ADOPTION OF ELECTRONIC BANKING BUSINESS PRACTICE AND ITS USER SERVICE CHALLENGES: THE CASE OF BUNA BANK S.C ADDIS ABABA

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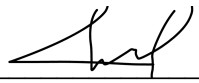
Amare Abawa (PhD)		12/07/2023
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CERTIFICATION

This is to certify that Yohanes Mitiku had carried out his study on the topic entitled Adoption of electronic banking business practice and its user service challenges: the case of buna bank s.c Addis Ababa", under my supervision. The work is original in its nature and is suitable for the award of the Master's Degree in Marketing Management (MM).

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DECLARATION

I, Yohanes Mitiku, declare that this research paper on the topic of "Adoption of electronic banking business practice and its user service challenges: the case of buna bank s.c' is completely a result of my work. I have carried out the paper independently with the support and guidance of the research advisor 'Belaynesh Tefera (PhD)

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Abstract

The purpose of this research was to assess the Adoption of electronic banking business practice and its user service challenges and enablers: the case of Buna bank S.C. The approached to inquiry, and purposive sampling techniques were used to represent a finite population. As a result, out of a total population of 130,000 of these studies were conducted, with 311 from buna bank customers in the south district. The Data were collected from primary and secondary sources and presented by using descriptive statistical tools and inferential statistics. The geographic scope of the study is limited in Addis Ababa south district Buna bank customers). The finding of the study shows of e-banking business practices are influential level special the mobile banking and Debit card practice very influential factors, e-banking practices Technological and customer awareness challenges well identified from customer perception. The enabler is an influential mean result. Therefore: hypothesis result of e-banking challenge (Lack of appropriate legal and regulatory frameworks for e-banking, Technological challenges and Changing bank landscape / habits are accepted). Lack of customer awareness is Rejected because the significant value is 0 and the beta result is positive. Enabler of e-banking practice hypothesis results were found positive (Government commitment, Opportunity e-banking business, Use of agent and usability e-banking and Website quality of E-banking) all those are accepted.

***Key words**, e-banking business Practice, e-banking challenges and enabler of e-banking business practice.*

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List of Abbreviations

TAM: Technology acceptance model

BIB: Buna international bank

PEU: *Challenges*

PU: Enablers

WQ: *Website Quality*

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CHAPTER ONE

INTRODUCTION

This chapter was including background of the study, background of the Organization, statement of the problem, basic research questions, objective of the study, significance of the study, scope are area of study, limitation of the study finally organization of the chapters.

1.1 Background of the study

Companies in the banking industry have become more competitive, necessitating a need for dynamism in company strategy and client satisfaction, which was ultimately run to profit-making. The banking industry has not been left behind by the transformation that information, communication and technology (ICT) have been bringing throughout many human endeavors. Ethiopian banks use the relatively new concept of the twenty-first century, electronic banking to guarantee consumer satisfaction. Despite being customer-focused, a significant portion of the customers have yet to feel the need to place their trust in this system (Oluwapelumi Awoyale. (2021).

The advancement in ICT has created a wide range of opportunities and significant impact on banking industry backed with fierce competition among the competitors. Demand for e-banking services is rising everywhere in the world, but although some banks have been able to meet the requirements for its launch in their host nations, other locations have not fared as well.

Emor (2002) pointed out that although developed nations like the United States, Canada, and other prominent European nations stand out in this development, other success stories have also been documented in less developed nations like India, Malaysia, South Africa, etc. Despite what is thought to be impeding difficulties in other less developed nations, some banks have been successful in nations like Ghana, Nigeria, Kenya, and many others.

To make the concept of making purchases online widely accepted, electronic commerce, built on pioneering firms like America Online, Amazon.com, and eBay, was required. However, the Ethiopian banking system lacks advancement in terms of technology adoption as cash is the dominant medium of exchange than electronic payment systems compared to developed nation.

According to (Consumer 2012) a Consumer Banking Survey, office banking is preferred for deposits, advising, and sales, whereas online bill payment or transfer and balance enquiry are chosen by 55% and 50% of respondents internationally, respectively.

According to (Beccalli 2007) several empirical research on e-banking and bank performance exist despite the rapid expansion and widespread use of e-banking worldwide. However, while some studies provided important guidelines for e-banking strategy decisions, they also provided inconsistent empirical evidence. As an illustration, Ciciretti, Hansan, and Zazzara (2009), Hasan, Maccario, and Zazzara (2002), Yibin (2003), Hernado and Nieto (2006), De Young, Lang, and Nolle (2007), and Furst, Lang, and Nolle (2000) reported positive impact; Delgado, Hernando, and Nieto (2004) and AL-Samadi et al. (2011) observed a negative impact; and Egland.(Beccalli 2007). Hence, such inconsistent result among and between empirical evidences demands further investigation to be assessed from Ethiopian context.

In recent years, online banking, or e-banking, has grown exorbitantly of (Stewart 2002) yet, the growth rate of e-banking has not kept up with that of overall Internet usage. This disparity can be attributed to bank clients' lack of trust, especially in light of the rise in cybercrimes and identity theft (Stewart, ebrary et al. 2002), which demands to have a better grasp of the elements that can increase consumers' faith in e-banking.

Consequently, the above empirical evidence found that the growth of e-banking has not kept up consistently the reason observed in different researchers' negative impact of banking sector internet usage, so this study needs to identify whether the problem is the same in the case of the company or not.

1.2 Background of the Company

Buna International Bank S.C. has joined the Banking industry of Ethiopia following the favorable economic developments witnessed in the country during the last decade and the incessantly growing needs for Financial Services. The bank has obtained its license from the National Bank of Ethiopia NBE on June (25, 2009) in accordance with Licensing & Supervision of Banking Business Proclamation No. 592/2008 and the 1960‟s Commercial Code of Ethiopia. The Bank officially commenced its operation on October 10, 2009 with subscribed & paid-up capital of 308 million Birr and 156 million Birr, respectively. Buna International Bank Share Company (BIB) runs its operations with modern information technologies for its value adding customer services. Furthermore, BIB is running different ICT projects to create more convenience for the customers

to reach them anytime and anywhere. BIB has deployed more than 460 ATMs and many POS terminals; it continues product and service innovations along with technology adoptions to the satisfaction of its customers.

Vision “Buna bank vision is to be a public-powered and uniquely flavored Bank." Mission Our mission is to provide distinctly flavored banking services with unparalleled commitment to enhance values of our key stakeholders and ensure public trust through diversification, state-of-the-art technology, and ethically motivated. To became top three commercial bank in Ethiopia. (Buna Bank, [nd])

1.3 Statement of the Problem

A robust banking sector is critical in every nation today because it can significantly influence economic development by providing effective financial services. As a result, many banks around the world are changing their business models to more effectively and affordably reach customers around the world. The use of E-banking or internet banking is one of the technologies that banks are creating to assist them supply banking products and services through the most cost-effective channels (Furst, Lang et al. 2000). Cognizant to this, e-commerce has empowered the financial markets, by virtue of providing information on a fingertip and settling the payments in the same way (C.S.V Murthy, 2004). However, Commercial banks in Ethiopia, though, they have introduced some of the e-banking technologies (such as ATM based payment system; internet banking, POS (Point of sale (PoS), mobile banking among others), they lagged behind the advancement of e-banking which grow aggressively to maintain their competitive position in the global banking service and this is true for the case company. Despite the Bank’s effort to installing a number of ATMs in its area branches, university compounds, shopping malls, restaurants and hotels to compete in the market, the low level of infrastructural development and lack of integration for technological advancement between banks for e-banking adoption hinders their development in e-banking service (Fekadu, Gardachew, 2009).

Findings from Gutu (2014) demonstrate that some electronic banking has a detrimental effect on the bank’s profitability as clients still rely on traditional banking services.

