Assessment of E- Commerce in the Case of Dashen Bank.

BY

Etsegenet Teshome Kebede

ID No: GSE/0250/15

A THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY, COLLEGE OF BUSINESS AND ECONOMICS, FOR THE PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF BUSINESS ADMINISTRATION.

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Advisor:- Tewodros (Ass, Professor)

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Certificate of Approval

This is to certify that the thesis prepared by Etsegent Teshome entitled the Assessment of e-commerce: in the case of Dashen Bank was submitted in partial fulfillment of the requirements for the degree of Masters of Business Administration with the regulations of the university and meets the accepted standards with respect to originally and quality.

Signature of board examiners፡

Mesfin W. (PhD)		11/03/25
External examiner	Signature	Date
Dr. Yohannes		11/03/25
Internal Examiner	Signature	Date

DECLARATION

I, **Etsegenet Teshome Kebede,** hereby declare that this thesis titled, **"The Impact of E-Commerce on Business Profitability in the Case of Dashen Bank."** is my innovative work. I have carried out the present study independently with the guidance and support of the research advisor, **Tewodros (Ass, Professor).** Any other research or academic sources used here in this study have been duly acknowledged. Moreover, this study has not been submitted for the award of any Degree or Diploma Program in this or any other institution.

Declared by;

Etsegenet Teshome Kebede ____________ ____________ 14/1/25

SIGNATURE **DATE**

Statement of Certificate

This is to certify that the thesis entitled: The **assessment of E- Commerce in the Case of Dashen Bank** is submitted in partial fulfillment of the requirements for the degree of Masters of Business Administration, Addis Ababa University; and the original research is carried out by **Etsegenet Teshome Kebede, ID no GSE/0250/15,** under my supervision; and no part of the thesis has been submitted for any other degree or diploma. The Assistance and help received during the course of this investigation have been duly acknowledge. Therefore, I recommend it to be accepted s fulfilling the thesis requirements.

Name	**Signature**	**Date**
Tewodros Wuhib (Asst Pro)		**14/1/25**

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ABSTRACT

These study the assessments of e-commerce focusing on Dashen Bank's adoption and implementation of digital financial services. With the growing shift towards digital transactions, the study explores how Dashen Bank has integrated e-commerce strategies such as online banking, digital payment solutions, and mobile commerce to enhance operational efficiency and customer satisfaction. A mixed research approach was employed, combining primary data from surveys and interviews with secondary data from financial reports and relevant literature. The findings indicate that e-commerce adoption has contributed to increased revenue, reduced transaction costs, and improved customer experience, although challenges such as cyber security risks, inadequate digital literacy, and infrastructure limitations persist.

The study further highlights key success factors influencing e-commerce profitability, including user-friendly platforms, efficient digital marketing, and strong management support. Despite the positive outcomes, the research underscores the need for improved employee training, enhanced cyber security measures, and increased customer awareness to maximize the benefits of e-commerce. The study provides valuable insights for financial institutions aiming to leverage digital transformation for sustainable profitability and serves as a reference for future research in the Ethiopian banking sector.

Keywords: E-commerce**,** Digital Marketing**,** And Mobile Commerce**.**

Chapter one

1. Introduction

1.1. Background of Study

The banking business in Ethiopia has experiencing substantial transformations because of technological advancements and shifting consumer favorites. With the swift growth of digital technologies, clients now imagine seamless online banking services, suitable payment preferences, and personalized experiences. E-commerce stages have arisen as key channels for banks to involve with customers, deliver products and services, and drive revenue streams. Dashen Bank, a prominent player in the Ethiopian banking industry, has made tactical investments in E-commerce infrastructure and digital system to provide to the growing wants and needs of its customers (Turban, E., & King, D. 2015).

According to the World Bank, Ethiopia has perceived a steady escalation in penetration and mobile phone usage, displaying a ripe prospect for banks to enlarge their digital occurrence and tap into the growing e-commerce market. As Dashen Bank navigates this digital landscape, understanding the impact of e-commerce on its profitability is vital for optimizing resource apportionment, marketing approaches, and client engagement initiatives (World Bank, 2021).

In the contemporary era, automated commerce, or e-commerce, has transformed the method businesses operate and interact with clients. The amalgamation of e-commerce has had a deep impact on the profitability and sustainability of businesses across numerous industries. E-commerce, embracing online transactions, digital banking, and electronic account transfers, has essentially altered the traditional business panorama. The implementation of e-commerce technologies and platforms qualifies businesses to reach a wider customer base, rationalize operations, and enrich overall competency (Turban, E., & King, D. 2015).

E-commerce indicates to the selling and buying of service and goods online, facilitated through digital platforms and technologies. Over the years, e-commerce has transformed traditional business models, enabling organizations to influence a international customers, streamline operations, and drive revenue growth within online transactions (Laudon, K. C., & Traver, C. G.2020).

Some of the important benefits of E-commerce is its capability to get customers around the nation. With an online store, businesses can trade their service and products to clients in various nations without the need for a physical presence in those markets. This has accelerate new prospects for businesses of all sizes to expand their reach and grow their customer base, It has transformed the approach businesses function and has suit an integral part of the global economy. E-commerce permits businesses to extend a broader audience, decrease costs, and streamline operations (Gardachew, 2010)

In addition to reaching a wider audience, e-commerce also offers expense reducing for businesses. By eradicating the prerequisite for bodily present and decreasing the operating costs associated with traditional retail operations, businesses can lower their operating expenses and increase their profit margins. E-commerce also permits businesses to automate many processes, for example portfolio managing and instruction contentment, further reducing costs and increasing efficiency (Yang, 2001).

This thesis aims to examine the specific impacts of e-commerce on the industry profitability of Dashen Bank, a prominent financial institution, and provide insights into the transformative effects of e-commerce within the banking sector.

1.2. Statement of The Problem

In contemporary years, the combination of e-commerce into business models has become progressively predominant, modernizing the way enterprises function and interrelate with client and E-commerce platforms enable businesses, offering clients the convenience of retrieving service or products at any time (Turban, E., & King, D. 2015).

The banking sector, in specific, has comprised e-commerce as a means to boost services, advance efficiency, and drive profitability. Dashen Bank, a well-known financial institute in Ethiopia, has also recognized the potential benefits of e-commerce and has implemented various digital solutions to cater to the evolving needs of its customers. However, despite the widespread adoption of e-commerce by Dashen Bank, there remain several critical issues and obstacles that need to be managed to fully realize the effects of e-commerce on business profitability (Laudon, K. C., & Traver, C. G.2020).

The application of E-commerce is slow in Ethiopia; they're no adequate studies conducted. E-commerce is in its immaturity in Ethiopia with only a little years of existence; even some of the leading firms in the nation did not encirclement the technology fast sufficient. Relatively more financial organizations mostly banks have been launched and relatively more people are being motivated to own bank accounts. Notwithstanding some progress in the development of mobile banking, card banking, and Internet banking services, many banks continue to rely on old-style methods focused on physical cash and spotlight the progress of physical branches (Hassen & Svensson, 2014).

The banking sector, in specific, has comprised e-commerce as a means to boost services, advance efficiency, and drive profitability. Dashen Bank, in Ethiopia, has the potential benefits of e-commerce and has implemented various digital solutions to cater to the evolving needs of its customers. However, despite the widespread adoption of e-commerce by Dashen Bank, there remain several critical issues and confronts that need to be tackled to fully realize the influences of e-commerce on business profitability (Laudon, K. C., & Traver, C. G.2020). One of the primary problems facing Dashen Bank in the circumstance of e-commerce is the challenge of cyber security and data privacy. As the bank transitions towards digital platforms and online transactions, the jeopardy of cyber threats, data violations, and identity theft increases significantly. Customers entrust sensitive financial information to the bank when conducting virtual transactions, making data security a top priority. Any breach of customer data could not only lead to economic costs for the bank besides erode customer trust and confidence in its services. Therefore, ensuring robust cyber security measures and compliance frameworks is essential to mitigate these risks and safeguard customer information (Turban, E., & King, D. 2015).

E-commerce has revolutionized the way businesses function, providing innovative prospects for growth and effectiveness. The implementation of E-commerce practices has become progressively important to stay competitive in the digital age. Though, there is a need to comprehend the exact effect that E-commerce has on Dashen Bank's profitability. This thesis aims to examine the subsequent vital problems connected to the influence of E-commerce on business profitability in the situation of Dashen Bank:

1.3. Research Questions

This thesis was poses the next study questions:

1. What are the main factors influencing E-commerce at Dashen Bank's?
2. What are the key success factors of E-commerce for Dashen Bank to enhance its profitability?
3. What are the challenges and barriers faced by Dashen Bank in attaining profitability through E-commerce?

