day) it accrues continual productivity for the bank. It offers

retail banking services to customers at their offices/homes as an alternative to going to the bank branch/ATM. This saves customers time, and gives more convenience for higher productivity.

2.4.3 Personal Computer Banking

Personal Computer (PC) Banking is a service which allows the bank's customers to access information about their accounts via a proprietary network, usually with the help of proprietary software installed on their personal computer. Once access is gained, the customer can perform a lot of retail banking functions. The increasing awareness of the importance of computer literacy has resulted in increasing the use of personal computers. This certainly supports the growth of PC banking which virtually establishes a branch in the customers' home or office, and offers 24-hour service, seven days a week. It also has the benefits of Telephone Banking and ATMs (Abor, 2005). It offers consumers the convenience of conducting many banking transactions electronically using a personal computer. Consumers can view their account balances, request transfers between accounts and pay bills electronically from home

2.4.4 Internet Banking

The idea of Internet banking according to Essinger (1999) 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 by its nature offers more convenience and flexibility to customers coupled with a virtually absolute control over their banking. Service delivery is informational (informing customers on bank's

products, etc) and transactional (conducting retail banking services). As an alternative delivery conduit for retail banking, it has all the impacts on productivity imputed to Telebanking and PC-Banking. Besides, it is the most cost-effective technological means of yielding higher productivity. Furthermore, it eliminates the barriers of distance or time and provides continual productivity for the bank to unimaginable distant customers.

2.4.5 Branch Networking

Networking of branches is the computerization and inter-connecting of geographically scattered stand-alone bank branches, into one unified system in the form of a Wide Area Network (WAN) or Enterprise Network (EN); for the creating and sharing of consolidated customer information or records (Abor, 2005). It offers a quicker rate of inter-branch transactions as the consequence of distance and time are eliminated. Hence, there is more productivity per time period. Also, with the several networked branches serving the customer populace as one system, there is simulated division of labour among bank branches with its associated positive impact on productivity among the branches. Furthermore, as it curtails customer travel distance to bank branches it offers more time for customers' productive activities.

2.4.6 Electronic Funds Transfer at Point of Sale (EFTPOS)

An Electronic Funds Transfer at the Point of Sale is an on-line system that allows customers to transfer funds instantaneously from their bank accounts to merchant accounts when making purchases (at purchase points). A POS uses a debit card to activate an Electronic Fund Transfer Process (Chorafas, 1988). Point-of-Sale Transfer Terminals allow consumers to pay for retail purchase with a check card, a new name for debit card. This card looks like a credit card but with a significant difference, the

money for the purchase is transferred immediately from your account to the store's account.

Increased banking productivity results from the use of EFTPOS to service customers shopping payment requirements instead of clerical duties in handling cheques and cash withdrawals for shopping. Furthermore, the system continues after banking hours, hence continual productivity for the bank even after banking hours. It also saves customers time and energy in getting to bank branches or ATMs for cash withdrawals which can be harnessed into other productive activities (Abor, 2004).

Some banks issued international cards (such as Visa, MasterCard etc.) to their customers. Such cards can be used wherever accepted, and payment on the cards can only be done through an ordinary domiciliary account of the cardholder, or any other account that may be permitted. Some of these cards are credit or debit cards

2.4.7 Credit Cards

A credit card is a small plastic card issued to users as a system of payment. It allows its holder to buy goods and services based on the holder's promise to pay for these goods and services. The issuer of the card creates a revolving account and grants a line of credit to the consumer (or the user) from which the user can borrow money for payment to a merchant or as a cash advance to the user (Mavri & Ioannou, 2006). A credit card is different from a debit card in that it does not withdraw money from the users account after every transaction.

The issuer lends money to the consumer to be paid to the merchant. Holders of a valid credit card have the authorization to purchase goods and services up to a predetermined amount, called a credit limit. The vendor receives essential credit card information from

the cardholder, the bank issuing the card actually reimburses the vendor, and eventually the cardholder repays the bank through regular monthly payments. If the entire balance is not paid in full, the credit card issuer can legally charge interest fees on the unpaid portion.

2.4.8 Debit Cards

A debit card (also known as a bank card or cheque card) is a plastic card that provides an alternative payment method to cash when making purchases. Functionally, it can be called an electronic cheque, as the funds are withdrawn directly from either the bank account or from the remaining balance on the card. In some cases, the cards are designed exclusively for use on the internet, and so there is no physical card (Mavri &Ioannou, 2006).

In many countries the use of debit cards has become so widespread that their volume of use has overtaken or entirely replaced the cheque and, in some instances, cash transactions. Like credit cards, debit cards are used widely for telephone and Internet purchases and, unlike credit cards, the funds are transferred immediately from the bearer's bank account instead of having the bearer pay back the money at a later date. Debit cards may also allow for instant withdrawal of cash, acting as the ATM card for withdrawing cash and as a check guarantee card.

2.5 E-banking in Ghana

In Ghana, the earliest forms of internet, electronic and communications technologies used were mainly office automation devices. Telephones, telex and facsimile were employed to speed up and make more efficient, the process of servicing clients. For decades, they remained the main information and communication technologies used for

transacting bank business. Later in the 1980s, as competition intensified and the PC got proletarian, Ghanaian banks begun to use them in back-office operations and later tellers used them to service clients. Advancements in computer technology saw the banks networking their branches and operations thereby making the one-branch philosophy a reality. Barclays Bank Ghana Limited and Standard Chartered Bank Ghana Limited pioneered this very important electronic novelty, which changed the banking landscape in the country (Abor, 2004).

Probably, the most revolutionary electronic adoption in Ghana and the world over has been the ATM. In Ghana, banks with ATM offerings have them networked and this has increased their utility to customers. The Trust Bank, Ghana (now a member of the ECOBANK), in 1995 installed the first ATM. Not long after, most of the major banks began their ATM networks at competitive positions. Ghana Commercial Bank started its ATM offering in 2001 in collaboration with Agricultural Development Bank. Currently, almost all banks in the country operate ATMs (Abor, 2004).

Over the last decade, the Ghanaian Government has made a serious effort to pursue a 'knowledge-based economy' agenda to make Ghana a preferred ICT destination. The use of the Internet in Ghana has also seen significant increases since the liberalization of the telecommunication industry in 1990s. The country had 18.1 Internet users per 1,000 people in 2005 as compared to 1 Internet user in 1999 (ITU, 2007).

A National ICT for Accelerated Development policy was introduced in 2003 with the objective of engineering an ICT-led socioeconomic development process. The impact of these initiatives is evident in the November 2005 edition of African Business. The article on the Ghana profile page, entitled "Cake is bigger but the slices are smaller", claimed interestingly "Ghana has the most developed IT sector in West Africa". For a

country which hitherto could clearly be described as sitting at the disadvantaged end of the global digital divide, it becomes important to ascertain how ICT is affecting the Ghanaian banking business, which also tends to contribute substantially to Ghana's service sector revenues (ISSER, 2005).

2.6 Benefits of E-banking

The service industries are mostly customer driven and the banking sector is one of the competitive industries with continuous upgrading of skills, products and technology all in the interest of retaining and wining customers. Given the nature of competition, survival and profitability is highly dependent on quality of service and efficiency. (Mols, 1998). Electronic banking service has provided numerous benefits for both banks and customers. The first benefits for the banks offering electronic banking service is better branding and better responsiveness to the market. Those banks that would offer such services would be perceived as leaders in technology implementation. Therefore, they would enjoy a better brand image. The other benefits are possible to measure in monetary terms. The main goal of every company is to maximize profits for its owners and banks are not any exception. Several arguments have been expanded in favour of E-banking having the ability to sweep away the old laborious and non-effective means of banking. According to views expressed by Mols (1998) it was indicated that the Internet is a revolution that will sweep away the old order holds much sway. The internet revolution in E-banking transaction is much cheaper than branch or even phone transactions. This could spur yesterday's competitive advantage - a large branch network, into a comparative disadvantage, allowing e-banks to undercut bricks-and-mortar banks.

Jen & Michael (2006) indicate that E-banking has created unprecedented opportunities for banks and businesses globally, in the ways they organize financial product development, delivery, and marketing via the Internet. While it offers new opportunities to banks, it also poses many challenges such as the innovation of IT applications, the blurring of market boundaries, the breaching of industrial barriers, the entrance of new competitors, and the emergence of new business models (Liao & Cheung 2003).