Poor internet connection, lack of understanding of users, or competition are identified as hinderances for Commercial banks in Ethiopia and their clients from easily utilizing electronic banking, which lowers costs and waiting times through utilizing advanced technology in the

banking sector. Furthermore, the banking industry in Ethiopia is just beginning to adopt the contemporary E-banking techniques (such as ATMs, Debit cards, Credit Cards, Tele Banking, Internet Banking, Mobile Banking, and others) (Fubara, Gao et al. 2012) , hence, providing more alternatives electronic banking services to the clients was increase the profitability of the banks. (Worku, Chang et al. 2022) found that commercial banks operating in Ethiopia have a variety of difficulties (such as the lack of adequate reliable and secure information infrastructure, the lack of adequate legal and regulatory support for E-banking, among other issues) when delivering electronic banking services, however, the finding was not specifically targeting the case company.

Numerous empirical studies have been conducted on the impact of e-banking adoption on banks' performance, according to (Fubara, Gao et al. 2012) some of these studies have found a positive impact, some have found a negative impact, and still others have reached contradicting conclusions (Fubara, Gao et al. 2012). Hence, in order to reconcile the existing empirical debate this study is important.

1.4 Basic Research Questions

The study is intended to answer the following research questions:

- What is the Electronic Banking Business Practice in Buna Bank S.C Addis Ababa area?
- What is Electronic Banking Business user challenges in Buna Bank S.C Addis Ababa area?
- What are the enablers of Electronic Banking Business from user perspective of Buna Bank S.C Addis Ababa area?

1.5 Objectives of the study

1,5,1 General Objective

The general objective of the study is to assess the electronic Banking Business Practices and to identify its enablers and challenges from users' perspective at Buna Bank S.C Addis Ababa

1.5.2 Specific Objective

1 To assess the electronic banking business practice in Buna Bank S.C Addis Ababa area.

2. To identify the challenges of electronic Banking Business practices from user perspective in Buna Bank S.C Addis Ababa area

3. To identify the enablers of electronic banking business practices from users' perspective of Buna Bank S.C Addis Ababa area

1.7 Significance of the study

This study should be anticipated to have a donation for e-banking service provider companies to improve the company's Digital E-banking service practices and performance. To moving and improve e- banking service for creating well and attractive e- banking service provider companies competing with international e- banking service organizations. This study helps and encourage new researchers as a benchmark in e- banking service perspective to study again E-banking service provider companies. Finally, this study's findings and suggestions may help decision-makers in the public or private banking sectors of e-banking companies by addressing the pressing issues at hand in a more effective manner.

1.8 Scope of the Study

The study was delimited conceptually to assess the Adoption of Electronic Banking Business Practice, its user Service Challenges and enablers only: The Case of Buna Bank S.C Addis Ababa area based on E-banking service in banking sector.

1.9 Organization of the Study

The thesis was organized in five chapters as follows: Chapter One presents the introduction highlighting the background of the study, statement of the problem, research objective, Research questions, and significance of the study as well as organization of the study. Chapter Two: presents the related Literature review which includes theoretical literature review, empirical literature review, and conceptual framework of the study. Chapter Three presents the research methodology which deals with research design, approach, population, sampling, data collection instrument, method of data analysis, reliability and validity of the instrument and ethical consideration. The fourth Chapter were present Results, Discussion and Interpretation of findings, and the fifth Chapter were present Summary, Conclusions and Recommendations as well as references.

CHAPTER TWO

RELATED LITERATURE REVIEW

INTRODUCTION

Theoretical, empirical and conceptual framework of the study aspects of earlier literature linked to e-banking business practices, challenges, and adoption of e-banking services were thoroughly explored in this chapter, starting with the inception of e-banking and ending with research done globally and in Ethiopia.

2.1 THEORETICAL LITERATURE REVIEWS

E-banking business used to be a straightforward industry where customers used banks to save money and obtain financial services. Customers who open a savings account with a bank are given a passbook to use to manage the account, and if they open a current account, they are given cheque books to use for the same purpose. The banking sector has transitioned into an era of e-banking apps, which are menu-driven, extremely robust, specialized software programs. (Alabar, T. Timothy 2012) Small banks now have the opportunity to compete on an even playing field with other, more established e-banking service providers throughout the globe thanks to the e-banking industry. (2006) Akingbola A more recent innovation, electronic banking business (EBB), has established itself in the Indian banking sector. One questions whether these services are as new as they seem to be giving customers the most satisfaction.

The theory of reasoned action (TRA) Al-Muala et al. (2012) showed that subjective norms, consumer behavior, and the intent to espouse the e-banking banking business are primarily associated with one another since the use of the theory of reasoned action (TRA) relies on the estimation of behavioral intent. Both hypotheses put forth in the study advocate the theory that if there is a favorable stance towards e-banking business services, then it is quite rational that such services would be utilized. A Review of Theories Relevant to E-banking business practice Usage Continuance 278 International Review of Management and Marketing Vol 6 • Special Issue (S4) 2016 utility (PU) and compatibility as well as extent of contentment (Tsai et al., 2014b).

E-banking business practice is Banking transactions can now be completed by phone or computer rather than in person thanks to the use of computers and telecommunications. Its features include

automatic teller machines (ATMs), electronic financial transfers for retail purchases, and automatic payroll and bill payments.

2.2 **DEFINITION OF E-BANKING**

The following section lists some of the different definitions of e-banking, all of which correspond to the same meaning. E-banking is a type of banking service in which money is moved between financial institutions electronically rather than through the exchange of cash, cheques, or other negotiable instruments (Sarlak and Hastiani 2011) E-banking, commonly referred to as electronic funds transfer (EFT), is simply using electronic means, as opposed to a check or cash, to transfer money straight from one account towards another (Malak 2007). One of the most pervasive forms of electronic business in the world is banking.

2.3 Electronic banking business practice

Electronic banking business practice Use of computers and telecommunications to enable e-banking transactions to be done by telephone or computer rather than through human interaction. Its features include electronic banking business practice operational tools like funds transfer for retail purchases, Plastic cards (debit cards, credit cards, and prepaid cards), personal computers, telephones, mobile phones, the internet, ATMs, and POS (point of sale) machines Morufu and Taibat are among the instruments/channels used to carry out e-banking (2012). The following is an explanation of the tools and channels listed above.(Sarlak and Hastiani 2011)

E-banking is a business practice for historically banking clients' products based on information technology platforms. It is a totally automatic service. E-banking business practices give customers access to their accounts, the capacity to transfer money across accounts, and the option to make payments online. Due to the benefits these services have provided, this industry's global growth has been expedited (Bojan&Dragos, 2010).

2.3.1 Debit cards: electronic banking business practice

A debit card is a banking card with added POS and ATM capabilities that allows it to be used at merchant locations. You can only spend money from your bank account when using a debit card. The transaction between the merchant and your individual bank account is swift. When a debit card is linked to a loan person's account, money can be withdrawn at an ATM or point of sale

without having to write a check. According to (Key Note 2011),Morufu and Taibat (2012), when using a debit card to make a purchase, the money is taken directly out of the cardholder's checking account.

Online and offline debit cards are among the available varieties. A debit is not done right away when using an offline debit card. Using a debit card has advantages over using cash, such as speeding up and simplifying the payment process at the checkout counter, removing the need to carry large amounts of cash and a checkbook, using it in places that don't take personal checks, and decreasing the risk of cash loss or theft. Okoye, (2013).

2.3.2 Prepaid debit cards: electronic banking business practice

These debit cards aren't typically associated with a customer's account. Before cardholders may use them, they must first be funded. Prepaid debit cards go by names like cash cards, value cards, and naira cards, among others. Prepaid cards are useful for a variety of things, including gift cards, student ID cards, government payment cards, payroll cards, bursary cards, insurance cards, travel cards, and more.(Worku) 2002,Kassahun, (2016).

2.3.3 Credit Cards: Electronic banking business practice

In contrast to debit cards, which deduct funds from the user's account after each transaction, credit cards do not. When using a credit card, the issuer lends the customer (or user) money to be paid to the retailer. Using a credit card entitles the user to roll over their balance at the expense of being charged interest. Cardholder, card-issuing bank, merchant, acquiring bank, independent sales organization, merchant account, credit card association, transaction network, and affinity partner are the parties engaged in a credit card transaction (Kassahun, 2016).