1.4. Objectives of the Thesis

The core objective of this thesis is to assess the Impact of E- Commerce on Profitability in the Case of Dashen Bank

1.4.1. The Specific Objectives of the thesis: -

- To assess the main factors influencing E-commerce at Dashen Bank's?
- To identify the key success factors of E-commerce for Dashen Bank to enhance its profitability.
- To assess the challenges and barriers faced by Dashen Bank in attaining profitability Through E-commerce.

1.5. Scope of the Study

This thesis was emphasis on considerate the notions of E-commerce and its influences on business profitability. This will comprise investigating the numerous online commercial activities that Dashen is engaged with and how they contribute to its general profitability.

The geographical scope of the study was focus on Dashens banks in Addis Ababa. Specifically, the study will look on how the implementations of E-commerce strategies will impacts the bank profitability. Finally the proposed research was being executed with in the time framework from April 2024 to November 2024.

1.6. Significance of The thesis

The outcome of the thesis was delivering practical insights and recommendations for Dashen Bank to leverage e-commerce efficiently. It provides to current body of subject matter in E-commerce. Furthermore, it is used as a secondary data sources for other researcher on the area.

Finally, the study was enabling the student researcher to obtain a noble preparation on research.

1.7. Limitations of the study

This thesis was not originated to a finish exclusive of difficulties, the various limitations, which was donate to the study, may include the following.

Primary, there are no adequate times to complete the study.

Second, some of the respondents may be reluctant to duly fill and return the questionnaire on time and financial constraints are some of the limitation that is expected to complete the research.

1.8. Definition of Terms

- Artificial Intelligence (AI) : means to the advance of computer systems that can make tasks that usually need human intelligence, for example: Reasoning, Learning, Problem-solving plus Opinion (Brooks, D. 2019).
- Cloud Computing: Cloud computing offers on-demand approach to computing resources for example storage, managing power, and functions throughout the Internet.
- Customer Relationship Management (CRM): CRM includes approaches and skills used by businesses to achieve and examine client relations through the client lifecycle.
- Cyber security: means to the exercise of safeguarding networking systems and packages from digital assaults.
- Digital Marketing: includes entirely marketing efforts that usage an automated device the Internet.
- E-commerce: means selling service and goods over the Internet.
- Movable (mobile) Commerce (M-commerce): means to the selling, buying of services & goods within mobile devices.
- Online Marketplaces: Are digital programs that associate sellers and buyers for the purpose of selling and buying services and good.
- Online Payment Systems: are electronic platforms that help the transmission of moneys between sellers and buyers.
- Online Retail: indicates to the selling of service and goods throughout a website or online platform.

- Supply Chain Management: includes the synchronization and combination of entire tasks involved in obtaining production, procurement, and logistics to guarantee effective product stream in e-commerce operations.
- Virtual Reality (VR) is a computer-simulated situation that can be practiced and interrelated with in a apparently actual or physical way. It is a virtual world that is created using software and hardware, and it can be accessed through a device such as a headset, console, or mobile device. Source:- Turban Et al.(2015)

1.9. Organization of the thesis

The thesis is organised with in five chapters. The primary chapter focused background of the study, statement of the problem, basics research questions, objectives of the thesis, significance of the study, Delimitations of the study & limitation of the study included. The second chapter was deals with the literature review of the study. The study methodology and design were discussed in the third chapter. Chapter four deals with research interpretation and analysis of the result plus lastly summary of the main findings, conclusions & recommendations were being reviewed under last chapter. Finally, the questionnaire survey & the key informant interview that exploited for data gathering enclosed to this detail as an addendum.

Chapter Two

Review of the related literature

2. Introduction

In this part, review literatures related to E- commerce will be presented. This chapter is organized into different sub topics: explanation of E-Commerce, importance of E-commerce & evolution of E- Commerce,

2.1. Review of the Related Literature

E-commerce means to the selling and buying of service & goods conducted over automated systems for example the Internet and additional computer networks. This form of commerce contains a wide variety of online connections, incorporating online retail sales, electronic payments, Internet banking, virtual auctions, and digital ticketing. E-commerce has transformed the technique businesses and customers involve in trade, offering closeness, accessibility, and a global reach (Kotler and Keller, 2012).

E-commerce can happen among businesses (B2B), concerning businesses and consumers (B2C), among consumers (C2C), and even involve government transactions (G2C or G2B). The continuous development of e-commerce has led to the rise of novel business prototypes, for example payment services; drop shipping, and online marketplaces, contributing to the ever-expanding digital economy (Strauss et al, 2014)

The seamless integration of e-commerce with various aspects of daily life has catalyzed its rapid growth, making it an integral part of modern economic activities. From traditional retail giants to small-scale entrepreneurs, e-commerce presents a program for enterprises to extend a worldwide audience, manage inventory digitally, and optimize customer experiences through personalized services (Kariuki, 2015).

E-commerce's impact extends beyond commercial transactions, influencing fields such as supply chain management, digital marketing, and data analytics. As technology remains to progress, e-commerce is poised to foster revolutionize the marketing landscape, challenging conventional brick-and-mortar establishments and fostering innovative solutions for businesses to flourish in the digital epoch (Kamau,2015).

2.2. Evolution of E-Commerce

In this section, explore the important milestones of the progress of E-commerce and how it has shaped the way shop and do business online (Laudon, K.C., & Traver, C.G.2019).

1. Primary Days of E-commerce (1990s)

The notion of E-commerce initial began in the 1990s increase of the Internet. Virtual Businesses like eBay & Amazon were among the pioneers in the e-commerce space, contribution online marketplaces where consumers could buy and sell goods. The primary generations of e-commerce were considered by simple websites, basic payment systems, and limited product offerings.

2. Growth of E-commerce (2000s)

The year 2000 is noticed as a period of rapid growth for e-commerce, powered by progresses in technology and changing consumer behavior. E-commerce stages suited more complex; offering features for example safe payment gateways, personalized recommendations, and efficient counter processes. The invention of mobile devices also played a significant part in driving e-commerce development during this time.

3. Rise of Mobile Commerce (2010s)

The year 2010 exhibited the emergence of mobile commerce, or m-commerce, as smartphones became ubiquitous and consumers increasingly turned to their mobile devices to shop online. E-commerce platforms adapted to this shift by developing mobile-responsive websites and mobile apps that provided a unified shop experience on smartphones and tablets. Mobile commerce has since become a major driver sale worldwide.

4. Integration of AI and Personalization (Present)

In recent ages, e-commerce has seen a major shift towards the amalgamation of AI & machine learning technologies to enhance the window-shopping knowledge. E-commerce platforms now use AI systems to examine client data, provide personalized product suggestions, and optimize pricing tactics. These levels of personalization have helped businesses intensification sales and improve customer satisfaction (Laudon, K.C., & Traver, C.G.2019).

5. Future Trends in E-commerce

Observing ahead, the forthcoming of e-commerce is possible to be formed by developing tools e.g. augmented reality (AR), virtual reality (VR), and voice commerce. These technologies require the possible to transform the way consumers shop online by delivering immersive shopping involvements and more instinctive interfaces. As e-commerce lasts to change, businesses will want to amend to these trends to visit reasonable in the digital market (Kotler and Keller, 2012).

2.3. Importance of E-Commerce

1. Flexibility and Scalability

E-commerce delivers businesses the flexibility to adapt to mutable market conditions and scale their operations as needed. Whether launching a new creation line, expanding into new markets, or running promotional campaigns, e-commerce platforms offer the agility to respond rapidly to market opportunities. This scalability is mostly useful for small business (SMEs) viewing to grow their business without experiencing significant upfront costs. E-commerce also enables businesses to trial new ideas and inventions in a cost-effective manner already scaling up (Kotler and Keller, 2012).

2. Global Reach and Accessibility

Some of the main rewards of e-commerce are its capability to grasp a worldwide audience. Different outdated brick-and-mortar stores, e-commerce programs are reachable 24/7 from anywhere in the world, permitting market to increase their spread elsewhere topographical borders. This international reach enables companies to knock into latest marketplaces and client segments, motivating development and growing revenue opportunities. Additionally, e-commerce provides accessibility to consumers with disabilities or those living in remote areas, ensuring that everyone has the opportunity to shop online (Kariuki, 2015).

3. Cost-Effectiveness and Efficiency

E-commerce compromises meaningful cost savings for businesses compared to traditional marketing models. By eradicating the need for physical storefronts and reducing entire costs, businesses can function more professionally and pass on those savings to clients in the system of minor prices. E-commerce also rationalizes the trade's activity; computerizing tasks for example order processing, payment processing & inventory management. This enlarged efficiency not only minimizes operational expenses but also progresses customer satisfaction by delivering a all-in-one shopping experience.