Studies by Rikya (2007) and Han (2008) on the introduction of internet banking and prospects for Bangledish concludes that the advent of technologies have really brought information revolution in the society and that Internet Technology is rightly regarded as the third wave of revolution after the agricultural and industrial revolutions. The advent and adoption of the internet by industries has removed the constraint of time, distance and communication making the globe truly a small village. Rikta (2007) mentioned that in Bangladesh, Small Medium Enterprise (SMEs) owners had to visit their lender an average of 15 times for a single loan. Han (2008) also found the favourable impact of the application of informational technology on SME finance. He mentioned that online SME businesses are more profitable and produce higher revenues, than SMEs that use only traditional channel.

Using E-banking reduces the required visits a client has to make to a bank for transaction. According to Rotchanakitumnuai and Speece (2003) electronic banking offers numerous benefits to both banks, investors and individual bank clients; can check account balances, transfer money, pay bills, collect receivables and ultimately reduce transaction costs and establish greater control over bank accounts. Customers need not visit banks for banking transactions, providing round the clock services (Cheng et al., 2006). Customers can apply for loans and do other banking services online (Smith &

Rupp, 2003). E-banking plays a major role in the economy by enabling sellers and buyers to create economic value through the exchange of information, goods/services, and payments by avoiding physical contacts (Bakos, 1998).

Also, E-banking enables banks to attract mobile customers and this offers tremendous profit potential by providing mobile financial services. As indicated by Wind (2001) many banks are motivated to implement E-banking by forces relating to the maximization of their earnings through increased market scope and improved customer relationship due to product delivery convenience and service customization. The growth in credit card usage is attributable to E-banking. Now a customer can shop worldwide without any need of carrying paper money with him. Banks are available 24 hours a day, seven days a week and they are only a mouse click away. The Cedar group consulting firm (2004) survey reported that the Internet could play a major role in transforming the workplace to enhance productivity by reducing operational cost and improving employee relationships through improved service delivery. The investigators noted that as the transformation progressed in the workplace the level of sophisticated services also increased.

2.7 Challenges of E-banking

Banking organizations have been delivering electronic services to consumers and businesses remotely for years. Electronic funds transfer, including small payment sand corporate cash management systems, as well as publicly accessible automated machines for currency withdrawal and retail account management, are global fixtures. However, the increased world-wide acceptance of the Internet as a delivery channel for banking products and services provides new business opportunities for banks as well as service benefits for their customers (BCBS, 2001). Notwithstanding the significant benefits of

E-banking and its capabilities, it carries risks and challenges as which are recognized and need to be managed by banking institutions in a prudent manner.

The speed of change relating to technological and customer service innovation in E-banking is unprecedented. Historically, new banking applications were implemented over relatively long periods of time and only after in-depth testing. Today, however, banks are experiencing competitive pressure to roll out new business applications in very compressed time frames, often only a few months from concept to production. This competition intensifies the management challenge to ensure that adequate strategic assessment, risk analysis and security reviews are conducted prior to implementing new E-banking applications (BCBS, 2001). E-banking increases banks‟ dependence on information technology, thereby increasing the technical complexity of many operational and security issues and furthering a trend towards more partnerships, alliances and outsourcing arrangements with third parties, many of whom are unregulated. This development has been leading to the creation of new business models involving banks and non-bank entities, such as Internet service providers, telecommunication companies and other technology firms (BCBS, 2001).

The Internet is ubiquitous and global by nature. It is an open network accessible from anywhere in the world by unknown parties, with routing of messages through unknown locations and via fast evolving wireless devices. Therefore, it significantly magnifies the importance of security controls, customer authentication techniques, data protection, audit trail procedures, and customer privacy standards (BCBS, 2001). Other E-banking related problems are user error, bad internet connections, access problems and security issues. Most of these problems happen less to outweigh its benefits.

An extended study conducted by Daft (1982) revealed that the introduction of E-banking may be a good idea but on the part of customers, they are keener to risk associated with the particular type of innovation. Daft identified what he described Strategic Risk by inference a financial institution's board and management should understand the risks associated with E-banking services and evaluate the resulting risk management costs against the potential return on investment prior to offering E-banking services. Poor E-banking planning and investment decisions can increase a financial institution's strategic risk. On strategic risk E-banking is relatively new and, as a result, there can be a lack of understanding among senior management about its potential and implications. People with technological, but not banking, skills can end up driving the initiatives.

E-initiatives can spring up in an incoherent and piecemeal manner in firms. They can be expensive and can fail to recoup their cost. The start-up costs of an e-bank are high. Establishing a trusted brand is very costly as it requires significant advertising expenditure in addition to the purchase of expensive technology (as security and privacy are key to gaining customer approval). Perhaps one of the greatest bane to customers by embracing to electronic businesses has to do with risk arising from fraud, processing errors, system disruptions, or other unanticipated events resulting in the institution's inability to deliver products or services. This risk could exist in each product and service offered (Earl, 2000). Earl further commented that banking activities has the likelihood of increasing the complexity of the institution's activities and the quantity of its transaction/operations risk, especially if the institution is offering innovative services that have not been standardized. Since customers expect E-banking services to be available 24 hours a day, 7 days a week, financial institutions should ensure their E-banking infrastructures contain sufficient capacity and redundancy to

ensure reliable service availability. Even institutions that do not consider E-banking a critical financial service due to the availability of alternate processing channels, should carefully consider customer expectations and the potential impact of service disruptions on customer satisfaction and loyalty (Earl, 2000).

Another security issue associated with E-banking as introduced by the Economist journal (1999) recounts that E-banking potentially expose hitherto isolated systems to open and risky environments. Security breaches essentially fall into three categories; breaches with serious criminal intent (fraud, theft of commercially sensitive or financial information), breaches by 'casual hackers' (defacement of web sites or 'denial of service' - causing web sites to crash), and flaws in systems design and/or set up leading to security breaches (genuine users seeing / being able to transact on other users' accounts). All of these threats have potentially serious financial, legal and reputational implications.

Other challenges in E-banking spans from technology selection, adoption, implementation and lack of knowledge, also, Earl, (2002) furthermore identified that while managers typically have a high-level understanding of their business and operational processes, they often lack employees with the experience and skills necessary to adopt software technologies and educate customers.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter discusses the process used by the researcher in carrying out the study. It gives description of the research paradigms, purpose of the study, sampling procedures and data collection methods used. It also entails the data analysis used in analysing the results of the data collected, the quality of research and finally the research ethics and limitations

3.1 Research Paradigms

Research methodology may be defined as academia established regulatory framework for the collection and evaluation of existent knowledge for the purpose of arriving at, and validating, new knowledge (Sekaran, 2003). According to Creswell (2003), research methodology refers to the procedural and rules for the evaluation of research claims and the validation of the knowledge gathered, while research design functions as the research blueprint. Cooper and Schindler (1998) on the other hand maintained that the determination of the research methodology is one of the more important challenges which that confronts the researcher.

In essence, the research activity is a resource consumptive one, and must maintain its purposeful or functional activity through the justification of resource expenditure. In other words, given that research is ultimately defined as constructive, the resources that it utilizes must fulfil explicit purposes and withstand critical scrutiny. Research methodology occupies a position of unique importance. A methodology does not simply frame a study but it identifies the research tools and strategies (i.e. resources) that will be employed, and relates their use to specified research aims. As Sekaran (2003)

suggests, its importance emanates from the fact that it defines the activity of a specified research, its procedural methods, strategies, for progress measurement and criteria for research success. Research paradigm as a perspective is based on the set of shared assumptions, values, concepts and practices. In other world, paradigm can be defined as a function of how researcher thinks about the development of knowledge. Research paradigm is a combination of two ideas that are related to the nature of world and the function of researcher. It helps researcher to conduct the study in an effective manner (Johnson & Christensen, 2005). In educational research, the quantitative approach may be described as based on the positivism while the qualitative approach research is based on phenomenology ((Benz, & Newman, 1998; Denzin & Lincoln, 1984).