2.3.4 Automated Teller Machines (ATM): Electronic banking business practice

A customer of a financial institution can use this computerized telecommunications device to conduct financial transactions in public without needing a human clerk or bank teller. Customers can check their account balance and withdraw cash by using an ATM to access their bank accounts. ATMs depend on the card issuer or another authorizing organization approving a financial

transaction across the communications network. Many banks impose transaction fees for using ATMs. (Worku) 2002

2.3.4 Point-of-Sale Transfer Terminals (POS): Electronic banking business practice

The method enables customers to use a check card a new term for a debit card to pay for retail purchases. Although this card has a noticeable distinction, it resembles a credit card. The debit card holder's account promptly transfers the amount of the purchase to the retailer's account. (Bitkina, Park et al. 2022)

2.3.5 Mobile banking: Electronic banking business practice

It can be characterized as a situation when clients use wireless telecommunication networks to access a bank's networks using mobile phones, pagers, personal digital assistants, or other similar devices. It refers to engaging in banking operations, which typically involve opening and maintaining conventional and mobile accounts as well as receiving deposits. It also includes using mobile devices to carry out fund transfers or other services related to cash-in and cash-out transactions. Directive NBE, FIS-01- (2012).

2.3.6 Tele-banking: Electronic banking business practice

Telephone Phone banking services are available. There are several service alternatives and a specific phone number that must be dialed in order to access an account. Checking your account balance, transferring money between your checking, savings, and credit card accounts are all options. Receiving statements through fax for bill payments, stock exchange transactions, and loan payments. (Worku) 2002

2.4 EMPIRICAL LITERATURE REVIEW

2.4.1 ELECTRONIC BANKING BUSINESS PRACTICE

Commercial banks in Taiwan have been attempting to popularize and enhance their online banking systems in light of the present predominance of internet (Adenan, Abdul Manaf et al. 2020). Foreign banks have the best ROE and EPS, although Taiwan's banking sector has been performing

worse over the past few years (2007). The financial performance of community banks in the United States has greatly improved due to the growing usage of online banking as an additional channel of banking service marketing (Alomran 2002) When it comes to the physical side of their operations, banks are fully adept at capturing economies of scale, expanding their international trade business, strengthening their market position, and developing a "brand" image. However, online banking presents a unique set of challenges Avery, (Jatana 2007)

Fekadu · (2009). finding shows Ethiopia's banking sector is underdeveloped, and as a result, there is an urgent need to start developing capacity and modernizing the e-banking system using the most advanced technology available. All banks operating in Ethiopia should be aware of the need to introduce electronic banking systems in order to satisfy their customers and meet the requirements of rapidly expanding domestic and international trades, as well as increasing international banking services, given the increasing number of import-export businesses, increased international trades, and increased international relations.

A previous research e-banking business practice looked at the importance of trust in Ethiopian e-banking service. However, indicates that the study's other variables may have been used to assess the practice, potential, and limitations of e-banking (Fekadu 2009). Other academics concentrate on the elements used by Ethiopian banks using the technology adoption model (TAM). hence this practice yet no seen especial in the case company.

In today's intensely competitive market, banks must compete to gain and keep clients by offering a practical e-banking business service, and one method to do this is by integrating the e-banking service with their goods or services. Additionally, the e-banking business industry dramatically alters the activities of service provision and is favored by young customers (Leichtfuss, 2007). The ultimate goal of employing an electronic banking system is to reduce client migration to the site of the bank branch and maximize the performance of the bank's e-banking business service operation.

A quick and convenient way was made available to carry out a variety of banking transactions through the digital Banking business website, from the house, office, or wherever is available, as it was mentioned above, giving bank customers convenient access to manage their financial affairs to put them to the least inconvenience possible (Faziharrowdin, 2010).

2,4,2 CHALLENGES OF ELECTRONIC BANKING BUSINESS PRACTICES

According to statistics, Africa is trailing behind in the adoption of online shopping. (Al-Sharhan, Simintiras et al. 2018) asserts that there is some e-commerce activity in Africa, with Tunisia, Egypt, Morocco, and South Africa leading the way. The majority of rural areas in Africa, where the majority of small and medium-sized enterprises are located, lack Internet access, making it impossible for these locations to do online business. Except for South Africa, the majority of African nations, according to (Jatana 2007) only have Internet infrastructure in their big cities.

Research on e-banking in Ethiopia by Gardachew (2010). identified some obstacles to using the E-banking system, including the lack of appropriate legal and regulatory frameworks for E-commerce and E-payments, political unrest in neighboring nations, high rates of illiteracy, and the absence of financial networks that connect various banks.

According to (Jatana 2007), technological challenges like security risk, internet speed, and implementation costs are the biggest roadblocks to the expansion of e-business.

E-banking significantly improve payment efficiency by lowering transaction costs and facilitating trading in very low value goods and services. They may also make e-payments more convenient by allowing them to be made quickly and remotely via a variety of devices linked to international networks. E-banking, however, face a number of difficulties. The issue of duplicate spending, for instance, exists with electronic payments that use digital cash. E-banking may also provide data that may be misused for other reasons (such as to analyze consumer behavior or conduct investigations), which is against the law.(British Overseas Trade 1989)

The banks' top priorities in the current e-banking business climate are information and communication applications, and the internet has emerged as the main channel for all e-banking, and commercial operations.

e-banking business practice challenges In Pakistan, the very first ATM was set up in 1987. However, this detailed the issues ATM machines had between 2011 and 2016. According to study, surveys conducted by several sources of different banks in Pakistan indicated the daily issues that their non-technical workers faced. (Hussain, Z.et 2017) like

2.4.2.1 Technological Problems

A particular development in the information technology era is the migration of e-banking business transactions to the Internet. Since the beginning of the last decade, a number of banks have introduced e-banking over the Internet and detailed the requirements of similar marginal advantages in addition to marginal overheads, evaluating market productivity and development as well as specific dimensions and industries. Due to e-banking business technological advancements, the commercial banking industry also faces significant challenges on both the supply and demand sides. (Hussain, Z.et al 2017)

H1 a: Technological challenges negatively affects the adoption e-banking business practices for Buna bank customers

2.4.2.2 Legal and regulatory issue of E-banking practice

There are two other significant sources of e-banking business practice legal risk for clients. First, it may not be clear which laws those of the country where the (virtual) bank is registered or where the services are provided apply to electronic banking transactions. Alexander, (2019) This is especially true when it comes to cross-border electronic banking practice because several laws may be in conflict with one another. Additionally, as a result of this, enforcement can be challenging. Additionally, the application of some developing legal areas, such as those governing digital signatures and electronic contracts, is questionable. (Nadiminti Viswanadham& Mavere Alexander, 2019)

H1 b: Lack of appropriate legal and regulatory frameworks for e-banking negatively affects the adoption e-banking business practices for Buna bank customers

2.4.2.3 Customers' Awareness e-banking business

Customers' Awareness With increasing awareness and education, clients are accepting the innovative e-banking industry. Therefore, one of the key problems that has been identified as a barrier to the adoption of e-banking is a lack of knowledge about the business practices and benefits of e-banking. Customers' lack of internet literacy is a major issue, especially for senior persons. Therefore, it is the duty of the service provider to inform the client of the service and its advantages if he chooses to use it. Therefore, it should be provided with accurate information about the various

offered products and services in order to reach the best level of customer satisfaction on the e-banking business channels.

The biggest concern is whether customers are aware of all the e-banking services their banks offer, even though all banking sectors offer them. Therefore, research into customer awareness of e-banking practices is required. According to Ingle and Pardeshi (2012), an awareness campaign might be launched to educate individuals about the advantages of e-banking, such as how simple it is to make purchases, pay bills, and conduct transactions from both work and home.

H1 c: Lack of customer awareness negatively affects the adoption e-banking business practices for Buna bank customers

2.4.2.4 E-banking landscape change

The banking industry's landscape is drastically changing as e-banking business practices expand. New e-banking business trends are also emerging, and the digital revolution is expected to bring about significant changes in the nature and level of competition as well as extraordinary productivity gains for the banking sector. If we take a look at the Indian economy after demonetization, we find that financial services are more technologically advanced than many other industries. The majority of retail banks have made significant advancements in digital capabilities including channelizing. The e-banking industry's landscape has undergone a significant transformation. However, in such a competitive environment, the victor of the race to completely integrate analytics, video, tailored anywhere-anytime guidance, and other digital proficiency may very well determine success. 2017 (R.K. Sethi)

H1 d: Changing bank landscape/ habits negatively affects the adoption e-banking business practices for Buna bank customers

2.4.3 ENABLERS OF ELECTRONIC BANKING BUSINESS PRACTICES

Two reasons are given by (Pattarapotikul 2001) as justifications for the usage of electronic commerce and electronic payment systems.