4. Personalization and Customer Insights

E-commerce packages influence data analytics and artificial intelligence to obtain valuable insights about customer behavior and preferences. This data permits businesses to initial the window-shopping practice per individual client, contribution tailor-made product recommendations, promotions, and discounts. By sympathetic customer desires and preferences, enterprises can improve customer loyalty and drive repetition purchases. Furthermore, e-commerce offers real-time response on product performance, permitting businesses to familiarize swiftly to shifting market styles and customer demands (Smith et al, 2001).

2.4. Different Types of E-commerce

E-commerce includes a broad scope of business actions conducted online, containing buying, selling, marketing, and servicing of service or products. There are numerous kinds of e-commerce prototypes that provide to distinctive wants and favorites of businesses and clients. In this document, it's explore and discuss the distinctive sorts of e-commerce, containing business-to-consumer (B2C), business-to-business (B2B), consumer-to-consumer (C2C), and mobile commerce (m-commerce). By understanding the characteristics & unique features of each e-commerce type, businesses can choose the most suitable model to drive their online sales and growth.

2.4.1. Business-to-Consumer (B2C) E-commerce

Consumer (B2C) E-commerce means to transactions among businesses and individual clients. In this model, businesses sell service or products straight to consumers within online programs or websites. B2C e-commerce is one of the greatest common types of e-commerce and comprises a widespread scope of sell, fashion, electronics, and service-oriented businesses. B2C platforms provide consumers with convenient shopping experiences, secure payment possibilities, personalized recommendations based on their favorites and browsing history. Common instances of B2C e-commerce platforms contain Amazon, Walmart, ASOS (Laudon, K. C., & Traver, C. G. 2018).

2.4.2. Business-to-Business (B2B) E-commerce

Business-to- (B2B) e-commerce contains communications among business companies; anywhere unique business trades services or products to extra business. B2B e-commerce programs cater to the needs of wholesale buyers, distributors, manufacturers, and suppliers who purchase goods in bulk for commercial purposes. B2B e-commerce focuses on streamlining procurement processes, facilitating vendor management, and enhancing supply chain efficiency.

B2B platforms deal characters for example bulk ordering, modified pricing, and amalgamation through enterprise resource planning (ERP) systems. Samples of B2B e-commerce boards contain global sources, Thomas net, Alibaba (Laudon, K. C., & Traver, C. G. 2018).

2.4.3. Consumer-to-Consumer (C2C) E-commerce

Consumer (C2C) e-commerce refers to transactions between distinct customers, where consumers buy; sell service or products directly to each other within online marketplaces or classified ad websites. C2C e-commerce platforms enable individuals to monetize their pre-owned items, handmade crafts, or services and connect with potential buyers or sellers. C2C platforms provide a platform for peer-to-peer transactions, negotiation of prices, and ratings and reviews to build trust among users. Common instances of C2C e-commerce platforms include eBay, Etsy, and Craigslist (Laudon, K. C., & Traver, C. G. 2018).

2.4.4. M Commerce (Mobile Commerce)

M Commerce (Mobile Commerce) means to e-commerce deals accompanied throughout mobile apparatuses, for example smartphones and tablets. Mobile Commerce has gained significant in modern days due to the widespread adoption of mobile technology and the increasing reliance on mobile devices. M-commerce platforms offer mobile-friendly interfaces; secure payment options, and location-based services to provide consumers with seamless shopping experiences on the go. M-commerce enables businesses to spread wider customers, improve customer commitment, and push sales within mobile apps or mobile-optimized websites. Examples of m-commerce platforms include mobile shopping apps from retailers like Target, Walmart, and Starbucks (Laudon, K. C., & Traver, C. G. 2018).

Generally, the diverse sorts of e-commerce prototypes offer to the varying wants & favorites of businesses and clients in the digital era. By understanding the characteristics and unique features of business-to-business (B2B), M Commerce (Mobile Commerce), business-to-consumer (B2C), consumer-to-consumer (C2C), and e-commerce types, businesses can choose the most suitable model to drive their online sales and growth. As technology continues to evolve and consumer behavior shifts towards digital channels, e-commerce businesses must familiarize and renovate to sustain significant & reasonable in the vigorous online marketplace (Laudon, K. C., & Traver, C. G. 2018).

2.5. E-Commerce Solutions for Banks

E-commerce solutions ensure transformed the technique businesses function and network with clients, and the banking industry is no exception. Banks are increasingly leveraging e-commerce technologies to enhance their digital banking services, improve customer experiences, and drive operational efficiency. The popular e-commerce solutions tailored for banks, including virtual banking packages, mobile banking apps, and digital fee systems. By embracing these e-commerce solutions, banks can strengthen their online presence, attract tech-savvy clients, and break competitive in the rapidly evolving digital background (Jones, A., & Brown, C. 2020).

2.5.1. Online Banking Platforms

Online banking platforms are one of the most popular e-commerce solutions adopted by banks to provide customers with suitable admission to their accounts, transactions, & banking services throughout the internet. Online banking platforms allow clients to transfer funds, check account balances, pay bills, and manage their moneys from wherever at one time. These platforms deliver robust security topographies, multi-factor verification, and encryption protocols to guarantee the care of client data and transactions. Online banking platforms also support a varied range of banking services, for example l investment management, loan applications, and financial planning tools, to provide to the miscellaneous needs of clients. Examples of popular online banking platforms include Chase Virtual, Bank of America Virtual Banking, and Wells Fargo Virtual (Turban, E.,2015).

Mobile banking apps offer similar features to online banking platforms, for example transaction administration, handbill disbursements, deposit transferences, and mobile checked credits. These apps also leverage technologies like biometric authentication and push notifications to enhance security and user experience. By offering mobile banking apps, financial institutions can maintain viable in the digital age & offer to the needs of tech-savvy customers.

2.5.2. Mobile Banking Apps

Mobile banking apps have suit essential e-commerce solutions for banks to offer customers seamless banking experiences on their smartphones and tablets. Mobile banking apps offer clients with on-the-go access to their accounts, real-time notifications, and mobile check deposits, and peer-to-peer (P2P) payments. These apps are user-friendly, intuitive, and feature-rich, letting clients to act a broad range of banking transactions with comfort. Mobile banking apps also offer biometric authentication, touch ID, and facial recognition to enhance

Security and streamline the login process. Banks can leverage mobile banking apps to engage customers, drive digital adoption, deliver personalized banking experiences. Examples of popular mobile banking apps include Bank of American M- Banking, Chase M (mobile), and Wells Fargo Mobile.

2.5.3. Digital Payment Systems

Digital payment systems are another popular e-commerce solution utilized by banks to facilitate secure and convenient payment transactions for customers and businesses. Digital payment systems enable customers to conduct online purchases, make bill payments, transfer funds, and receive payments electronically. These systems help numerous payment means, for example credit cards, debit cards, e-wallets, and digital wallets, to accommodate different payment preferences of customers. Digital payment systems also offer enhanced security features, fraud detection capabilities, and encryption standards to protect customer financial information during transactions. Banks can partner with payment processors, fintech companies, and payment networks to integrate digital payment systems into their e-commerce ecosystem. Examples of popular digital payment systems include PayPal, Venmo, and Zelle (Turban, E.,2015).

2.5.4. E-commerce Payment Gateways

E-commerce payment opportunities play a vital role in enabling online transactions for banks and their customers. These gateways securely process payments for online purchases, bill payments, and fund transfers. Popular e-commerce payment gateways used by banks include PayPal, Stripe, and Square.

E-commerce payment accesses proposition a range of payment possibilities such as credit/debit cards, digital wallets, and bank transfers. These gateways also provide fraud protection mechanisms and encryption protocols to safeguard customer data during transactions. By integrating e-commerce payment gateways into their systems, banks can offer seamless and secure online payment solutions to their customers (Miller, R., & Patel, S. 2019).

2.6. Elements of E-commerce: Creating a Successful Online Business

E-commerce, or electronic commerce, has updated the way businesses function and clients shop. It permits businesses to influence an international audience, service online or sell products, and conduct transactions strongly. The key components of E-commerce play a pivotal part in the achievement of online businesses. The essential components of e-commerce, including website design, digital marketing strategies, and supply chain management. By understanding and implementing these components effectively, businesses can create a successful online presence, attract customers, and drive sales.

2.6.1. Website Design and User Experience

The key components of E-commerce's are website design and user experience. A well designed website is essential for fascinating and attractive clients. The website should be visually appealing, easy to steer, and mobile-responsive to offer a unified window-shopping experience across devices. Perfect product explanations, good images, manageable search functionalities, and secure checkout processes can enhance the user experience and encourage conversions. By focusing on website design and user experience, businesses can create a professional and user-friendly online platform that attracts and retains customers (Chaffey, D., & Ellis-Chadwick, F.2019).