According to positivism, reality is stable, observable and can be measured. Knowledge is obtained using the scientific method which is objective and measurable. To prove that a phenomenon exists, one has to collect data scientifically and what that cannot be tested empirically cannot be regarded as proven. For example, we can establish that Person A has a lower self-esteem that Person B based on the data obtained from a self-esteem scale both person responded to. Positivism has no value judgements, only statements which can be tested scientifically. To prove the validity of a statement, data must be collected (e.g. using experiments, surveys) using methods that are agreed on by the scientific community. Also, the research when repeated should yield the similar results. On the other hand, phenomenology focuses on the processes and experiences one goes through. Literally, phenomenology is the study of "phenomena" or the things we experience and the ways we experience such things. Experience is a complex concept and not directly observable by an external observable. For example, a person might ask. "Is my experience with love the same as yours?" It may be difficult to answer such a question in a concrete way because it is subjective. However, 'inter-subjectivity'

is often used as a mechanism for understanding how people give meaning or interpret their experiences (Benz, & Newman, 1998).

The quantitative tools for data analysis generally borrow from the physical sciences, in that they are structured in such a way so as to guarantee (as far as possible), objectivity, generalizability and reliability (Creswell, 2003). Here the researcher is viewed as external to the research and results are expected to be constant if the study is replicated, regardless of the identity of the researcher. Accordingly, the matrix of quantitative research techniques is inclusive of random and unbiased selection of respondents. It is primarily used for the production of generalizable data for such purposes as evaluation of outcomes, tending towards the near total decentralization of human behaviour. It is such decentralization that raises criticisms amongst those who tend to exhibit preference for qualitative tools, arguing that these offer insights into perceptions and interactions (Creswell, 2003). Accordingly, whereas questionnaires are leading tools for the first, qualitative methods include interviews, observations and focus groups, are designed to explicate the underlying meaning/cause behind selected phenomenon. In other words, while qualitative tools analyze the reasons behind a particular phenomenon, quantitative tools analyze the phenomenon itself, independent of human perceptions of reasons why (Creswell, 2003).

As touched upon in the above, qualitative analysis usually precedes from qualitative research techniques employing, for example, interviews. The content analysis tool is primarily employed for thematic summarization of interview data and is very useful in reducing a large volume of interview data into manageable themes, reflecting upon group attitudes and perceptions of certain aspects of the organization. The second tool, force field analysis, is employed for analysis of data pertaining to organizational

change. Primarily deriving from Lewin's change model, it categorizes data into pro and anti-change forces. As such, it offers the researcher an insight into the factors that work towards the maintenance of the status quo and those that aid change (Creswell, 2003).

Accordingly, one may surmise that specific conditions demand employment of qualitative analysis tools, with those being the availability of qualitative data and the desire to analyze the underlying attitudes and perceptions regarding organizational structure and change, as expressed by the relevant stakeholders. In other words, the human behavioural factor is central here. Quantitative methods tend to be relatively low in cost and time requirements (Punch, 1998) since they enable a large quantity of relevant data to be amassed and subjected to statistical analysis in a short space of time; it was therefore used for this study.

Again, the quantitative research was selected because it tends to use figures and express a better understanding of the material (Denscombe 1998). The quantitative method has the aim of describing and explaining a population with a focus to generalize (Yin, 1994). The quantitative data was mainly obtained from the questionnaire that was administered to the customers and staff of First Capital Plus bank. And because large volume of data was expected to be collected quantitative method was well suited for this study.

3.2 Purpose of the study

The purpose of any research can be exploratory, descriptive or explanatory. Exploratory research is the initial research into a hypothetical or theoretical idea. It is the first step in learning about something. Somebody gets a new idea in their head and it leads research in a new direction. It involves a literature search or conducting focus group interviews. The exploration of new phenomena in this way may help the researcher's need for better understanding, may test the feasibility of a more extensive study, or determine the best methods to be used in a subsequent study. For these reasons, exploratory research is broad in focus and rarely provides definite answers to specific research issues. The objective of exploratory research is to identify key issues and key variables. For example, one outcome might be a better system of measurement for a specific variable. If you define your study as exploratory research, then you need to clearly define the objectives. An example in the business environment might be an exploratory study of a new management technique in order to brief a management team. This would be a vital first step before deciding whether to embrace the technique.

The case study approach was adopted for the study because it is appropriate for individual researchers. It allows for one aspect of a research problem to be studied in some depth within a limited time scale (Bell, 1999). It has also been described by Adelman et al, as cited in Bell (1999), as "an umbrella term for a family research methods having in common the decision to focus on inquiry around an instance" For these reasons, the researcher decided to use the case study of the First Capital Plus bank of Kumasi in order to gain an in-depth understanding of the topic under investigation.

One of the advantages of case study method is that it allows the researcher to concentrate on a specific situation and to identify the various interactive processes at

play. It is therefore the view of the researcher that the study will serve as a precedent to a survey in this vital area or in a related area in the future considering the problems those workers in general and public sector workers in particular face when they proceed on retirement. One obvious drawback to the case study approach is that generalization or reliability becomes very difficult. This is due to the fact that only an instant of a whole phenomenon is studied.

3.3 Sampling procedures

This section discusses the population and sample of the study as well as the sampling techniques used.

3.3.1 The population and sample

In research methods, population is the entire aggregation of items from which samples can be drawn. Population sampling is the process of taking a subset of subjects that is representative of the entire population. The sample must have sufficient size to warrant statistical analysis. (https://explorable.com/population-sampling). The population of the present study consists of selected customers of Kumasi branch of First Capital Plus. A sample of 10 staff members was purposively selected from the population and 60 customers of FCP were also randomly selected.

3.3.2 The sampling technique

There are two types of sampling techniques. They are probability sampling and non-probability. Probability sampling, as the name suggests, is based on the idea that the people or events that are chosen as the sample because the researcher has some notion of the probability that these will be representative cross-section of the people or events in the whole population being studied. On the other hand, non-probability sampling is

conducted without such knowledge about whether those included in the sample are representative of the overall population.

Because the researcher will not have sufficient knowledge about the sample to undertake probability sampling and may not know how many people make up the population, under these circumstances, the researcher will turn to the forms of non-probability sampling as the basis for selecting the sample.

Purposive sampling is a form of non-probability sampling (Polit & Hunglar, 1999). This is the type of sampling that was used to select the respondents (Banks or financial). With this type, the sample is "hand-picked" for the research. Dane (1990) points out the advantage of purposive sampling is that it allows the researcher to home in on people or events, which have good grounds in what they believe, will be critical for the research. Instead of going for the typical instances, a cross-section or a balanced choice, the researcher will be able to concentrate on instances which display wide variety – possible even focus on extreme cases to illuminate the research question at hand. In this sense it might not only be economical but might also be informative in a way that conventional probability sampling cannot be (Descombe, 1998).

One justification for using the non-probability purposive sampling is that it stems from the idea that the research process is one of "discovery" rather than testing of hypotheses. It is a strategy where Lincoln and Guba (1985) describe as emergent and sequential.

The study population consists of staff and customers of First Capital Plus Bank. The sample comprises of staff and customers of the Kumasi branch. A of the total of 10 questionnaires and 60 questionnaires were administered to staff and customers respectively of the bank. Purposive sampling technique was employed for the staff of the bank whiles random sampling technique was employed for the customers. An

informal interview was also conducted with some of the officers to gather information needed for the study.

3.4 Data collection methods

The study used data from both primary and secondary sources. Primary sources of data included questionnaire administered to selected customers and staff of the Kumasi branch of First Capital Plus. The primary sources involved self-administered questionnaires. The questionnaire was used because the researcher considered it to be more convenient as respondents could answer at their convenience. The questionnaire was developed by the researcher based on their search questions and the literature.

Open-ended and closed-ended questions were used. The questionnaire began with an introductory statement, which specified the purpose of the research as purely academic. Respondents were encouraged to be objective in their responses since they were assured of confidentiality. The questionnaire was developed in consultation with the supervisor. The items were subsequently edited and vigilantly selected bearing in mind the research questions. A total of 70 respondents out of a sample of 70 completed and returned their questionnaires.