ICT opportunities include e-learning programs and government initiatives to build out ICT infrastructure.

Laberge and Caird (2001). Usability is the degree to which a product can be used by particular users to successfully, efficiently, and satisfactorily accomplish specific goals. Accessibility is the

ability of everyone, at any time and from any location, to comprehend, navigate, and interact on the internet. Enhancing the usability and accessibility of the e-banking systems helps increase institutional trust (Dayal, Landesbeg, & Zeisser, 1999; Yousafzai, Pallister, & Foxall, 2005). Actually, the quality, usability, and style of a website can influence how trustworthy it is seen by visitors, making them feel secure and at ease while they navigate the site (Kim, & Moon, 1998).

2.4.3.1 ICT and e-banking business

Shirley J. Ho and K. Mallick (2006) experimentally analyzed the market for the influence of ICT on the e-banking business industry, although higher investment on IT may also result in lower bank earnings. According to Raghavan (2006), approximately 85% of completed e-banking business transactions are now conducted electronically, and consumers of electronic banking place little value on the conventional branch-level banking system. According to Ashrafi and Murtaza (2008), some of the major obstacles to adopting ICT include a lack of necessary ICT skills, high costs of ICT solutions and implementations, a lack of pertinent information about appropriate ICT technologies, and a lack of a mechanism for finding and receiving support and advice about appropriate and effective technologies. Hence The study assessment is to identify ict infrastructure effects of e-banking business practice in Buna bank.

H1e: Opportunities provided by ICT through e-learning programs positively enables customer to use e-banking services

2.4.3.2 Government commitment to building out ICT

The development of e-banking businesses requires social identity, a dependable legal system, a well-built communication network, and strong government support. E-banking businesses are closely related systems with enormous interconnections (Zheng, et al., 2009). The majority of banks worldwide today offer varying levels of sophisticated e-banking services, including several in emerging countries (Ackah, 2014). As a result, given the nearly universal use of E-banking business technology in industrialized nations, this research was look into the factors that contribute to the technology's delayed uptake in developing nations like Case Company.

H1f: Government commitment to building out ICT infrastructure positively enables customer to use e-banking services

2.4.3.3 Usability and accessibility

Usability and accessibility are two important criteria in the acceptance of an e-banking business practice, according to Laberge and Caird (2001). Usability is the degree to which a product may be effectively, efficiently, and satisfactorily used by certain users to achieve specific goals. Accessibility is the ability of everyone, at any time and from any location, to comprehend, navigate, and interact on the internet. Enhancing the usability and accessibility of the e-banking industry can increase institutional trust (Dayal, Landesbeg, & Zeisser, 1999; Yousafzai, Pallister, & Foxall, 2005). Actually, the quality, usability, and style of a website can influence how trustworthy it is seen by visitors, making them feel secure and at ease while they navigate the site (Kim, & Moon, 1998). These online e-banking business qualities, according to McKnight et al. (McKnight, et al., 1998; McKnight, Choudhury, & Kacmer, 2002), influence customers' trustworthiness, giving rise to what is known as Situational Normality.

H1g: usability and Use of Agents accessibility positively enables customer to use e-banking services

H1h: website quality positively enables customer to use e-banking services

2.5 THEORETICAL FRAMEWORK

2.5.1 The technology acceptance model (TAM)

The technology acceptance model (TAM) focuses on two theoretical constructs, perceived usefulness (PU) and its perceived ease of use (PEOU) which influence consumers' intention of using the system. (Bitkina, Park et al. 2022) referred to perceived usefulness as the degree to which a person believes that using a particular system was enhance his or her performance. Accordingly, adoption of e-banking in the banking industry demands to deploy technologies that would increase the perceived usefulness (PU) and perceived ease of use technology by customers. Hence, the present study was ground on the assumptions of the TAM model as it is intended to assess the existing e-banking practices, identify the challenges of using it as well as enablers for adopting e-banking business.

The TAM model has been used the most frequently to examine e-banking business behavior. Previous studies using TAM in the context of e-banking service have concentrated on model replication (e.g., McKechnie et al., 2006), theoretical underpinning of TAM constructs, i.e., PU

and PEOU (e.g., Celik, 2008; Eriksson and Nilsson, 2007), model extension by adding additional constructs as direct determinants of attitude, intentions, or use (e.g., Chong et al., 2010), and (e.g., Chan and Lu, 2004). It was demonstrated by Yousafzai et al. (2010) that TAM was empirically superior than the other two models in a comparison of TAM, TPB, and TRA to predict actual e-banking business behavior. However, the key advantages of TAM, i.e., parsimony and utilitarian and technological focus, can lead to overlooking the influence of a customer's social and psychological perceptions regarding the adoption of an e-banking business technology.

2.5.2 Perceived ease of use (PEU)

Perceived ease of use is the degree to which a person thinks that using a specific system would be effortless. According to earlier research(Bitkina, Park et al. 2022), perceived usability is positively correlated with perceived usability.

The majority of recent studies have found that people's willingness to accept technology is predicted by how easily technology can be used. Balaji, Perceived simplicity of use, according to (Bitkina, Park et al. 2022) has a significant impact on people's adoption of online banking. According to Thakur (2014), Schierz, Schilke, and Wirtz (2010), it has been demonstrated that attitude is influenced by perceived ease of use. The adoption of mobile banking among Iranian customers is also found to be positively impacted by ease of use.

According to (Kimiagari and Baei 2021) the acceptance of internet banking is significantly influenced by perceived ease of use. According to Thakur (2014), Schierz, Schilke, and Wirtz (2010), it has been demonstrated that attitude is influenced by perceived ease of use. Additionally, it has been discovered that ease of use helps Iranian customers understand how to use mobile banking. Byron, Hanafizadeh, and Khedmatgozar (2014). In his research, Mohammadi (2015) found that simplicity of use had a big impact on how often people used mobile banking, emphasizing how important this is. Easy usage was identified as a feature contributing to the practice of online banking by Liébana, Munoz, and Rejon (2013) in their study of the determinants of satisfaction with online banking.

Since users who live in metropolitan areas lack the time to conduct their financial activities at bank branches, convenience or ease of use was determined to be the primary independent variable

among these users. (Adenan, Abdul Manaf et al. 2020) study also showed that consumers are open to this technological change if using Internet banking were make their lives easier.

2.5.3 Perceived Usefulness (PU)

2.5.3.1 *Perceived Usefulness Relative Advantages*:

Consumers are aware of the benefits of online banking, including its accessibility, usability, wealth of information, dependability, and time and money savings, according to numerous studies conducted in recent years. These benefits are crucial to the success of online banking (Adenan, Abdul Manaf et al. 2020)

Additionally, those who use internet banking are more likely to see the services' relative benefits (such as their utility, usability, accessibility, amount of information, etc.), whereas those who don't use them are more likely to see their relative drawbacks (such as security and privacy concerns), according to.(Bitkina, Park et al. 2022)