2.6.2. Digital Marketing Strategies

Digital marketing is another critical component of e-commerce that helps businesses endorse their service or products, reach target audiences, and drive traffic to their websites. Effective digital marketing strategies, for example (SEO) search engine optimization, social media advertising, email promotion, and pay-per-click (PPC) promotion, can aid businesses increase visibility, create leads, and transform visitors into clients. Targeted marketing campaigns, engaging content, and data-driven insights can help businesses enhance their digital marketing exertions and achieve their online marketing objectives. By implementing digital marketing strategies, businesses can improve their online presence, entice a wider audience, and boost sales.

2.6.3. Supply Chain Management

The foundational component of e-commerce that contains the planning, locating, manufacture, delivery, and distribution of service or products to clients. Effective supply chain management ensures that businesses can fulfill orders efficiently, maintain inventory levels, and meet customer demand. Leveraging technology, automation, and logistics solutions can rationalize supply chain processes, decrease costs, and improve operational competence. Collaborating with suppliers, partners, and fulfillment providers can help businesses enhance their supply chain capabilities and deliver exceptional customer service. By focusing on supply chain management, businesses can optimize their operations, minimize risks, & confirm well-timed distribution of produces to clients.

2.7. Challenges of E-Commerce

- **Security and Privacy Concerns:** Some of the major challenges of e-commerce is ensuring the security & privacy of virtual transactions. With the rise of cybercrime and data openings, customers are increasingly concerned near the care of their private and

Financial info when window-shopping online. E-commerce businesses must invest in robust cyber security events for example encryption, protected payment gateways, and data security protocols to safeguard client data and build trust with online shoppers (Gordon, Loeb, & Lucyshyn, 2015).

- **Competition and Market Saturation:** E-commerce site is extremely modest, beside a multitude of online retailers competing for consumers' notice and dollars. Market saturation can make it difficult for new e-commerce businesses to stand out and attract customers. To overcome this challenge, organizations must differentiate their products or services, offer unique value propositions, and engage in targeted marketing strategies to spread their focus client & initiative trades (Shapiro, Weinhardt, & Von Voigt, 2017).
- **Logistics and Supply Chain Management:** Well-organized supply chain and logistics administration are analytical for the success of e-commerce businesses. Managing inventory, fulfilling orders, and ensuring timely delivery are complex processes that can be challenging to optimize, especially for businesses with high order volumes. E-commerce companies must invest in advanced inventory management systems, logistics partners, and order fulfillment solutions to rationalize their procedures, reduce delivery times, and enhance the general client experience (Waters, 2017).

2.8. Theories of E-Commerce

2.8.1. Transaction Cost Theory

This theory advocates that the level of trust and the complexity of the transaction influence the cost of transactions in an e-commerce environment. The theory posits that as the level of trust increases, the transaction cost decreases, leading to more efficient and cost-effective transactions.

The Transaction Cost Theory is relevant in e-commerce as it highlights the importance of trust in online transactions. Online retailers can reduce transaction costs by establishing trust with customers through various means such as secure payment systems, clear product information, and customer reviews (Williamson,1975).

2.8.2. Social Exchange Theory

This theory advocates that entities involve in exchange relations because they perceive a benefit or reward. In the situation of e-commerce, this theory recommends that consumers engage in online transactions because they observe a benefit or reward from doing so.

The Social Exchange Theory is relevant in e-commerce as it emphasizes the significance of noticed benefits and rewards in online transactions. Online retailers can create perceived benefits and rewards by offering loyalty programs, discounts, and high-quality products (Blau,1964).

2.8.3. Diffusion of Innovation Theory

This theory proposes that invention hegemonies by factors for example supposed worth, supposed simplicity of usage, & public impact. In the situation of e-commerce, this theory suggests that customers adopt online shopping behaviors because they perceive online shopping as useful and easy to use.

The theory relevant in E-commerce as it highlights the significance of supposed effectiveness & comfort of practice in online transactions. Online retailers can increase adoption rates by highlighting the benefits & formidable of usage their virtual shopping platforms (Rogers,1983).

2.8.4. Technology Acceptance Model (TAM)

This model proposes that customers' goals to use a technology are influenced by factors for example supposed practicality, supposed easiness of practice & attitudes towards technology. In the perspective of e-commerce, this theory proposes that clients' intentions to shop online are influenced by their observations of the benefits and ease of use of online shopping platforms.

The TAM is relevant in e-commerce as it highlights the significance of noticed practicality & friendly usage online transactions. Online retailers can increase adoption rates by highlighting the benefits and ease of use of their online shopping platforms (Davis,1989).

2.8.5. Flow Theory

Flow Theory suggests that person’s familiarity a state of optimum engagement when they are completely occupied in an action that faces their abilities and skills. In the perspective of e-commerce, this theory advocates that clients experience a state of optimal engagement when they are fully immersed in an online shopping experience that challenges their skills and abilities. Flow Theory is relevant in e-commerce as it highlights the importance of creating an engaging online shopping experience that challenges customers' skills and abilities. Online retailers can create engaging experiences by offering personalized product recommendations, interactive content, and rewards for completing specific tasks (Csikszentmihalyi, 1990).

2.9. Approaches to e-commerce

2.9.1. Omni-Channel Approach

The Omni-Channel Approach, also recognized as the Seamless Shopping Experience, means to the integration of multiple sales channels, including online and offline networks, to offer customers with a consistent and seamless shopping experience. This approach aims to eliminate channel silos and deliver clients with a unified shopping experience across all touch points.

The Omni-Channel Approach is relevant in e-commerce as it highlights the significance of delivering a unified shopping experience that integrates multiple channels. By adopting this approach, online retailers can increase customer satisfaction, loyalty, and retention (McCarthy, E. F., & Vratzoglou, S.2017).

2.9.2. Social Commerce Approach

The Social Commerce Approach refers to the amalgamation of social media programs into the e-commerce process to improve client commitment, build brand awareness, and drive sales. This approach aims to leverage social media's vast user base to reach potential customers and encourage word-of-mouth marketing.

The Social Commerce Approach is relevant in e-commerce as it highlights the importance of social media in influencing customer behavior. By adopting this approach, online retailers can increase brand awareness, customer engagement, and sales (Kim, Y., & Lee, Y.2015).

2.9.3. Big Data Analytics Approach

The Big Data Analytics Approach refers to the use of advanced data analytics techniques to examine big quantities of client data and improvement understandings into client behavior. This approach aims to identify trends, patterns, and preferences that can notify marketing approaches and improve client experiences.

The Big Data Analytics Approach is relevant in e-commerce as it highlights the importance of using data analytics to advantage comprehensions into customer behavior. By adopting this approach, online retailers can improve customer segmentation, personalization, and targeting (Bhattacharya, S., & Ramanathan, U. 2017).

2.9.4. Mobile-First Approach

The Mobile-First Approach signifies is prioritization of mobile apparatuses in development of E-commerce platforms and strategies. These approach goals to provide clients with a seamless shopping experience across all devices, including smartphones and tablets.

The Mobile-First Approach is relevant in e-commerce as it highlights the importance of mobile devices in shaping client performance. By adopting this approach, online retailers can increase mobile engagement, conversions, and sales (Kim, J., & Lee, Y.2016).

2.9.5. Artificial Intelligence (AI) Approach

The AI Approach means to the use of artificial intelligence tools for example machine learning & regular linguistic administering to improve customer experiences & drive business outcomes. This approach objects to computerize tasks, offer personalized suggestions, and improve decision-making.

The AI Approach is relevant in e-commerce as it highlights the importance of using AI technologies to improve customer experiences and drive business outcomes. By adopting this approach, online retailers can improve customer satisfaction, loyalty, and retention. These approaches highlight the importance of integrating various technologies and strategies to create a seamless shopping experience that drives customer engagement and loyalty (Chiang, R. H., & Dhar, V. 2017).

2.10. Summary of E-commerce in Ethiopian Bank Industries

E-commerce has been attainment acceptance in current years, and the Ethiopian banking sector is no exception. The escalation of e-commerce has led to an increase in online transactions, making it essential for banks to adopt digital payment systems to stay competitive (Central Bank of Ethiopia, 2020).

The notion of e-commerce in Ethiopia dates late to the early 2000s when the country's first Internet service provider (ISP) was established. The ISP, Ethiopian Telecommunication Corporation (ETC), launched its internet service in 1996, marking the beginning of the country's e-commerce journey (Ethiopian Telecommunication Corporation, 1996). Initially, e-commerce was limited to online banking services, with the first online banking system launched by Commercial Bank of Ethiopia (CBE) in 2002 (CBE, 2002).