3.5 Data Analysis

According to Holsti (1969), analysis is "the process of evaluating data using analytical and logical reasoning to examine each component of the data provided." Data from various sources is gathered, reviewed, and then analyzed to form some sort of finding or conclusion. Data from the structured self-administered questionnaire was properly organized through data coding, cleaning and entering. Data processing was by statistical package for social sciences (SPSS). Descriptive statistics by percentages, figures and tables were generated from the software to establish relationship among variables. The

relevant information was obtained in a standard form using tables, frequencies and percentages to analyze and interpret the information. The results were finally presented in charts and tables. These were used to ensure easy understanding of the analyses

3.6 Quality of the research

Much effort was put into the research to ensure that the results and the subsequent findings of this research was quality. First of all, responses that had missing answers were not included in the analysis of the work. Again, where it was necessary to record, the researcher ensured that the voice was audible and there was playback to the hearing of the respondents to make sure that, everything said on the tape was accurate and that the respondent was confident of the responses. Finally, after the audio voice was transcribed the researcher again made sure that, the respondent had gone through the attributed quotations and was allowed to make corrections where necessary. All these were done to ensure that the data generated was a true reflection of the respondents.

3.7 Research ethics and limitations

The researcher in accordance with ethical study considerations as suggested by Malhotra and Birks (2007) took steps and made sure that no respondent or any participant in this research work was harmed in any way.

Firstly, the researcher avoided contacting respondents on the blind side of the institutions. The researcher also made sure that permission was sought and the aims and objectives of the study was made known to the respondents as well as First Capital Plus Bank as an institution through introductory letters and cover letters respectively. Effort was put in place that allowed the respondents to answer the questions at their own free will. The researcher further assured the respondents of her obligation to keep information gathered very confidential and not for any other purpose other than the

intended study. The study was however limited to the Kumasi branch of First Capital Plus. By this the researcher is aware that this research is limited and that its conclusions and findings are also limited.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.0 Introduction

The chapter discusses the empirical evidence of the study. The findings have been presented in two parts; one representing data gathered from customers of first capital plus and the other from staff of first capital plus. In all 65 questionnaires were administered to respondents with 60 been administered to customers of the bank and the remaining t staff of the First capital plus bank. Interviews and questionnaire were used to gather data for study. The data was analyzed using SPSS data editor.

4.1 Findings from customers

4.1.1 General characteristics of Respondents

Table 4.1.1 - A Table showing the Age distribution on respondents

	Frequency	Percent
20-29	19	31.7
30-39	20	33.3
40-49	12	20.0
50-59	5	8.3
above 60	4	6.7
Total	60	100.0

(Source: Field Data, 2014)

Table 4.1.1 shows the age distribution pattern of respondents who were interviewed. Out of a total of 60 respondents, 20 representing 33.3% are between the ages of 30-39 years, 19 of the respondents, representing 31.7% are between the ages of 20-29 years,

12 representing 20% are between the ages of 40-49 years, 5 of the respondents' representing 8.3% are between the ages of 50-59 years and 4 of the respondents', representing 6.7% are above 60 years.

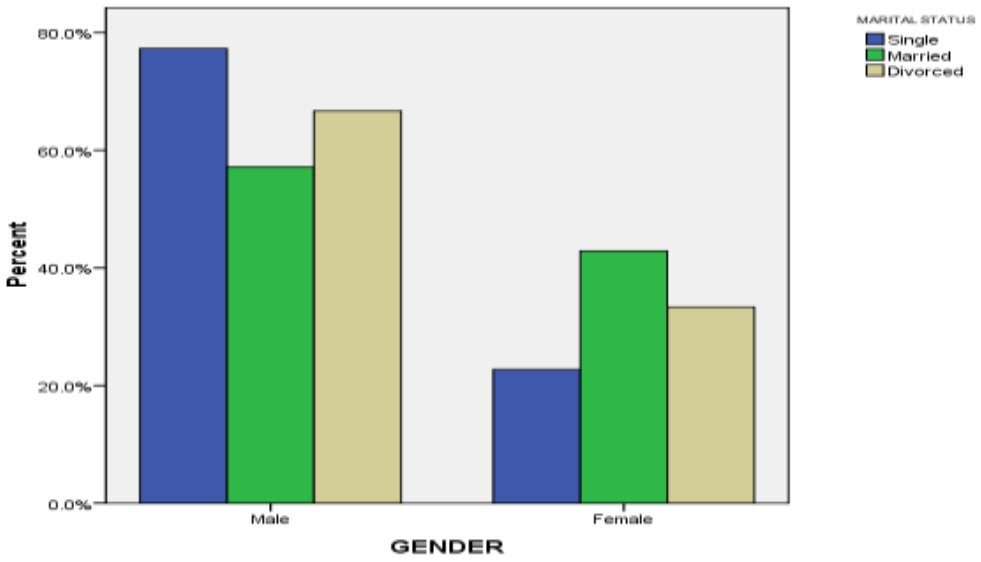

Figure 4.1.1 – A chart showing gender and marital status of respondents

(Source: Field Data, 2014)

From the figure 4.1.1 above, out of the total respondents of 60, 65% were males and 35% females. Seventy-eight percent (78%) of the males were single with 22% of the females single, 58% and 42% of the males and females were married respectively and 65% of the males were divorced with 35% of the females been divorced.

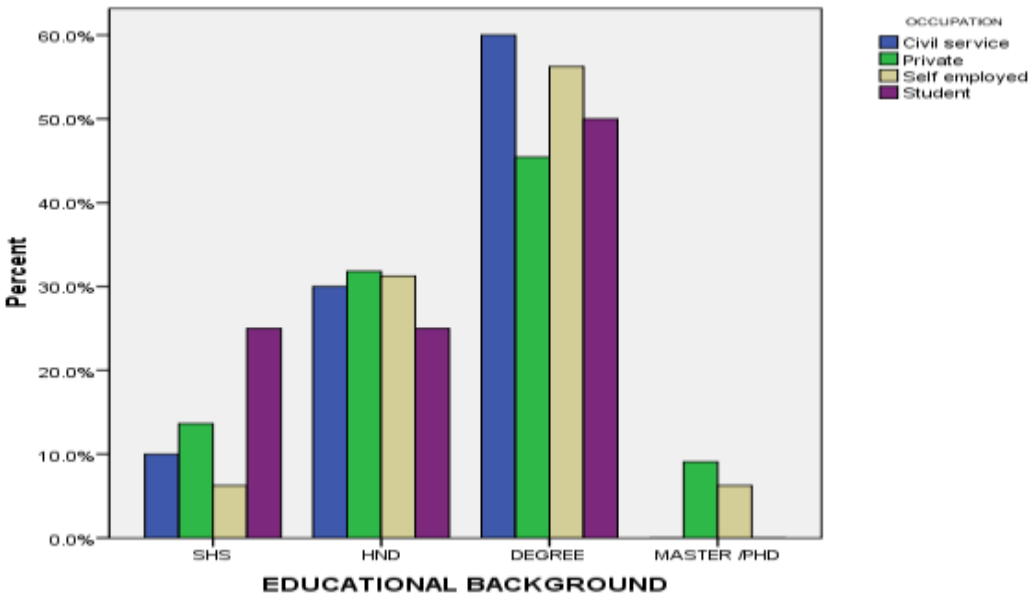

Figure 4.1.2 – A chart showing educational background and occupation.

(Source: Field Data, 2014)

From the graph above, it is evident that out of the total on 60 respondents, 10% had SHS qualification offering job in the civil service, 14% in the private sector, 6% were self-employed and 25 % were students. Thirty percent (30%) of the respondents with qualification in HND were working with civil service, 32% had jobs in the private sectors, 315 were self-employed and 25% were students. Sixty percent (60%) of the respondent with qualification in degree had jobs in the civil sector, 45% had jobs in the private sector, and 56% were self-employed whiles 50% were students offering their degree.

However, 9% of the respondents with masters/PHD qualification were in the private sector and 7 % were self-employed.

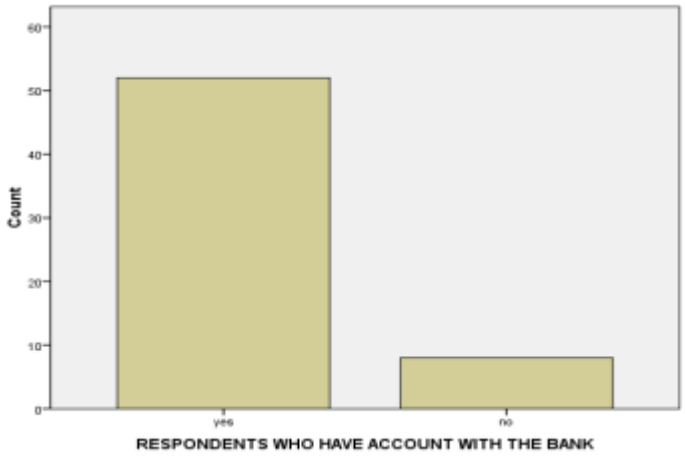

Figure 4.1.3 - A chart showing respondents who have accounts with the bank.