2.5.3.2 In certain situations (Trust)

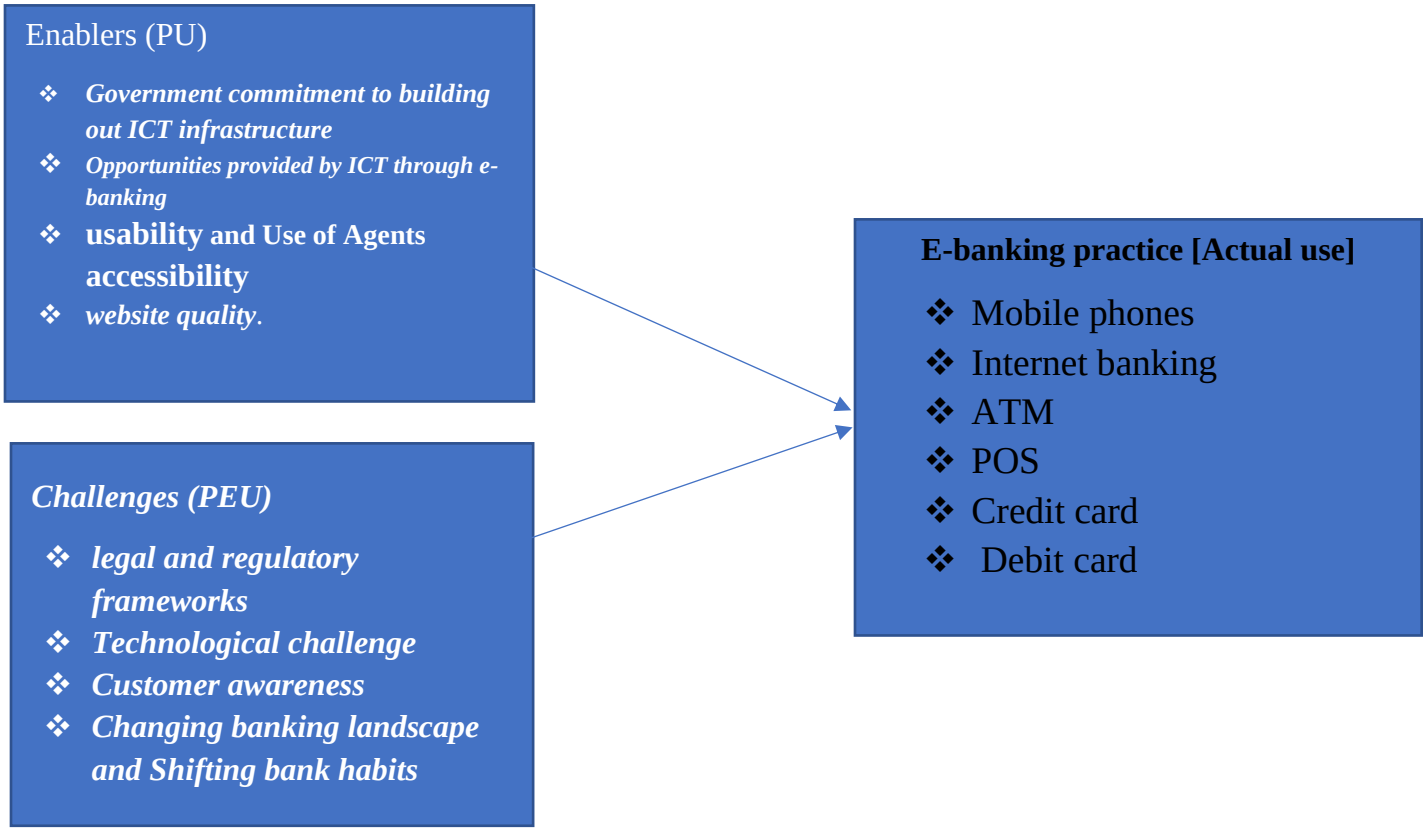
To regulate interpersonal interactions and reduce the unpredictability of human behavior, trust is retained. Trust can be seen as a key component of the e-commerce idea when it comes to user acceptance of online banking (Stewart 2002)According to (Publishing), trust is defined as the confidence a person can have in the dependability and kindness of a person or institution. The researchers further defined trust in the context of online banking as a user's pledge to a provider of dependable online services to be able to conduct online Internet banking.

2.5.3.2 **Website Quality: (WQ)**

Swaid and Wigand (2007) claim that in addition to supporting conventional activities, having a web presence also opens up new potential for conducting business-to-customer electronic commerce transactions. Because the quality of Web sites has a direct and indirect impact on both satisfaction and trust experienced by the service providers i.e., bank personnel— themselves, (Worku, Drylands et al. 2000) emphasized that banks must revamp their Web sites with an eye on boosting usability and usefulness. The majority of participants thought that this kind of access ought to have been made possible by direct communication with bank employees, online chat, or telephone. Participants also expressed dissatisfaction about how little many bank employees understood about internet banking.

They suggested solutions including ongoing training at the branches since they felt that help was needed even before showing or coaching how to fill out the form so that a potential user would understand how internet banking operated. Support is also required for initial setup and registration.

2.6 Conceptual frame work



Semi modified from TAM Model: Source: https://www.isme.in/technology-acceptance-model-tam-new-success-mantra/

Hypothesis summary

Hypothesis on Challenge of e-banking business practices

H1 a: Lack of appropriate legal and regulatory frameworks for e-banking negatively affects the adoption e-banking business practices for Buna bank customers

H1 b: Technological challenges negatively affects the adoption e-banking business practices for Buna bank customers

H1 c: Lack of customer awareness negatively affects the adoption e-banking business practices for Buna bank customers

H1 d: Changing bank landscape/ habits negatively affects the adoption e-banking business practices for Buna bank customers

Hypothesis on Enablers of e-banking business practices

H1e: Opportunities provided by ICT through e-learning programs positively enables customer to use e-banking services

H1 f: Government commitment to building out ICT infrastructure positively enables customer to use e-banking services

H1 g: usability and Use of Agents accessibility positively enables customer to use e-banking services

H1 h: website quality positively enables customer to use e-banking services

CHAPTER THREE

1. RESEARCH METHODOLOGY

This chapter presented research methods specifically; it contains the research design method, types of research approach, population, sampling technique, source of data, data collection tools and present methods of analysis, validity and reliability of the study were included.

3.1. Description of the Study area

The area chosen for this study is the Buna Bank South District of Addis Ababa. The South District is characterized by huge number of the bank's customer accounting a total of 130000. Furthermore, the study area is exposed to high e-banking transaction as it accounts the highest customer size.

3.2. Study Design and Research Approach

Due to the need to characterize the current e-banking practices of the bank the study used a descriptive research design and in order to identify the enablers and challenges of e-banking practices the study adopted an explanatory research design. Hence, the research design descriptive and computed to undertake the study.

Add to this, the study was following a research quantitative research approaches were collected using structured questionnaire and further be analyzed using quantitative analysis.

3.3. Populations and Sample design

The Buna Bank South District of Addis Ababa has a total of 65 branches accounting a total of 130,000 customers, however, some of the customers are not e-banking customers, thus, respondent was included using purposive sampling by identifying those who are using e-baking as well as multiphase sampling is used to draw sample from the total number of branch and from the total number of customers in south district.

A variety of approaches were used to determine the sample size, but Carvalho's (1984) method was chosen. The technique is preferred since numerous empirical evidences supported the use of it to determine sample size.

Based on the Carvalho's sample size determination table from a total of 65 branches of Buna Bank south district thirteen branches was moderate representative sample size. Furthermore, it was noted from the Bank internal report each branch has an average of 2000 clients.

To obtain a representative sample for the population, a finite and huge population sample size formula with a 95% confidence level was used, in accordance with Carvalho's sample size determination (2005) non probable sample finite population. The following table a sample size of 315 customers can be considered as a re presentative sample for a population with a range of 10001 to 35000. The inclusion criteria to be considered for drawing the sample from the population were as follows:

i. Customers of Buna Bank
ii. Customers of Buna Bank using e-banking services
iii. Customers of Buna Bank using e-banking services found in south district

Figure. 2 Carvalho's sample size determination

Population Size	Sample Size		
	Low	Medium	High
51 – 90	5	13	20
91 – 150	8	20	32
151 – 280	13	32	50
281 – 500	20	50	80
501 – 1200	32	80	125
1201 – 3200	50	125	200
3201 – 10000	80	200	315
10001 – 35000	125	315	500
35001 – 50000	200	500	800

Source: Carvalho's sample size determination table (1984)

3.4. Methods and sources Data collection

Both primary and secondary sources of data collection were used to collect the data. Primary data was collected from customers of Buna Banks with the help of questionnaires and secondary source of data were also be consulted to collect data mainly from Buna bank published and unpublished works available in their company profile, rules, and procedures, corporate website, annual reports, and other sources.