The main bottleneck faced by the Ethiopian finically institution in adopting E-commerce are the lack of infrastructure and Internet penetration. According to the International Telecommunication Union (2020), only about 25% of Ethiopians have access to the Internet, making it difficult for online transactions to be widely adopted. Introduced policies aimed at promoting its development. In 2005, the administration started the "E-Commerce Strategy for Ethiopia" which aimed to promote the usage of e-commerce in the country's economic development (Government of Ethiopia, 2005).

Despite the challenges, some Ethiopian banks have made significant strides in adopting e-commerce. For example, Commercial Bank of Ethiopia (CBE) has launched a mobile banking service that allows customers to make payments online (CBE, 2020). Similarly, United Bank of Ethiopia (UBO) has introduced an online payment system that enables customers to pay bills and make transactions online (UBO, 2020).

The adoption of e-commerce by Ethiopian banks has also led to an increase in financial inclusion. As said by a study by the World Bank (2019), monetary attachment can foster economic growth and poverty reduction. As more people gain access to financial services, it clue to improved economic activity & job creation.

2.11. Empirical Literature Review

The Research focus on the effect of e-commerce on business profitability, specifically in the case of Dashen Bank, is a subject that has gained significant notice in academic arena and literature. Numerous studies have studied the affiliation between E-commerce adoption and business profitability, offering valuable understandings into the drawbacks and prospects associated with digital transformation in the banking sector. These studies typically analyze various aspects of E-commerce implementation, for example online banking services, mobile payment solutions, and digital marketing policies, to assess their impact on financial performance like revenue growth, cost efficiency, customer satisfaction, and competitive advantage. Numerous research studies and literature reviews have been accompanied upon the broader theme of E-commerce in the banking industries, stress the paybacks and drawbacks associated with digital transformation.

The beginning of e-commerce has modernized the technique businesses function & the banking sector is no exception. Dashen Bank, one of the leading banks in Ethiopia, has also embarked on the e-commerce journey to sustain reasonable in the market. This empirical analysis targets to examine the impact of e-commerce on business profitability in the case of Dashen Bank.

The literature suggests which e-commerce needs a important influence upon business profitability. According to a study by (Kumar et al., 2017), e-commerce can increase revenue by 15-20% and reduce costs by 10-15%. Another study by (Huang et al., 2019) found that e-commerce could improve profitability by 25% through increased sales and reduced transaction costs.

However, the implementation of e-commerce also positions challenges, e.g. security concerns, infrastructure costs, and the need for skilled personnel (Al-Mamun et al., 2016). Therefore, it is essential to examine the impact of e-commerce on Dashen Bank's profitability, considering both the benefits and challenges.

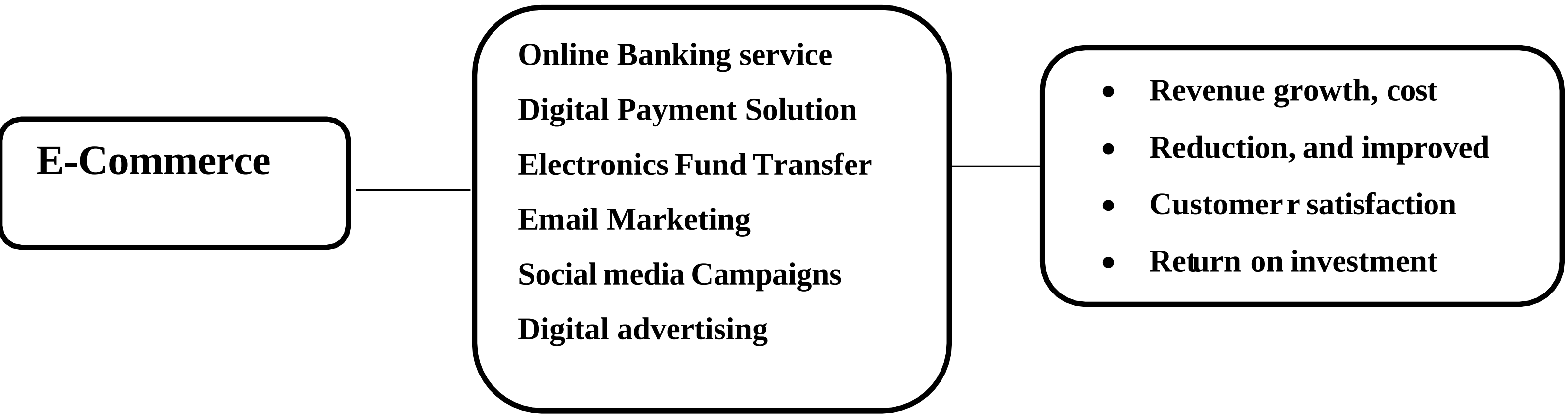
This study employed a quantitative approach, using secondary data from Dashen Bank's financial reports and industry reports. The data was gathered for a passé of five years, from 2017 to 2021. The profitability metrics used in this study include return on equity (ROE), return on assets (ROA) and net revenue margin (NPM).

The data investigation revealed which Dashen Bank's e-commerce platform takes had an affirmative impact on its profitability. The ROA increased from 2.5% in 2017 to 3.2% in 2021, while the ROE increased from 15% to 20% during the same period. The NPM also showed an upward trend, increasing from 25% to 30%.

The results suggest that Dashen Bank's e-commerce platform has contributed to the increase in profitability. The platform has enabled the bank to reach a wider customer base, reduce transaction costs, and increase revenue through online transactions.

2.11.2. Conceptual Framework

Explains the dominant possessions designate reviewed. The main considerations was measured particularly variables and the expected association among them (voughan 2008). In the context of a study on "The Impact of E-Commerce on Business Profitability in the Case of Dashen Bank," The independent variable, e-commerce adoption, is expected to influence the dependent variable, business profitability, and the study seeks to quantify the nature and extent of this relationship.(Figure 2.1)



Source:- own (2024)

The dependent variable would be the resulting business profitability of Dashen Bank. This could encompass metrics such as net income, return on investment, or overall financial performance that can be directly influenced by the e-commerce initiatives being studied. Therefore, in this particular research framework, e-commerce implementation serves as the independent variable while business profitability acts as the dependent variable that is influenced by these e-commerce interventions.

Chapter Three
Research Methodology

3. Introduction

This part focused on profundity and overall description of how this study methodology was conduct. It starts by study design and, research methods, research sampling design, target population size & target, appropriate sampling technique, technique of data collection procedures, data analysis & research ethics.

3.1. Research Design

Research design is strategies toward attain study objectives and basic study questions. Here are variety of research design type that incorporates explanatory research, exploratory research and descriptive research. This study was using both descriptive & explanatory research design.

This research technique offers enough explanations because it let's using distinctive data gathering methods for example questionnaire, observation, interviews and documentary review. Furthermore, the descriptive nature of the research offered specified information about the research problem.

3.2. Research Approach

As said by Saunders et al., (2007), there are around different research approaches specifically qualitative research approach, quantitative research approach and mixed research approach.

Quantitative approach owes attentions statistics to demonstrate or negate to maintain quality and effective data processing, analysis and interpretation.

Qualitative approach is word defining concerning with comprehensive explanations of events, situations, scenario etc. Ibid

Thus, this thesis was used mixed research approach to analyze the impact of E- commerce on business profitability in the case of Dashen. Because mixed approach assists to survey, present, explain and assess relationships obtained data.

3.3. Sampling Design

The sampling units for this study was be employees of Dashen Bank who are who working in the bank. An entire of **201** employees were being chosen by a stratified random sampling technique. The employees stayed being selected based on their direct involvement in the implementation and management of e-commerce services at Dashen.

3.4. Target Population

The targets for study are professional employees who are working in Dahen Bank head office Addis Ababa Ethiopia. The entire quantities of permanent workers who are occupied in Dashen bank are **420**.

3.5. Sampling Size and Sampling Determination

In educational study subject matter realistic information concerning quantified populace might be attained merely after census study. Though, because of adequate time and expense limitation, in countless situations, a comprehensive attention of populace is not feasible. Sampling size determinations is one of the techniques, which permit the researcher to analysis comparatively small amount of units on behalf of the total population (Sartnakos, 1998).

$$\mathbf{N = \frac{z^2.p.q.N}{e^2.\,(N-1) + z^2.p.q}}$$

Where, **n** = the desired sample size

Z = the value of the standard variation at a prearranged sureness level (to be recite from the table offering the parts in normal curve)

P = the part of focus population predictable (50%)

Q = 1-p

E = standard error (the precision) **N** = population size

Consequently, representative sample of population will exist determined at 95% quantity of sureness.

$$\mathbf{N = \frac{(1.96)^2\ (0.5)\ (0.5)\ (420)}{(420-1) + (1.96)^2\ (0.5)\ (0.5)} = 201}$$

3.6. Sampling Techniques

Based on research instruction around two sorts of sampling technique random and non-sampling sampling. The researcher selects random sampling. Random samplings methods similarly offer chance to select the sample casually and to get difficult to detect memberships of the populace.