(Source: Field Data, 2014)

From the above figure, 52 of the respondents representing 86.7% interviewed had an account with the bank and 8 of the respondents representing 13.3% had no accounts with the bank.

4.1.2 Customers preference of E-banking

The researcher wanted to identify customer's preference of E-banking at the bank as this will have a relationship with how conversant they are with the E-banking services of the bank. Below were the findings:

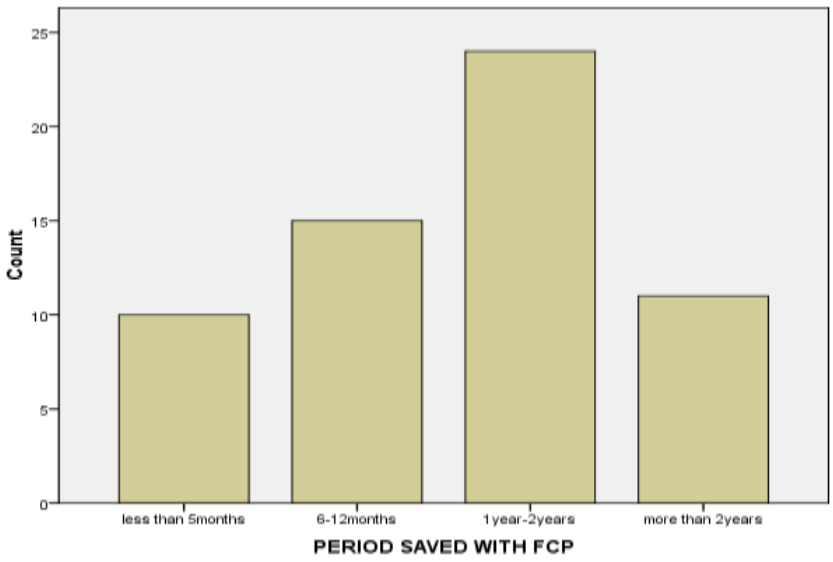

Figure 4.1.4 - A chart showing how long respondents have been saving with the bank.

(Source: Field Data, 2014)

From the above figure, 24 of the respondents representing 40% had saved with the bank for 1-2 years, 15 representing 25% had saved with the bank between the period of 6-12months, 11 of the respondents representing 18.3% had saved with the bank for more than 2 years and 10 of the respondents representing 16.7% had saved with the bank for less than 5months. It is evident from the figure above that 83.3% of the respondents have operated account with the bank for more than 6months to be conversant with their E-banking services.

Table 4.1.2 - A table of respondents who has account with the bank

RESPONDENTS WHO HAVE ACCOUNT WITH THE BANK		
	Frequency	Percent
Yes	52	86.7
No	8	13.3
Total	60	100.0

(Source: Field Data, 2014)

From the table above, 86.7% of the respondents interviews had account with the bank whiles 13.3% have no account with the bank.

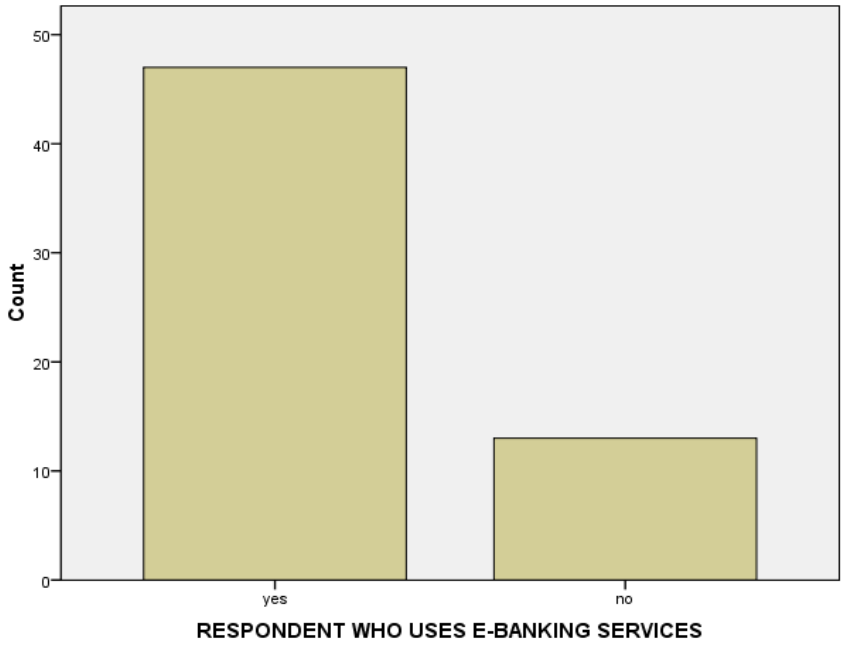

Figure 4.1.5 – A chart showing respondents who uses E-banking at the bank

(Source: Field Data, 2014)

From the figure above, out of the 60 respondents interviewed, 47 representing 78.3% use the bank E-banking service and 13 representing 21.7% does not use their E-banking services.

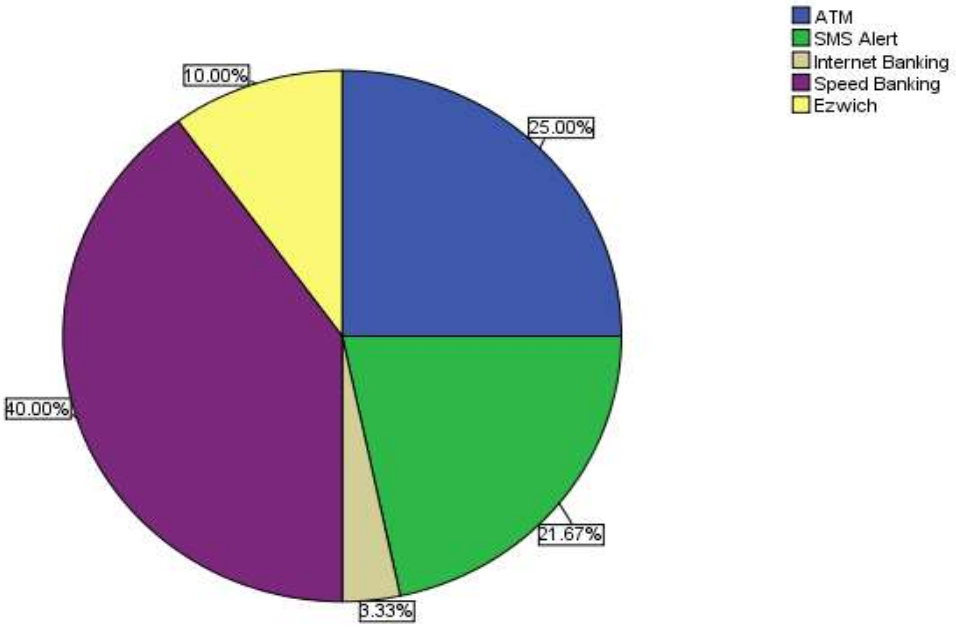

Figure 4.1.6 – A chart showing subscribers of E-banking

(Source: Field Data, 2014)

From the figure above, it is clear that Speed banking ranks top of the E-banking products been patronized by the respondents recording 40% of the responses. This is followed by ATM, SMS alert, Ezwich recording 25%, 21.67% and 10% respectively. Internet banking is the least been patronized by the respondents interviewed representing 3.33% of the responses.

4.1.3 Recommending E-banking to others

The researcher wanted to know if the respondents would recommend E-banking to others. Their responses are as follows:

Table 4.1.3 - Recommending E-banking to others

	Frequency	Percent
Yes	55	91.7
No	5	8.3
Total	60	100.0

Out of the 60 respondents interviewed, 55 respondents representing 91.7% indicated their willingness to recommend E-banking to others. The remaining 5 respondents representing 8.3% were obviously not happy with the E-banking and hence would not recommend to others.