3.5. Method of Data Analysis

The data collected using questionnaire were coded and analyzed using SPSS computer package with the help of statistical tools mainly descriptive statistics (such as frequency distribution, percentages, mean, and standard deviation) and inferential statistics mainly multiple linear regression analysis. Furthermore, appropriate parametric and none parametric test was computed based on the data generated. The result was presented using frequency tables.

The interpretation of mean value in the descriptive data analysis were calculated for each construct in the Likert Scales, from Strongly Disagree=1 to Strongly Agree=5 and associated standard deviation was also calculated. The mean responses given for each construct of variables under investigation were averaged to obtain the composite mean for variables. For objective interpretation and comparison of the result, the composite mean was interpreted by dividing the distances between the scale values (4) by the number of values (which is 5 in 5-point Likert scale). Thus, the distance is 4/5 = 0.80, which is used to calculate the weighted averages (1+0.8= 1.8, 1.8+08= 2.6, 2.6+0.8=3.4, 3.4+0.8=4.2, 4.2+0.8=5). The weighted average categories (mean score) are interpreted with the level of agreement for each factors calculated and its interpretation was aligned with equal level of degree to explain the objectives. The weighted average between 1.00-1.79 interpreted as “very low/ very weak”, 1.80-2.59 as low and 2.60-3.39 as moderate, 3.40-4.19 as moderate, and 4.20-5.00 as high level of practice or performance or effect accordingly (Alffara 2009).

The original Likert scale consists of a number of assertions (items) provided for the actual or fictitious event being researched. On a metric scale, participants are asked to indicate how much they agree or disagree with the provided statement (or items). Here, all of the remarks taken together show a certain aspect of the attitude toward the subject, making them inextricably intertwined. Singh YK (2006).

Let's take a quick look at a few of the Likert scale's constructional variations before moving on because they are crucial to the analytical treatment and interpretation of the scale. -A participant has the freedom to select any response in a balanced and symmetric way in either direction if the position of neutrality (neutral/don't know) falls exactly between the two extremes of strongly disagree (SD) and strongly agree (SA). This design is referred to as symmetric scale. Asymmetric Likert scales, on the other hand, provide respondents fewer options on one side of neutrality (the average) than on the other. Asymmetric scale can also point to coerced decisions where the

researcher's impartiality or disinterest are not thought to have any value. (Lobsy J, Wetmore A.,2012. Tsang KK, 2012 and Malhotra NK, 2006)

Table 8: Weighted average values for 5 points Likert Scales

Weighted Average	Result	Result interpretation
1.00-1.79	Strongly disagree	Very low/ very weak/ very uninfluential
1.80-2.59	Disagree	|Low/ weak/ Uninfluential
2.60-3.39	Neutral	Moderately influential/practiced Enabler/ challenges
3.40-4.19	Agree	Highly Influential/ practiced/high enabler/challenges
4.20-5.00	Strongly agree	Very highly practiced/ Enabler/challenges

Source: (Alffara 2009).

3.6 Validity and Reliability Test

The data collection instrument (questionnaire developed) in a five-point Likert scale was examined by the Thesis advisor (subject expert with trust area of Marketing Management) to ensure the face validity and content validity of the questioner.

Reliability test were made to test the internal consistency of instrument as suggested by Alfarra, W.A. (2009). Cronbach's alpha was used to measure the internal consistency of the instrument as it measures how closely related a set of items are as a group to measure of scale reliability. Cronbach's alpha reliability coefficient normally ranges between 0 and 1 though there is actually no lower limit to the coefficient however, the closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale.

Cronbach’s Alpha Alpha Coefficient Range Strength of Association < 0.6 Poor 0.7 to < 0.8 Good 0.8 to < 0.9 Very Good 0.9 Excellent Source: Hair, Black, Babin, Anderson & Tatham (2006)

Table 9: Reliability Statistics

No.	variable	Number of items	Cronbach's Alpha
	E-banking business practice	18	0.89
	Enabler of e-banking practice	12	0.83
	E-banking practice challenges	12	0.933
	Total	**42**	**7.959**

Source Owen survey 2023

3.7. Ethical Considerations

Customers of Buna Bank in the South District of Addis Ababa were received research questionnaires from the researcher The study's ethical practices included maintaining the respondents' confidentiality, using secured data solely for academic purposes, and making sure that the respondents' personalities would not be used to define them, receiving oral consent from the respondent and reporting the finding unanimously.

CHAPTER FOUR

RESULTS, DISCUSSION AND INTERPRETATION

Introduction

This chapter presents results, discussion and interpretation of findings of the research. It outlines the findings based on the research objective. Therefore, adoption of electronic banking business practice and its user service challenges: the case of Buna bank S.C Addis Ababa. Both descriptive and inferential statistics is computed using Statistical package for social science (SPSS) to analyze the data.

4.1 Respondent rate

According to the demographic profile of the respondents, from the total 315 questionnaires distributed and collected, 311 of them were retained for further analysis with a response rate of 98.73 percent.

Table 10:Demographic Profile of the respondents (N=311)

Demographic Profile of the respondents		Frequency	Percent
Gender	Male	178	57.2
	Female	133	42.8
	Total	311	100.0
Age group	21 up 35	265	85.2
	36 up 50	46	14.8
	Total	311	100.0
Educational background	BA/BSC	222	71.4
	MA/MSC/MBA	89	28.6
	Total	311	100.0
How long have you been banks customer	1 up to 2 years	177	56.9
	More than 4 years	134	43.1
	Total	311	100.0

Source: Owen survey 2023

The gender distribution of the respondents reveals that 178 (57.2 percent) of the total respondents were male and 133 (42.8 percent) of them were female. Similarly, the age distribution of respondents shows that the majority of 265 (85.2 percent) of the respondents are between the ages of 21 up 35 years, followed by 46(14.8 percent) of respondents were between the ages of 36 up 50 years.

The majority of the respondent's educational background is 222 (71.4 percent) were bachelor's degree holder and 89 (28.6 percent) of them have a Master's Degree. Most of (177 (56.9 %)) the respondents were the bank's customer for about 1 up to 2-year and 134 (43.1 percent) of them were customers of the bank for more than 4-years

According to the demographic profile, the majority (57.2%) of respondents of Buna bank south district e-banking service users in Addis Ababa are male. Largest number (71.4 percent) of e-banking user's educational status found to first degree holder, while, age between 21-35 years accounts (85.2%). Similarly, 56.9 percent the respondents were found to be the bank customer between 1 - 2-years

4.2 E-banking business practice

4.2.1 E-banking business practice: Descriptive analysis

Table 11: E-banking business practice in Buna bank (N=311)

E-banking practice	Number of items	Mean	Std. Deviation
Mobile banking practice	3	4.2978	.50793
Internet banking practice	3	3.6667	.83355
ATM machine practice	3	4.2075	.78204
POS machine practice	3	3.9086	.95299
Credit card practice	3	1.8086	.69977
Debit card practice	3	4.2312	.21276
Grand mean	**18**	**3.68**	

Source: Owen survey 2023

The result presented above shows the e-banking practices of the bank with mainly mobile banking practice, debit card practice and ATM practice accounts a mean value of 4.29, 4.23 and 4.20 respectively and three of them were implemented at **very highly influential levels** as it falls with a mean range between 4.20-5.00. On the other hand, POS machine practice and intermate banking practice accounts a mean value of 3.91 and 3.91 respectively were implemented at **highly influential levels** as it falls with a mean range between 3.40-4.19 while, the use of Credit card practice accounts a mean of 1.81, hence, it is **weakly practiced** as as it falls with a mean range between 1.80-2.59.

Furthermore, inferential statistics namely Kendall's W. Cofficient of concordance is computed to assess the e-banking practices.

4.2.2 E-banking business practice: Inferential analysis (Kendall's W. Coefficient of concordance)

To be able to assess agreement among rates and rank the factors affecting e- banking business practices in Buna bank Kendall's W Cofficient of Concordance method of ranking analysis used.

Kendall's W Cofficient of Concordance, w is a measure of the agreement between several judges who have rank ordered a set of entities. The assumption is that the value of Kendall's W is presumed to range between 0 (no agreement) and 1 (perfect agreement) (field, 2005).