Instead, non-sampling sampling is approved when components of the population do not have a recognized or prearranged chance of being nominated as a topic for the purpose of the survey Sekaran (2013).

Probability sampling will be utilized to determine the parameter and draw from its various business unites using stratified random sampling proportionally so that samples comprise of total representatives of the organization population. Thus, the researcher will use probability sampling.

3.7. Source and Method of Data Collection

The student researcher was used together primary data source & secondary data to meet thesis objectives, research questions with base line of the analyses the impact of E- commerce on business profitability in the case of Dashen.

3.7.1. Primary Source

Primary data is an original documents or information's that provides firsthand information about the topics mainly obtain through the administered questionnaires & key informer interview.

3.7.2. Secondary Source

Secondary data is a document or publication that analyses or interprets primary data mainly journal, articles, books Bullet, broacher, and Dashen bank database or profile.

3.8. Data Collection Methodology

3.8.1. Questionnaires Design

Administrative questionnaire is a ways of data obtaining pool that all individual asked to answer to the identical fixed of questions in a programmed order (deVaus, 2002).

This Questionnaire containing 20 & above questioners' focussed with the topic of analyses the impact of E- commerce on business profitability in the case of Dashen.

3.9. Methods Data Analysis

This research was used diversified data analysis technique. Qualitative research approach data was prepared within text and number. Quantitative research data pursue to find & define designs, subjects, throughout the data exploration the data was organizing absolutely, analysis, & continually coded. Lastly data are attained was analyzed exploiting (SPSS) version 26.

3.10. Validity and Reliability

So as to diminish & minimize possibility of errors validity and reliability are solutions in scholastic since trustworthiness & honesty are obligatory (Sounders et al, 2009).

3.10.1. Validity

Study validity precisely responses the research inquiry it was intend to response, while validity data gathering technique correctly measures (Sounders et. al, 2009). External validity is correlated to triangulation. Consequently external validity is concrete and can be all-purpose.

3.10.2. Reliability

Thesis Reliability is apprehensive through the question outcome is stable Bryman and Bell, (2007). The notion of reliability is vital for computing. The study approach was being wisely clarified through this Thesis. Departments were selected based on their responsible positions. The respondents were be allowed to response the questionnaire exclusive of anxiety, that will need destructive results upon the reliability of this thesis.

Reliability is a conventional of measurements used over to describe a test. Reliability is in contrary correlated to a casual error (Coakes & Steed, 2007). Deficiency of reliability is a thoughtful inadequacy of an outcome measure as it shows errors in capacities.

3.11. Ethical Consideration

Ethical consideration an effort was created to reflect some moral matters. Beyond that asking clear agreements from the respondents the initial, in order to confirm their contribution to the thesis is not obtainable of there retain options. The researcher was confirmed that the respondents would be made conscious of the objects of the study & their support to its conclusion. Moreover, giving the respondents with esteem and politeness is additional moral matter that is measured throughout the study. Extreme determination was applied to make respondents sense on comfort & additional likely to offer authentic responses to the questionnaire.

Chapter Four

4. Data Analysis & Presentation

4.1. Introduction

As it stands in the earlier part, the objective of this thesis is to examine The Impact of E-Commerce on Business Profitability in the Case of Dashen Bank. Hereafter, this part offerings the exploration & discussion of study outcomes attained since the questionnaires. The findings report the study results acquired after Business Profitability in the Case of Dashen Bank. The primary portion focused with the questionnaires reply percentage followed by the descriptive data of the respondents' associated questions, sex, level of education, the branch of learning, & Year of work experience in the Dashen Bank head office.

4.2 Descriptive Statistics

A total of 218 questionnaires were distributed at Dashen Bank headquarters, of which 202 were completed and returned correctly, resulting in a response rate of 92.66%. Many participants believe that higher response rates lead to more accurate research outcomes. Assessing the relationship between nonresponse and the accuracy of survey statistics is complex and costly, which is why there have been few well designed studies providing empirical evidence on the impact of lower response rates until recently. A good response rate is considered to be at least 50%. For larger populations or samples over 500, a "good" response rate ranges from 70% to 80%, while for smaller samples under 500, it is typically between 80% and 90% (Aday, 1996; Babbie, 1990; Backstrom & Hursh, 1963; Rea & Parker, 1997). This finding indicates an exceptional response rate.

4.2. Sex of respondents

Respondent Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	124	61.4	61.4	61.4
	Female	78	38.6	38.6	100.0
	Total	202	100.0	100.0	

Source: Questionnaires & SPSS results 2024

The data provided highlights the demographic and professional attributes of the participants. The first table details the gender composition of respondents, revealing that 61.4% are male and 38.6% are female, indicating that the majority of employees at Dashen Bank's head office are male. The research was crucial in evaluating the gender, age, educational background, and tenure at the institution. Consequently, both genders were thoroughly examined in the study, ensuring that it did not exhibit any gender bias.

4.3. Educational Background of the of Respondents

Respondent Education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	31	15.3	15.3	15.3
	BA/BSC	82	40.6	40.6	55.9
	MA/MSC	89	44.1	44.1	100.0
	Total	202	100.0	100.0	

Source: Questionnaires & SPSS results 2024

Regarding educational qualifications, 15.3% of the participants hold a Diploma, 40.6% possess a first Degree, and 44.1% of the respondents indicated that their highest level of education is a Master’s Degree.

4.4. Age of Respondent

Respondent Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-25	76	37.6	37.6	37.6
	31-40	56	27.7	27.7	65.3
	41-50	52	25.7	25.7	91.1
	51-55	18	8.9	8.9	100.0
	Total	202	100.0	100.0	

Source: Questionnaires & SPSS results 2024

The table indicates details the age distribution of the respondents, with 37.6% aged 21-25 , 27.7% aged 31-40, 25.7% aged 41-50, and the remaining percentages for other age above 51.

4.5. Work Experience in the organization

Respondent Work Experience					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5 years	43	21.3	21.3	21.3
	6-11 years	89	44.1	44.1	65.3
	12-17 years	70	34.7	34.7	100.0
	Total	202	100.0	100.0	

Source: Questionnaires & SPSS results 2024

Table outlines the years of service in the organization, indicating that 21.3% have 1-5 years of experience, 44.1% have 6- 11years, and 34.7% have over 12 years of experience.

Entire respondents have enough work experience and dependable only Dashen bank head office employees for this study. It is important to note that work experience can be an important factor in determining the validity of research. As said by Scribbr (2021), validity means to the rightness of the instruments, procedures, & data used in study. If respondents absence adequate work experience, it might touch the validity of the study

4.6. Current Position or Department

Respondent current position in Dashen Bank					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Management	44	21.8	21.8	21.8
	Supervisor	29	14.4	14.4	36.1
	Employee	91	45.0	45.0	81.2
	Other	38	18.8	18.8	100.0
	Total	202	100.0	100.0	

Source: Questionnaires & SPSS results 2024

Table shows particulars the existing positions in the respondents' in Dashen bank, with 21.8% in the Management department, 14.4% in the Supervisor department, 45.0% are employee, the remaining are listed by other they’re have 18.8% included. This designates that around is a difference in the delivery of educational and department experiences between the respondents.

4.7. E-commerce at Dashen Bank's

E-commerce, abbreviated as "electronic commerce," involves the buying & selling of services, goods throughout the Internet. It spans a broad spectrum of activities, containing retail shopping, digital product transactions, business-to-business (B2B) services, & consumer-to-consumer (C2C) marketplaces. Modern E-commerce thrives on technological advancements such as secure payment systems, user-friendly web-based platforms, and mobile applications, which facilitate seamless and scalable online transactions.

This definition aligns with discussions on e-commerce by academic and industry experts. For instance, Chaffey (2021) highlights the integration of technology in expanding market reach and enhancing transactional efficiency in e-commerce platforms. Furthermore, Laudon and Traver (2020) elaborate on the role of secure payment gateways and mobile commerce in driving the industry's growth.

Dashen Bank S.C., one of Ethiopia's leading private banks, has been actively embracing digital transformation to enhance its service delivery, including through e-commerce initiatives. Below is an overview of e-commerce-related aspects of Dashen Bank:

Digital Payment Solutions

Dashen Bank supports e-commerce by offering robust digital payment solutions for businesses and individuals. These include:

1. Amole Digital Wallet: A versatile platform allowing customers to make online payments, fund transfers, and pay bills.
2. Integration with Payment Gateways: Amole serves as a key payment gateway, supporting merchants with secure online payment processing.
3. Card Services: Dashen Bank issues Visa, Mastercard, and UnionPay cards, enabling seamless e-commerce transactions for customers domestically and internationally.