4.1.4 Benefits of E-banking to customers

The researcher wanted to find out how beneficial E-banking is to customers of FCP

Table 4.1.4 – Benefits of E-banking to customers

Benefits	Frequency	Percent
Faster way of conducting banking transactions	55	91.67
Gives greater control over finances	42	70.00
Convenient way to manage finances	34	56.67
Cost effective way of conducting banking transactions	56	93.33

(Source: Field Data) 2014)

From Table above, 55 respondents representing 91.67% stated faster way of conducting banking transactions as benefits they derived from E-banking. Fifty-six representing

93.33% of the respondents stated that using E-banking services is a cost effective way conducting banking transactions. Thirty-four of the respondents representing 56.67% and 42 respondents representing 70% stated that E-banking give them a convenient way to their finances and greater control over their finances respectively.

4.2 Findings from staff

4.2.1 Demographics of respondents

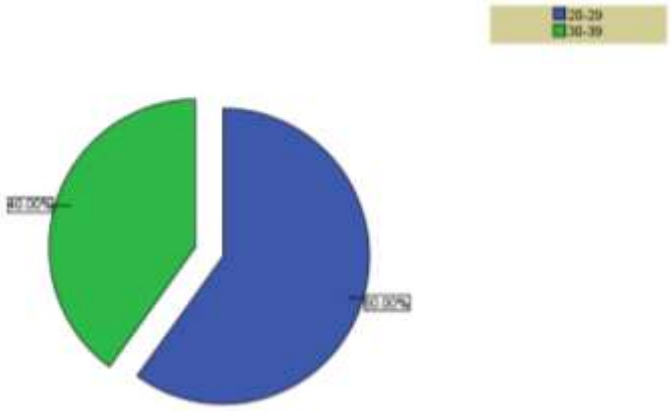

Figure 4.2.1 – Age of Staff

(Source: Field Data) 2014)

From the figure above, 60% of the respondents were between the ages of 20-29 years and 40% of the respondents were between the ages of 30-39 years.

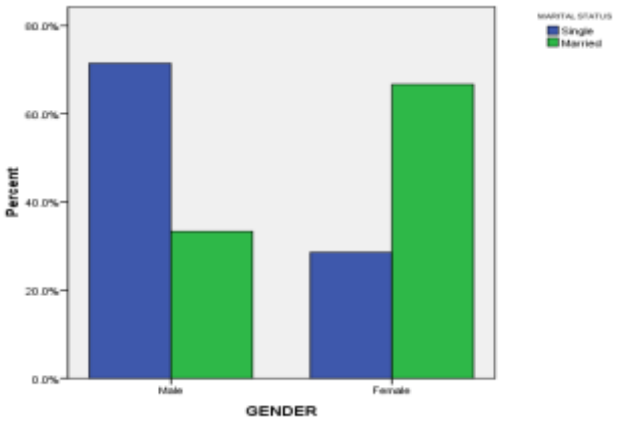

Figure 4.2.2 – Marital Status and Gender of Staff

(Source: Field Data) 2014)

From the Figure above, 70% of the males respondents were single and 30% of the female respondents were single. Thirty-five percent of the male respondents were married and 65% of the female were also married.

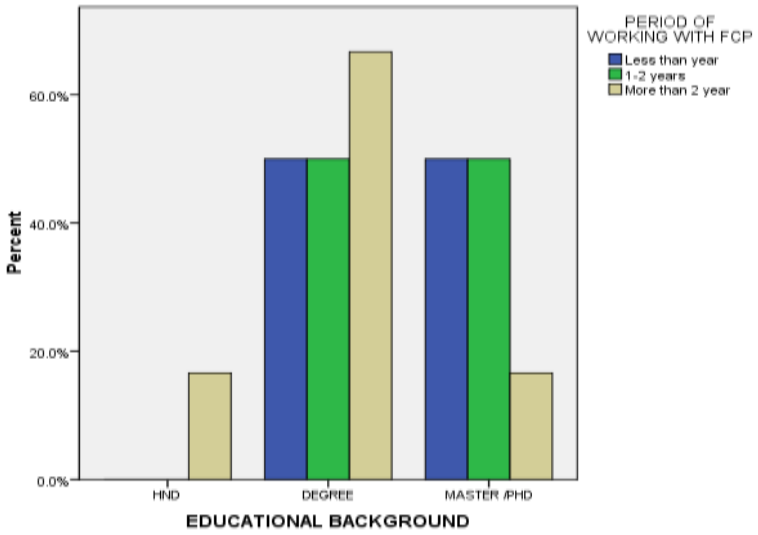

Figure 4.2.3 – Educational Level and Period of working with Bank

(Source: Field Data 2014)

From the graph, it is observed that 15% of the respondents who have worked with the bank for more than 2 years were HND holders, 70% of respondents who have worked with the bank for more than 2 years were degree holders and the reaming 15% of the respondents had a master's degree. Fifty percent of the respondents interviewed, who had worked with the bank for less than 1 year had a degree and the remaining 50% also had master's degree. It is also evident from the graph above that, 50% of the respondents who had worked with the bank between the periods of 1-2 years had a degree with the remaining 50% holding a Master's degree.

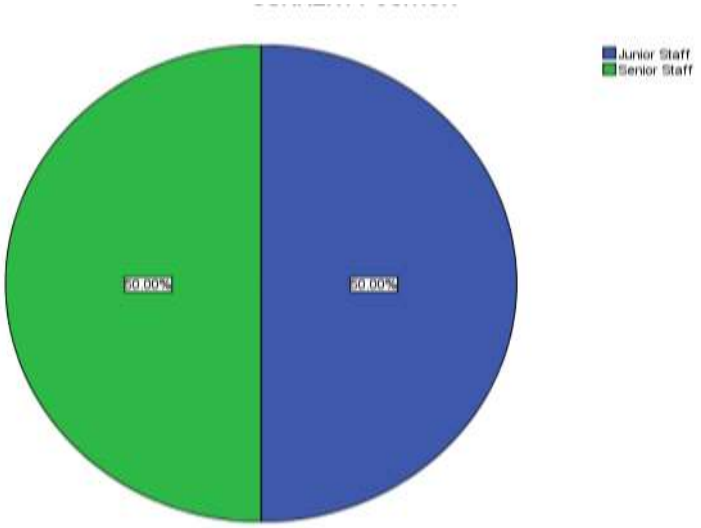

Figure 4.2.4 – Current Position

(Source: Field Data) 2014)

Finally, from the figure above 5 of the respondents representing 50% were junior staff and the remaining 50% were senior staff.

4.2.2 Types and Subscribers of E-banking

The researcher wanted to find out on the types of E-banking services offered by FCP. Staff of FCP from the responses in the questionnaires indicated the e-banking services below as being offered by the bank.

Table 4.2.1 Types of E-banking

E-BANKING
1. ATM
2. Internet Banking
3. SMS alert
4. Speed banking
5. Ezwich

(Source: Field Data) 2014)

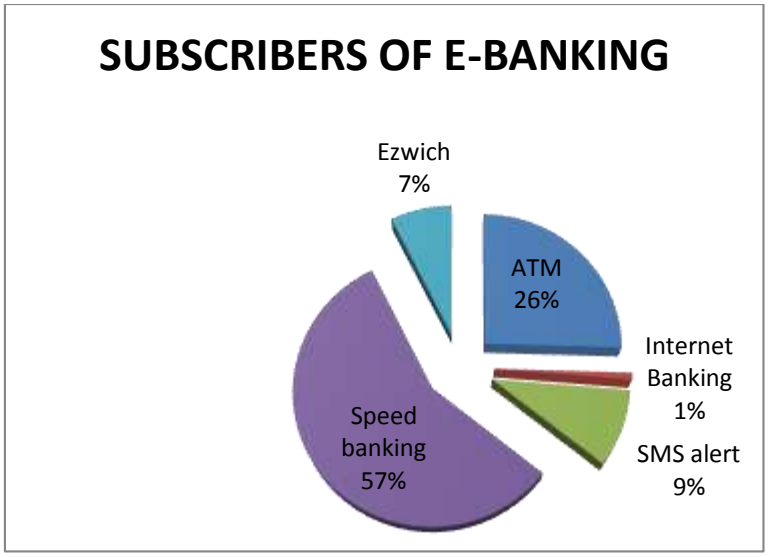

Figure 4.2.5 Subscribers of E-banking

(Source: Field Data) 2014)

The results from the table 4.2.1 and figure 4.2.5 shows that, speed banking is been patronized by customers of the bank recording 57% of customers subscribe to this service followed by ATM recoding 27% patronage. SMS alert, Ezwich and internet banking have a percentage recording of 9%, 7% and 1% respectively.