Table 5: Kendall's W. Cofficient of concordance(N=311)

Ranks			**Test Statistics**	
	Mean Rank	Rank	N	310
Mobile banking	4.54	1st	Kendall's W[a]	.505
Internet banking	2.83	5th	Chi-Square	782.612
ATM	4.38	2nd	Df	5
POS machine	4.07	3rd	Asymp. Sig.	.000
Credit card	1.18	6th	a. Kendall's Coefficient of Concordance	
Debit card	4.00	4th		

Source Owen survey 2023

The finding shows there are agreement or concordance, W .505 among the respondents with P<001 on the E- banking business practices in Buna bank S.C. The model detected that mobile banking practice ranked 1st with mean rank 4.54 followed by ATM ranked 2nd with mean rank of 4.38, POS machine ranked 3rd with a mean rank of 4.07, Debit card ranked 4th with a mean rank of 4.00, Internet banking ranked 5th with mean rank of 2.83 and Credit card ranked 6th with a mean rank of 1.18.

A study conducted by Nadi Minty and Marvele (2019) on the e-Banking business practices of the Tanzanian Banking Industry found out that, 94 percent of the study participants affirmed that bank card is highly used alongsideother e-banking business practice tools. Similarly, a study by Siti Rapidah et al (2020), e-banking business practices in Malaysia found out that there is strong correlation between internet banking and e-banking business practices. The present study agrees with the above empirical evidences as the e-banking business practices in Buna Bank accounts a grand mean value of 3.68, where mobile banking practice become the e-banking practices which is highly practiced followed by debit card practice, ATM practice, POS machine practice, intermate banking practice and credit card.

Conclusively, the overall e-banking business practices of the bank accounts a grand mean value of 3.68; this indicates the e-banking business practice at Buna bank implemented at **highly influential level** as it falls with a mean range between 3.40-4.19.

4.3 Challenges of E-banking business practice

4.3.1 Challenges of E-banking business practice: Descriptive analysis

Table 6: E-banking business practice challenges (N=311)

E-banking challenges	Number of items	Mean	Std. Deviation
Legal and regulatory	3	1.5753	.55664
Technological challenges	3	2.8839	1.27521
Lack of customer awareness related challenge	3	2.8839	1.27521
Bank landscape and shifting bank habits related challenge	3	1.9957	.68106

Source: Owen survey 2023

Both technological challenges and lack of customer awareness related challenge accounts a mean of 2.88, hence the two e-banking challenges were found to be **moderately influential challenge** while, Bank landscape related challenge accounts a grand mean of 1.99 hence, it was found to be **uninfluential challenge,** and legal & regulatory challenge accounts a grand mean of 1.57 hence, it was found to be **very uninfluential challenge** as they fall between a grand mean range of 2.60-3.39, 1.80-2.59 and 1.00-1.79, respectively.

The present finding is consistent with a study conducted by Nadi Minty and Marvele (2019), in the Tanzanian banking industry shows that privacy and reliance on digital technology found to be the most influential challenges in using e-banking business practices.

The present finding is aligned with a study conducted by Tekabe and Gadise (2016) identified shortage of skilled workers, frequent blackouts, and lack of reliable electricity supply as the main challenges to the smooth operation of e-banking in Ethiopia. Additionally, unavailability of payment laws & regulations, low internet penetration, poorly developed telecommunications infrastructure, high illiteracy rates and high internet costs.

Conclusively, technological challenges and lack of customer awareness related challenge were the two moderately influential challenge affecting the e-banking practices of Buna bank followed by bank landscape related challenge, and legal & regulatory challenge. Furthermore, inferential statistics namely multiple linear regression analysis is computed to identify challenges hindering the e-banking practices of Buna Bank S.C and presented as follow:

4.3.2 Correlation Analysis

The relationship between e-banking business practice, e-banking business enabler, and e-banking business problem was also studied in this study. the correlation coefficient is a standardized measure of an observed effect in correlation analysis. The Pearson's coefficient's (value) own indication of the relationship's potency.

Table of correlation interpretation rage

Size of Correlation	Interpretation
.90 to 1.00(-90 to -1.00)	Very high positive enabler (negative) correlation
.70 to .90(-70 to -90)	high positive(negative) correlation

.50 to .70(-50 to -70)	Moderate positive(negative) correlation
.30 to .50(-30 t0 -50)	Low positive(negative) correlation
.00 to .30 (.00 to -30)	Negligible correlation

Marczyk et al. (2005).

The below table illustrates the relationship between e-banking business practice, government commitment, the ability to use e-banking practice, and website quality. All of the variables, with the exception of the use of an agent, have statistically significant low enabler and positive relationships ($r = 0.30$, 0.28, and 0.06, $p < 0.01$).

Table of Correlation e-banking business practice and enabler

		e-banking business Practice	Government commitment	Opportunity to use e-banking	Use of agent and accessibility	Website
e-banking business Practice	Pearson Correlation	1	.030	.028	-.037	.006
	Sig. (2-Tailed)		.599	.629	.521	.918
	N	310	310	310	310	310
Government commitment	Pearson Correlation	.030	1	.365**	-.681**	.698**
	Sig. (2-Tailed)	.599		.000	.000	.000
	N	310	310	310	310	310
Opportunity	Pearson Correlation	.028	.365**	1	-.771**	-.378**
	Sig. (2-Tailed)	.629	.000		.000	.000
	N	310	310	310	310	310
Use of agent and accessibility	Pearson Correlation	-.037	-.681**	-.771**	1	.012
	Sig. (2-Tailed)	.521	.000	.000		.838
	N	310	310	310	310	310
Website	Pearson Correlation	.006	.698**	-.378**	.012	1
	Sig. (2-Tailed)	.918	.000	.000	.838	
	N	310	310	310	310	310
**. Correlation Is Significant at the 0.01 Level (2-Tailed).						

Source: Owen survey 2023

The below table illustrates the relationship between e-banking business practice, technological challenge, customer awareness and bank landscape. All of the variables, with the exception of the use legal and regulatory, have statistically significant low challenge and positive relationships ($r = 0.242$, 0.242, and 0.406, $p < 0.01$).

Table of Correlation e-banking business practice and challenge

		Legal and regulatory	Technological challenge	Customer awareness	Bank landscape	e-banking Practice
Legal and regulatory	Pearson Correlation	1	.242**	.242**	.406**	-.034
	Sig. (2-Tailed)		.000	.000	.000	.549
	N	310	310	310	310	310
Technological challenge	Pearson Correlation	.242**	1	1.000**	.985**	.003
	Sig. (2-Tailed)	.000		.000	.000	.957
	N	310	310	310	310	310
Customer awareness	Pearson Correlation	.242**	1.000**	1	.985**	.003
	Sig. (2-Tailed)	.000	.000		.000	.957
	N	310	310	310	310	310
Bank landscape	Pearson Correlation	.406**	.985**	.985**	1	-.003
	Sig. (2-Tailed)	.000	.000	.000		.958
	N	310	310	310	310	310
e-banking Practice	Pearson Correlation	-.034	.003	.003	-.003	1
	Sig. (2-Tailed)	.549	.957	.957	.958	
	N	310	310	310	310	310

**. Correlation Is Significant at the 0.01 Level (2-Tailed).

Source: Owen survey 2023

4.3.2 Regression analysis: Challenges of E-banking business practice

Using a multiple linear regression model, the importance and difficulties of e-banking business practices and e-banking business enablers were examined. because it presumes the use of a relationship model and parameter value estimates. The model is then put through a series of tests to see if it can accurately predict the values of the dependent variable given the values of the independent variables.

4.3.3 Linearity test

It explores linear relationships between dependent and independent variables. This study examines the linearity between the four enablers of e-banking business practices and challenges (independent variables) and e-banking business practices (dependent variable).