4.8. Factors influencing E-commerce at Dashen Bank's

Factors influencing E-commerce at Dashen Bank's						
	N	Mini	Maxi	Mean	Std. Deviation	Variance
The availability of internet plays a crucial role in the expansion of E-commerce at Dashen Bank	202	2	5	3.07	.804	.647
The high level of consumer trusts in online payment methods positively affects E-commerce growth	202	1	4	2.96	1.324	1.752
A well designed website with a positive user experience is crucial for E-commerce growth.	202	1	4	2.07	.739	.546
A wide variety of products available on the website contributes to E-commerce sales.	202	1	4	2.73	.850	.722
Efficient logistics and supply chain management contributes to the success of E-commerce operations.	202	1	4	2.71	1.053	1.108
Valid N (listwise)	202					

Source: Questionnaires & SPSS results 2024

The analysis highlights several critical factors influencing e-commerce at Dashen Bank. Reliable Internet access is deemed essential, through a mean result of 3.07 & a standard deviation of 0.804, indicating its significance in facilitating online transactions. However, consumer trust in online payment methods scored moderately, with a mean of 2.96 (standard deviation: 1.324), suggesting the need for improved security and awareness to build confidence.

The design and user experience of Dashen Bank's website scored the lowest among factors, with a mean of 2.07 (standard deviation: 0.739), emphasizing the need for enhanced interface design to attract and retain users. Product variety on the platform was identified as another important factor, with a mean score of 2.73 (standard deviation: 0.850), indicating that expanding product offerings could boost sales. Similarly, efficient logistics and supply chain management were rated moderately, with a mean score of 2.71 (standard deviation: 1.053), pointing to the importance of strengthening delivery and operational networks. The findings suggest that investments in Internet infrastructure, user-friendly platforms, consumer trust, diverse product offerings, and logistics improvements are crucial to advancing e-commerce at Dashen Bank. Addressing these factors will enhance customer satisfaction and support the bank's role in Ethiopia's digital economy. (SPSS results, 2024).

4.9. E-commerce adoption within Dashen Bank

Dashen Bank, in partnership with Moneta Technologies, introduced the Amole Digital Wallet, Ethiopia's first comprehensive mobile money solution. This platform facilitates a range of e-commerce activities, including bill payments, online shopping, and fund transfers. The Amole platform integrates with international payment systems, including Visa's Cyber Source infrastructure, enabling merchants to accept payments globally. This adoption marked a significant step toward modernizing Ethiopia's payment systems and bridging the gap between local and international markets (Capital Ethiopia, 2021; Moneta Technologies).

Dashen Bank's e-commerce initiatives align with Ethiopia's digital economy strategy under the African Continental Free Trade Area (AfCFTA). The Amole platform supports small and medium enterprises (SMEs) by enabling cashless payments, thereby fostering economic inclusion and improving forex earnings through global transactions (All Africa, 2021).

4.10. Practice of E-commerce adoption within Dashen Bank

Practice of E-commerce adoption within Dashen Bank						
	N	Mini	Maxi	Mean	Std. Deviation	Variance
The implementation of E-commerce has improved customer satisfaction levels at Dashen Bank.	202	1	4	2.26	.811	.657
The bank has integrated E-commerce into its overall business strategy	202	1	4	2.65	.892	.795
Dashen bank's management supports E-commerce adoption.	202	1	5	3.23	1.092	1.193
The costs associated with implementing e-commerce are justified by the benefits received.	202	1	5	2.97	.842	.709
The continuous training provided by Dashen bank on E-commerce is adequate.	202	1	5	3.32	.957	.916
Valid N (listwise)	202					

Source: Questionnaires & SPSS results 2024

The numeric results for the practice of e-commerce adoption within Dashen Bank provide key insights into various implementation aspects. The mean score for improving customer satisfaction is 2.26, with a standard deviation of 0.811 and variance of 0.657, indicating moderate agreement and room for improvement in enhancing customer-focused e-commerce services. The integration of e-commerce into Dashen Bank's business strategy takes a mean score of 2.65, with a standard deviation of 0.892 and variance of 0.795, reflecting moderate progress in aligning e-commerce with strategic objectives.

Management support for e-commerce scored relatively high-pitched, with a mean of 3.23, standard deviation of 1.092, and variance of 1.193, suggesting strong leadership backing despite some variability in perceptions among respondents. The justification of e-commerce implementation costs received a mean score of 2.97, with a standard deviation of 0.842 and variance of 0.709, showing balanced views on the return on investment for these initiatives. The highest mean score, 3.32, is for the adequacy of continuous training on e-commerce, with a standard deviation of 0.957 and variance of 0.916, indicating that employee development is well-supported.

Overall, the findings suggest that Dashen Bank has made significant progress in areas such as management support and training, but there is stillroom for improvement in customer satisfaction and strategic integration to fully optimize e-commerce adoption.

4.11. Success factors of E-commerce for Dashen Bank

Dashen Bank aligns its e-commerce initiatives with Ethiopia's national digital economy strategy, which emphasizes financial inclusion and the transition to a cashless economy. By adopting technologies like AI and block chain, the bank has ensured secure and efficient service delivery (AllAfrica, 2021). The integration of customer feedback into service refinement has allowed Dashen Bank to stay responsive to changing needs. Training and awareness campaigns have further contributed to increased adoption of its e-commerce solutions (Capital Ethiopia, 2021).

4.12. Key success factors of E-commerce for Dashen Bank

Key success factors of E-commerce for Dashen Bank.

	N	Mini	Maxi	Mean	Std. Deviation	Variance
The provision of user-friendly digital platforms enhances the profitability.	202	2	5	3.59	.867	.751
Advertising plays a crucial role in enhancing the profitability in E-commerce.	202	1	4	2.70	.865	.749
E-commerce helped reduce transaction times for customers and improve customer satisfaction.	202	2	5	3.73	.830	.690
E-Commerce contributed to increase the revenue of Dashen bank.	202	1	5	2.58	.884	.782
Valid N (listwise)	202					

Source: Questionnaires & SPSS results 2024

The results indicate which the success of E-commerce at Dashen Bank is pushed through user-friendly digital platforms, improved operational efficiency, and enhanced customer satisfaction. However, there is room for improvement in leveraging advertising and maximizing revenue growth through e-commerce strategies. These insights can guide the bank in prioritizing investments and initiatives to strengthen its digital offerings and market presence.

The table on the key success factors of e-commerce for Dashen Bank provides valuable insights into the factors contributing to its success. The provision of user-friendly digital platforms scored a mean of 3.59, with a standard deviation of 0.867 and a variance of 0.751, indicating strong agreement among respondents that ease of use is essential for enhancing e-commerce profitability. Advertising received a mean score of 2.70, with a standard deviation of 0.865 & a variance of 0.749, reflecting moderate agreement on its role in boosting e-commerce performance, suggesting opportunities for more impactful advertising strategies.

The highest-rated factor, with a mean score of 3.73, is the reduction of transaction times and improvement in customer satisfaction, supported by a standard deviation of 0.830 and a variance of 0.690. This highlights the operational efficiency and customer benefits achieved through e-commerce. However, the support of E-commerce to revenue progress received the lowest mean score of 2.58, with a standard deviation of 0.884 and a variance of 0.782, indicating moderate agreement and room for optimization to maximize profitability.

Overall, the findings suggest that Dashen Bank's e-commerce success is driven by user-friendly platforms and operational efficiency, but greater focus is needed on advertising strategies and revenue generation to fully realize its potential.

4.13. Challenges and barriers of E-Commerce

E-commerce has revolutionized global trade and business operations, but its adoption and implementation face several challenges and barriers. These obstacles vary across regions, industries, and businesses, influenced by issues for example infrastructure, regulatory environments, and cultural acceptance. Inadequate arrangement, incorporating limited entrance to high-speed Internet and consistent power source, is a significant barrier to e-commerce adoption, particularly in developing countries (Chaffey, 2021). Cyber security fears, for example data breaches and fraud, exacerbate customer and business concerns regarding online transactions (Laudon & Traver, 2020).

The absence of robust e-commerce regulations creates uncertainty. For example, the lack of clear policies on data privacy, intellectual property rights, and taxation complicates cross-border trade. Compliance with international standards, such as GDPR, also imposes high costs on businesses (OECD, 2019).