4.2.3 Challenges facing E-banking adoption at the FCP

The researcher wanted to find out about the challenges facing E-banking adaptation at the bank. Below are the finds:

Table 4.2.2 – Challenges facing E-banking adoption at FCP.

Challenges	Yes	No
Low level of economic development		
Small per-capita incomes		
Limited skills base	√	
Lack of familiarity	√	
Cultural reluctance.	√	

Cost of implementation		
Security concerns	√	
Perceived customer readiness	√	
Knowledge of IT and E-banking	√	
High costs associated with investments in E-banking	√	
Lack of technical and managerial skills		
Reluctance on the part of companies to network with other enterprise	√	
Lack of executive support		
Organizational type and culture		

(Source: Field Data) 2014)

From the table, it can be iterated that, limited skills base, lack of familiarity and cultural reluctance of the people are part of the challenges facing the adoption of E-banking. Others challenges include security concern, perceived customer readiness to accept the products, knowledge of IT and E-banking. High cost associated with investments in E-banking and reluctance on the part of companies to network with other enterprises are some of the challenges facing the adoption of E-banking at FCP.

4.2.4 Critical factors affecting the adoption of E-banking at FCP

The researcher again wanted to find out critical factors that are affecting the adoption of E-banking at FCP. The table below outlines some of the successful factors.

Table 4.2.3 – Critical successful factors affecting the adoption of E-banking

Factors	Yes	No
Promotion of E-banking within the organization	√	
Secured Systems	√	
Enabling factors (such as availability of ICT skills, qualified personnel, network infrastructure)	√	
ICT competencies within the banking industry	√	
Availability and cost of appropriate interoperable systems	√	
Network infrastructure and Internet-related support services	√	
Support from top management	√	
Fast and responsive customer service	√	
Unsuitability for the type of banking services		

(Source: Field Data) 2014)

Among the successful factors include, promotion of E-banking with the bank, secured systems with the bank, enabling factors (such as availability of ICT skills, qualified personnel, network infrastructure), ICT competencies within the banking industry and availability and cost of appropriate interoperable systems. Others include, support from top management and fast and responsive customer service.

4.2.5 Contribution of Speedbanking to saving mobilization.

Speed banking is a voucher card introduced by FCP to help clients do deposit at the bank with the use of their mobile phone. A client who wants to use this service first have to open account at the bank and have his/her phone number linked to that account. He can then buy any of their voucher card with denomination ranging from **GH¢ 5.00, GH¢ 10.00, GH¢ 20.00, GH¢ 50.00, GH¢ 100.00, GH¢ 200.00** and **GH¢ 500.00**

By texting the voucher number to a short code on all network, clients can deposit cash into his account at FCP.

The researcher wanted to find out the contribution of Speedbanking to the savings mobilization of FCP. Secondary data was sorted from the bank to help in this analysis

Below are the findings;

Table 4.2.4 - Savings mobilization through E-banking (speed banking)

MONTH	DEPOSIT MOBILIZED THROUGH SPEEDBANKING (AUG 2011 -JAN 2014)
Aug-11	350,560.00
Sep-11	338,900.00
Oct-11	338,620.00
Nov-11	250,254.00
Dec-11	225,432.00
Jan-12	516,252.00
Feb-12	513,460.00
Mar-12	524,433.00
Apr-12	524,433.00
May-12	714,327.00
Jun-12	723,282.00
Jul-12	777,806.00
Aug-12	797,800.00
Sep-12	653,100.00
Oct-12	780,805.00
Nov-12	623,525.00
Dec-12	537,310.00
Jan-13	659,525.00

(Source: Field Data) 2014)

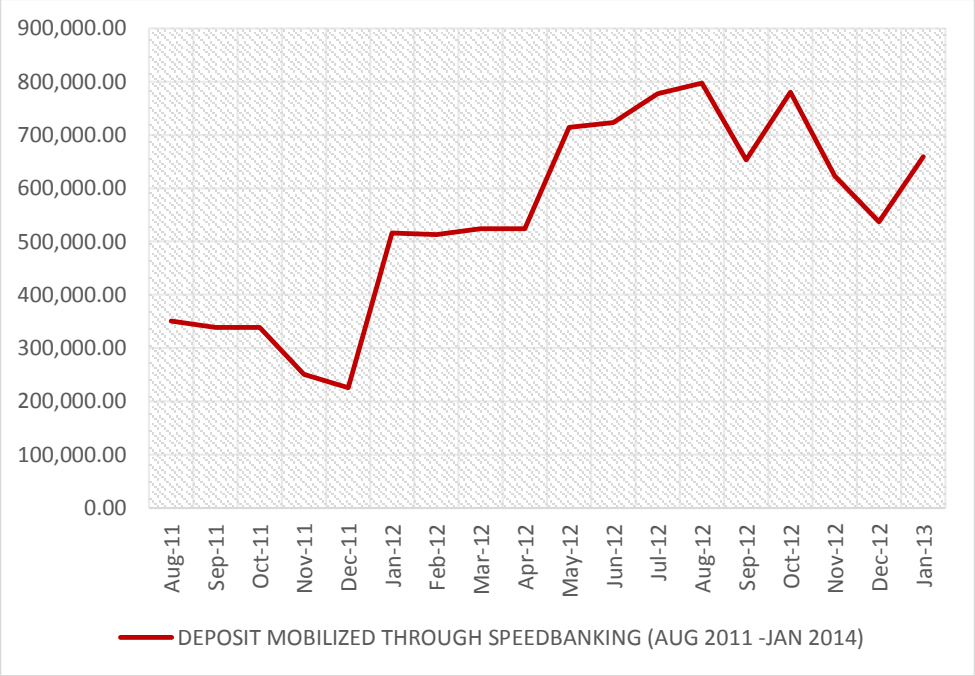

Figure 4.2.6 - Savings mobilization through E-banking (speed banking)

(Source: Field Data, 2014)

From the Table 4.2.4 and Figure 4.2.6 above, August 2011 – Dec 2011 shows the trend in savings mobilization when Speedbanking had not been introduced by the bank. The graph shows a declining sales from GHS 350,560 in Aug, 2011 to GHS 225,432 in Dec, 2011. With the introduction of Speedbanking the following year saw an increase in sales mobilisation in Jan, 2012 (GH¢ 516,252.00) and subsequent months. Increase in Speedbanking over the period was attributed to the acceptance of this medium of deposit taking by the bank with their customers.

CHAPTER FIVE

CHAPTER SIX: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction.

This chapter discusses the conclusions of the study and suggest appropriate recommendations which would seek to direct future research. The main findings obtained from the analysis in the light of the objectives of the study. The objectives of this research were to identify types of E-banking products offered by First Capital Plus Bank, to examine critical factors that affect adoption of E-banking at First Capital Plus Bank and also to identify the challenges facing the E-banking of services at First Capital Plus Bank. The researcher again sought to find out the contribution of Speed banking to saving mobilization at First Capital Plus Bank and also identify customer's preference of E-banking at First Capital Plus Bank

5.1 Summary of findings

The conclusions as follows were presented as per the objective of the research.

Findings from the study indicated that FCP has adopted E-banking over the past four years as a business strategy in response to customer needs and the changing marketing trends in the banking industry. Also the bank adopted E-banking due to the tremendous benefits E-banking provides. FCP offers numerous E-banking services to its customer's and they include the following, Speed banking, ATM, SMS alert, Ezwich and Internet banking. From the study 78.3% of respondents interviewed had subscribe to E-banking at FCP.

Findings from the study also revealed that, promotion of E-banking with the bank, secured systems with the bank, enabling factors (such as availability of ICT skills, qualified personnel, network infrastructure), ICT competencies within the banking industry and availability, cost of appropriate interoperable systems, support from top management and fast responsive customer service are some of the critical factors that had affected the adoption of E-banking at FCP.

The study also revealed challenges that impedes the successfully adoption of E-banking at FCP to be limited skills base, lack of familiarity and cultural reluctance of the people, security concern, perceived customer readiness to accept the products, knowledge of IT and E-banking. Others include high cost associated with investments in E-banking and reluctance on the part of companies to network with other enterprises as presented in Table 4.2.2

The study also revealed that, 91.7% of the respondents indicated their willingness to recommend E-banking to others and this can be seen in Table 4.1.3. Also, 91.67% find the use of E-banking to be a faster way of conducting banking transactions with 93.33% of the respondents stating that using E-banking services is a cost effective way conducting banking transactions as seen in Table 4.1.4

Finally, E-banking has contributed tremendously to sales mobilization at FCP over the past year. Speed banking recorded 57% subscription at the bank followed by ATM recording 26% usage. The use of Speed banking as a means of depositing money at the bank has helped to increase sales as indicted in Table 4.2.4 and Figure 4.2.6

5.2 Conclusions

This study showed that customers of FCP patronize E-banking products such Speed banking, ATM, SMS alert, Ezwich and Internet banking. They derive certain benefits from the use of these products predominantly is the faster way of conducting banking transactions and cost effective way conducting banking transactions. However, customers prefer Speed banking and ATM among the E-banking products because of its effectiveness and user friendliness.

Adoption of E-banking products has influencing factors. Predominant factors are promotion of E-banking with the bank, secured systems with the bank, enabling ICT competencies within the banking industry and availability and fast responsive customer service. Increasing competition among banks to increase or retain their customer base is driving the banks to continue to adopt E-banking technologies. Despite the benefits of E-banking, it is associated with some challenges. The study shows that network failure from internet connection is the major challenge facing customers using E-banking products from FCP. However, respondents believed that considerable education and marketing of E-banking products from the bank could attract more customers.

From the study it's evident that FCP has enjoyed increase in sales mobilization as a result of the introduction of its Speedbanking Platform. Most customers interviewed saw this medium as a safer way of doing deposit with the bank as compared to the traditional method of always walking to the bank to do direct deposit.

5.3 Recommendations

On the basis of the findings drawn on the study of E-banking the following recommendations are made.

- Education and marketing of E-banking products should be encouraged in the bank to attract more customers with more emphasis on Speedbanking solution.
- It is also recommended that they should reduce the charges E-banking attracts to lure more customers to patronize the products.
- Introduction of Point of Sales (POS) terminals would also help increase the patronage of the speed banking products.
- More ATM facilities should be placed at vantage locations within the city to reduce distance and time use in access the facility. A more alternative approach is the bank introducing the use of VISA cards or GHlink Cards.

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APPENDICES

QUESTIONNAIRE FOR CUSTOMERS

Dear Respondent:

This questionnaire seeks to collect data on the impact of E-banking on savings mobilization in the banking industry; case study of First capital plus bank in Kumasi Metropolis. The data collected will be used for academic purposes only. Please answer the questions by ticking the boxes or providing your own answers where necessary. Thank you.

Section A

Please tick and state where applicable

1. Age:

   ☐20-29 ☐30-39 ☐ 40-49 ☐50-59

   ☐60 and above

2. Gender:

   ☐ Male ☐Female

3. Marital status.

   ☐Single ☐Married ☐ Divorced

4. Level of education.

   ☐SHS/WASSCE ☐HND ☐ Degree ☐ Masters/PhD

5. Occupation Status:

   ☐Civil /Public servant ☐ Private ☐ Self-employed ☐ others

6. How long have you saved with this institution?

   ☐ Less than 5 month ☐ 6 to 12 months

   ☐ 1 year to 2 years ☐ More than 2 years

Section B

7. Do you have any account with the bank? Yes ( ) No ( )
8. Do you use any of the banks electronic banking products? Yes ( ) No ( )
9. If yes, which of the electronic banking services do you use?

ATM/Debit cards Services ( ) SMS Banking Services ( )

Internet Banking Services ( ) Speed banking ( )

11. How often do you come to the banking hall?

Daily ( ) Weekly ( ) Monthly ( ) Occasionally ( )

12. How frequently do you use any of the E-banking services in a month?

Less than 1 ( ) 6 to 9 times ( )

2 to 5 times ( ) 10 times or more ( )

13. Which of the following factors in order of priority do you think is the benefit of using the Bank's electronic banking services? Assign 1, 2, 3, and 4. (Where 1 is the highest order of priority and 4 being the least)

Faster way of conducting banking transactions ( )

Gives greater control over finances ( )

Convenient way to manage finances ( )

Cost effective way of conducting banking transactions ( )

14. Are you confident over the security aspects of using the Bank's electronic banking services? Yes ( ) No ( )

15. Are the staffs of the Bank able to provide assistance when you are having difficulties with the E-banking services? Yes ( ) No ( )

16. Would you recommend the Bank's electronic banking services to another person?

Yes ( ) No ( )

17. If Yes, why?……

……

18. If No, why?

……

……

19. Do you encounter problems using any of the E-banking services and products?

Yes ( ) No ( )

20. If yes, name them?

……

……

Thank you very much for filling out this questionnaire, your help is appreciated.

QUESTIONNAIRE FOR STAFF

Dear Respondent:

This questionnaire seeks to collect data on the impact of E-banking on savings mobilization in the banking industry; case study of First capital plus bank in Kumasi Metropolis. The data collected will be used for academic purposes only. Please answer the questions by ticking the boxes or providing your own answers where necessary. Thank you.

SECTION A

Please tick and state where applicable

1. Age:

☐20-29 ☐30-39 ☐ 40-49 ☐50-59 ☐60 and above

2. Gender:

☐ Male ☐Female

3. Marital status.

☐Single ☐Married ☐ Divorced

4. Level of education.

☐ HND ☐ Degree ☐ Masters/PhD

5. Occupation Status:

☐ Civil /Public servant ☐ Private ☐ Self-employed ☐ others

6. How long have you saved with this institution?

☐ Less than 5 month ☐ 6 to 12 months ☐ 1 year to 2 years

7. How long have you worked with this institution?

☐Less than 5 month ☐ 6 to 12 months

☐1 year to 2 years ☐ More than 2 years

8. Current Position in the bank.....

SECTION B

Please tick and state where applicable

9. How many branches do you have all over Ghana? .....

10. Has the bank adopted E-banking?

Yes ( ) No ( )

11. When was E-banking adopted? .....

12. Who are your target customers in administering E-banking services? List them.

.....

Who are your major competitors in E-banking in Ghana?

....., ..., ...

13. Which forms of electronic banking services do you provide? Please list them

.....,.....,.....,

What is the main motive for the banks provision of electronic banking services?

Enhancing competition ( ) Profit creation ( ) Attracting more new clients ( )

14. Has electronic banking had any affirmative effect on your duties to the bank?

Yes ( ) No ( )

15. If yes, how has it influenced you in your duties to the bank? State one reason

……

How long had the bank adopted E-banking?

1 year to 2 years [ ] 2 year to 3 years [ ] 3 year to 4 years [ ]

More than 4 years [

16. What benefits have your bank derived from adopting E-banking? Tick as appropriate.

Benefits	**Yes**	**No**
Value creation or value enhancement		
Improvement in internal and external communication		
Increment of sales mobilization		
Integrated with a back office systems		
Improvement in Profitability		
Public Image Enhancement		
Cost saving		
Revenue generation		
Increased in Market access		
Increased in Market share		
Improving customer service		
Speed and efficiency		
Expand geographical reach		
Facilitates development of new products and new business models		
Reduces barriers to entry for new market		

17. What challenges have your bank faced in its adopting of E-banking? Tick as appropriate

Challenges	Yes	No
Low level of economic development		
Small per-capita incomes		
Limited skills base		
Lack of familiarity		
Cultural reluctance.		
Cost of implementation		
Security concerns		
Perceived customer readiness		
Knowledge of IT and E-banking		
High costs associated with investments in E-banking		
Lack of technical and managerial skills		
Reluctance on the part of companies to network with other enterprise		
Lack of executive support		
Organizational type and culture		
Others please specify.		

18. What are the critical success factors for adopting E-banking? Tick as appropriate

Factors	Yes	No
Promotion of E-banking within the organization		
Secured Systems		
Enabling factors (such as availability of ICT skills, qualified personnel, network infrastructure)		
ICT competencies within the banking industry		
Availability and cost of appropriate interoperable systems		
Network infrastructure and Internet-related support services		
Support from top management		
Fast and responsive customer service		
Unsuitability for the type of banking services		
Any other barriers? Please state below:		

19. Has your banks savings mobilization increased since the adoption of E-banking?

Yes ( ) No ( )

20. What is the margin? .....

21. How many customers are signed on to E-banking at your bank?

.....

Thank you very much for filling out this questionnaire, your help is appreciated.