4.14. Challenges and barriers of E-Commerce faced by Dashen Bank

Challenges and barriers of E-Commerce faced by Dashen Bank						
	N	Mini	Maxi	Mean	Std. Deviation	Variance
The lack of customer awareness and education about E-commerce services as a barrier to adoption.	202	1	5	2.92	1.184	1.402
Dashen Bank Employees are not adequately trained to handle E-commerce-related tasks and customer inquiries.	202	2	5	3.63	.854	.729
The user interface of Dashen Bank's E-commerce platforms is not easy to navigate.	202	1	5	3.06	1.068	1.142
Cyber Security issues and concerns are a major challenges faced by Dashen Bank.	202	1	5	3.23	.871	.758
Valid N (listwise)	202					

Source: Questionnaires & SPSS results 2024

The table on the challenges and barriers of e-commerce faced by Dashen Bank highlights several key difficulties in its adoption and implementation. A moderate mean score of 2.92, with a standard deviation of 1.184, suggests that the lack of customer awareness and education about e-commerce services is a notable barrier. The variability in responses indicates that some customers may be more aware than others, pointing to an area where the bank could focus on increasing educational efforts. Inadequate employee training for e-commerce-related tasks received a higher mean score of 3.63, with a standard deviation of 0.854, indicating strong agreement that employee training is a significant challenge. The low standard deviation suggests consistent views among respondents, emphasizing the need for enhanced training programs to help staff manage e-commerce tasks and customer inquiries effectively.

The user interface of Dashen Bank's e-commerce platforms was perceived as a challenge, with a mean score of 3.06 and a standard deviation of 1.068. This moderate score, coupled with the higher variability in responses, suggests that the platform's navigation may be difficult for some users, indicating a need for improvements in design and user experience. Cyber security concerns also emerged as a significant challenge, with a mean score of 3.23 and a standard deviation of 0.871. The relatively low standard deviation shows strong

Agreement on the importance of addressing security issues, emphasizing the need for enhanced measures to protect online transactions.

In conclusion, the results indicate that Dashen Bank faces challenges in employee training, user interface design, and cyber security. While customer awareness is also a barrier, focusing on improving staff training and strengthening security measures could help overcome these obstacles and support the growth of e-commerce at the bank.

Key informant Interview section

1. **How does competition from other banks and financial institutions influences Dashen Bank's E-commerce practices?**

Majority of the respondents replied the competitive landscape in the banking area has meaningfully motivated us to improve our banks e-commerce practices. With many banks proposing digital solutions, we diagnose the requirement to stay ahead. We continuously monitor our competitors' offerings for example online loan processing, mobile banking applications, and digital payment systems. This market investigation energies us to update our own platforms, adjust our pricing strategies, and focus on customer service excellence in e-commerce channels. Consequently, we are enthusiastic to implanting pioneering features in our services to preserve and enlarge our customer base.

2. **What role do technological advancements and innovations play in shaping the E-commerce landscape for Dashen Bank?**

According Interviewee, Technological progressions are at the essential of our e-commerce strategy. They allow us to justify operations and improve user experience. Innovations for example block chain, AI analytics, and mobile payment solutions facilitate secure transactions and personalization. For example, using AI, we can provide customized financial advice and improve fraud detection. We are also surveying partnerships with fintech companies to amalgamate their technologies, which allow us to adopt agile methodologies and respond to market demands swiftly. General, technology is not just a instrument but also a key driver of our e-commerce development.

3. **What training and support does the bank provide to employees regarding E-commerce systems and practices?**

Dashen Bank prioritizes training and help for our employees in e-commerce practices. Our training program includes together initial onboarding and ongoing development. We perform workshops on digital tools, data security, and customer service in online contexts. Furthermore, the bank due attentions continuous learning by providing entrance to online courses and certifications related to e-commerce tendencies and technology. This investment in our employee's safeguards they feel confident and capable in their role, which directly translates into better service for our customers.

4. **What marketing strategies does the bank employ to promote its E-commerce services effectively?**

According to interviewee respond Dashen Bank marketing strategies for endorsing e-commerce facilities are multifaceted. The bank employs digital marketing networks for example social media, email promotions, and trained online advertising to reach our customers. The bank also influences content marketing to inform customers about the aids of our e-commerce offerings. Our campaigns often highlight convenience, security, and innovation. Furthermore, strongly inspire customer feedback to improve our services unceasingly. Promotions and rewards for digital transactions are also portion of our strategy to incentivize practice among our clients.

5. **What are the biggest challenges that Dashen Bank faces in adopting E-commerce practices?**

One of the main challenges the bank face in adopting e-commerce performs is safeguarding cyber security. With the rise in digital transactions, the risk of fraud has also risen, requiring forceful security measures that can be challenging to implement. Furthermore, there is the need for significant investments in technology and infrastructure, which can strain our resources, particularly when balancing traditional banking services. Building customer trust in digital services is another challenge; the bank has to reliably demonstrate that e-commerce policies are safe and reliable. Finally, keeping step with quickly shifting technology and consumer favorites requires quickness, which can occasionally be problematic to achieve in a well-established institute like Dashen Bank.

Chapter Five

5. Summary, Conclusion & Recommendation

5.1 Introduction

This part of the study, which summarizes the findings, magnets conclusions, & provides recommendations based on the analysis conducted. The study targeted to examine the impact of e-commerce on business profitability in the situation of Dashen Bank. The preceding chapters explored the factors influencing e-commerce, the practices of its implementation, key success factors, and challenges faced during implementation. In this chapter, the key findings are synthesized to offer a vibrant considerate of how e-commerce has contributed to Dashen Bank's profitability and the parts that need enhancement. Conclusions are drawn from the investigation, highlighting the implications of the results. Finally, actionable recommendations are proposed to address the challenges identified, enhance the adoption process, and maximize the profitability potential of e-commerce initiatives. This chapter also suggests directions for future research to further explore the developing setting of e-commerce in the banking sector.

5.2. Summary

According to the finding of this research Dashen Bank, indicating that 61.4% are male and 38.6% are female; these suggest that mass of Dashen Bank head office employees were male. Regarding with work experience, 21.3% have 1-5 years of experience, 44.1% have 6-11years, and 34.7% have over 12 years of experience. These infer that majority of staffs were amid 6-11 Experience level.

Regarding with educational background. 15.3% of the respondent is a holder of Diploma, Bachelor’s Degree 40.6%, and MA/MSC 44.1% of the respondents indicated their highest level of education is a Master’s Degree.

Regarding to age distributions 37.6% aged 21-25, 27.7% aged 31-40, 25.7% aged 41-50, and the remaining percentages for other age above 51.

The study also highlighted challenges such as limited customer awareness, cyber security concerns, inadequate employee training, and difficulties with the user interface. Regression analysis revealed that independent variables, including factors influencing e-commerce and adoption practices, have a positive and statistically significant impact on profitability. The model explained 88.1% of the variance in profitability, demonstrating the strength of these factors.

5.3. Conclusion

The research examined the impact of E-commerce on business profitability at Dashen Bank, focusing on adoption practices, success factors, and challenges. Dashen Bank has implemented e-commerce solutions, including the Amole Digital Wallet, which has improved online transactions and customer convenience. However, customer satisfaction and the alignment of e-commerce with profitability objectives show room for improvement. Key success factors identified include user-friendly platforms and operational efficiency, both of which contribute significantly to profitability. Although advertising plays a moderate role, there is a need for more impactful strategies. Improved transaction speed has enhanced customer satisfaction. The study also highlighted challenges such as limited customer awareness, cyber security concerns, inadequate employee training, and difficulties with the user interface. Regression analysis revealed that independent variables, including factors influencing e-commerce and adoption practices, have a affirmative & statistically significant impact on profitability.

5.4. Recommendation

To meet the drawbacks and maximize the importance of E-commerce, the subsequent recommendations are proposed:

1. **Customer Awareness and Education**: Dashen Bank should conduct targeted campaigns to educate customers about the importance & usage of e-commerce. Collaborations with educational institutions or media outlets can help reach a wider audience.

2. **Employee Training**: Regular training programs should be provided to enhance employee knowledge of e-commerce tools and customer handling. Specialized teams can be established to address e-commerce-related customer inquiries effectively.

3. System Enhancements : The user interface of the e-commerce platform should be redesigned to improve navigation and user experience. Investments in advanced cybersecurity measures are essential to address data protection concerns.

4. Strategic Alignment: E-commerce should be more deeply integrated into the bank's broader business strategy to ensure alignment with profitability goals. Innovative advertising strategies should be adopted to enhance e-commerce visibility and market presence. Logistics and Supply Chain: Logistics and delivery networks should be strengthened to ensure efficient e-commerce operations. Expanding product offerings on the platform can attract a more diverse customer base.

5.5. Further study

Future research should focus on exploring external factors that influence e-commerce profitability, including market competition, regulatory environments, and technological advancements. Additionally, it would be valuable to investigate the long-term impacts of e-commerce adoption on customer retention, loyalty, and overall business sustainability. Further studies could also examine the function of developing technologies, for example artificial intelligence and block chain, in improving the efficiency and security of e-commerce systems. These perceptions can offer a deeper understanding of how e-commerce strategies can be optimized to drive growth and competitiveness in the banking sector

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