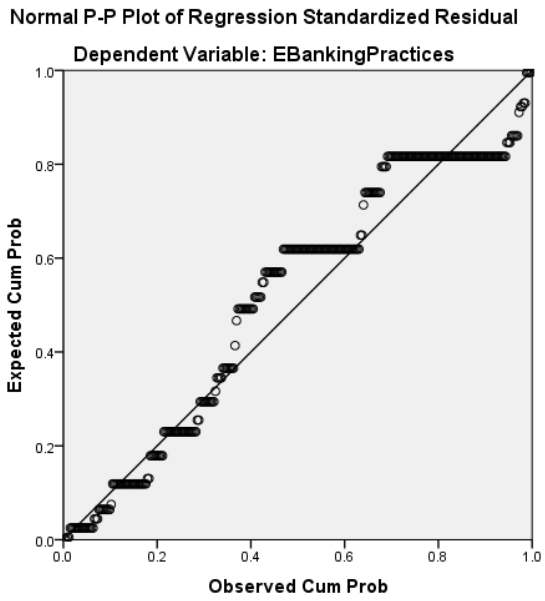


Figure 1: Linearity test

The value of r near to 1 indicates strong positive association (Adams *et al.* 2007) and hence, the above figure shows the association between the independent and dependent variable is linear and positively strong (refer Annex number 2, Page 50). The regression analysis was used to examine the relationship between dependent and independent variables. The adjusted r^2 measured the 46 percent of variation in the dependent variable (e-banking business practices) has been explained by the independent variables such as variable website quality, use of agent accessibility and usability, opportunity provided by ICT infrastructure, government commitment, legal and regulatory frameworks, technological challenges, customer awareness and changing bank landscape while the remaining can be explained by variables which are not captured in this study.

Regression Analysis –ANOVA

The above table result it shows the independent variable (e-banking business practice enabler and challenges) significantly predicts the dependent variable (E-banking business practice), F (3, 306) =90.063, p=000, which is less than 0.05, hence, overall, the model is good fit.

F-ratio: It represents an improvement in the prediction of the variable by fitting the model after considering the inaccuracy present in the model. A value is greater than 1 for a F-ratio yield efficient model. In the above table, the value is 90.063, which is good. (Refer Annex number 2, Page 50).

Regression Analysis - Coefficient

Table 7: E-banking business practice Challenges Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.369	.104		32.29	.000
Legal challenge	-.329	.058	-0.628	-5.67	.000
Lack of Customer awareness challenge	1.019	.131	1.791	7.77	.000
Challenges of unfavorable business landscape	-.830	.074	-1.941	-11.27	.000
Technological challenge	-3.313	.426	-14.50	-7.77	.000

a. Dependent Variable: E-Banking business Practices

The unstandardized Coefficients column shows that by how much the dependent variable differs with the independent variable when another independent variable is held constant. Therefore, holding independent variables (e-banking business practice) constant other factors affecting e-banking business practice accounts β Coefficient value of 3.369. The regression model detected that Technological challenge found to be the top challenge that significantly and negatively affecting e-banking business practices with Standardized Coefficients Beta value of -14.50 with p-value of 0.000 followed by unfavorable business landscape and legal challenge with Standardized Coefficients Beta value of -1.941 and -0.628 respectively, with P-value of 0.000.

On the other hand, lack of customer awareness was not found to be a challenge for E-banking business practice as its standardized coefficient Beta value accounts a positive effect on the dependent variable.

Table 8: Summary of Hypothesis on challenges of e-banking practices

HYPOTHESIS	P.VALUE	DECISION
H1 a: Lack of appropriate legal and regulatory frameworks for e-banking negatively affects the adoption e-banking business practices for Buna bank customers.	.000	**H1 Accepted**
H1 b: Technological challenges negatively affects the adoption e-banking business practices for Buna bank customers.	.000	**H1 Accepted**
H1 c: Lack of customer awareness negatively affects the adoption e-banking business practices for Buna bank customers.	.000	**H1 Rejected**
H1 d: Changing bank landscape/ habits negatively affects the adoption e-banking business practices for Buna bank customers.	.000	**H1 Accepted**

Source of own serve (2023)

According to M. Esther and R. Rajasekaran, (2015), India banking sector the level of customer awareness about E-banking business practice was analyzed by collecting the primary and secondary data and the results indicated that most of the people did not have awareness about the e-banking business practice, hence, considered as challenges.

According to Yang et al, (2007) concluded that there were fewer number customers of E-banking in Georgia not because of lack of Customer awareness as challenge but because lack of effective promotional strategies.

According to Rubiya Tahir&Nudrat Waheed (2017), it was found that lack of customer awareness has no impact on implementation of e-banking business practice in Pakistan. However, the present study suggested that lack of customer awareness has a statistically significant relationship with E-banking business practice with beta coefficient value of 1.791 with significance value is 0.000, hence, rejected the alternate hypothesis and accept the null hypothesis.

4.4 Enablers of e-banking business practice

Table 9: Enabler of e-banking business practice (N=311)

Enabler of e-banking business practice	Number of items	Mean	Std. Deviation
Government commitment	3	4.06	.44305
Opportunity e-banking business	3	4.61	.46339
Use of agent and usability e-banking	3	3.32	.35675
Website quality of E-banking's	3	3.72	.40283

Source: Owen survey 2023

The high opportunity e-banking provides to customer become the **most influential enablers** to positively impacting for e-banking business practices with a mean value of 4.61 as it falls with a mean range of 4.20-5.00. Government commitment towards to building ICT infrastructure and website quality of the bank become the **influential enablers** to positively impacting e-banking business practices for Buna bank customers with a mean value 4.06 and 3.72 respectively, as they fall with a mean range of 3.40-4.19. Similarly, the use of agent and usability accounts a mean value of 3.32 and it became **moderately influential enablers** e-banking business practices with as they fall with a mean range of 2.60-3.39, respectively.

The finding of Hsueh-Ying Wu (2010) is in alignment with the present study as s/he identified the relative advantage, information quality and trust as the three top enablers of e-banking business practices in China's banking sector with a β coefficient of 0.212, 0.078 and 0.215 respectively. Similarly, this study concluded that the high opportunity e-banking provides to customer become the **most influential enablers** to positively impacting for e-banking business practices followed by Government commitment towards to building ICT infrastructure, the website quality of the bank as the **influential enablers** and the use of agent and usability as a **moderately influential enablers** e-banking business practices with as they fall with a mean range of 4.20-5, 3.40-4.19 and 2.60-3.39, respectively.

4.4.1 Regression Analysis on: Enablers of E-banking business practice

Table 10: E-banking business practice enabler Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.688	.506		-3.334	.001
	Opportunity e-banking business	.129	.044	.206	2.952	.003
	Agent & usability	.465	.061	.569	7.648	.000
	Website quality	.586	.037	.811	15.853	.000
	Government commitment	.632	.040	.960	15.853	.000

a. Dependent Variable: E-Banking business Practices (internet banking, mobile banking, automated teller machine (ATM), and debit and credit cards.)

The unstandardized Coefficients column shows that by how much the dependent variable differs with the independent variable when another independent variable is held constant. Therefore, holding independent variables (e-banking business practice) constant other factors that enable e-banking business practice accounts β Coefficient value of -1.688. The regression model detected that Government commitment to building out ICT infrastructure found to be the top enabler that significantly and positively impacting e-banking business practices with standardized coefficients β Coefficient value of 0.960 with p-value of 0.000 followed by Website quality, agent & usability and opportunities provided by ICT through E-banking with Standardized β Coefficient value of -10.811, 0.57 and .206 respectively, with P-value of less than 0.05.

Table 11: Summary of Hypothesis

HYPOTHESIS	**P.VALUE**	**DESION**
H1e: *Opportunities provided by ICT through e-learning programs positively enables customer to use e-banking services.*	.003	***H1=Accepted***
H1f: Government commitment to building out ICT infrastructure positively enables customer to use e-banking services.	.000	***H1=Accepted***
H1g: Agent & usability *positively enables customer to use e-banking services.*	.000	***H1=Accepted***
H1i: website quality positively enables customer to use e-banking services.	.000	***H1=Accepted***

Source of own serve (2023)

The hypothesis summary of e-banking business practice enablers shows that all of them are proof in the study that they are accepted and have a positive relation to using e-banking business practice.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter presents the summary of the findings of adoption of electronic banking business practice and its user service challenges: the case of Buna bank S.C Addis Ababa. The purpose of the research was to assess e-banking business practice by using the TAM model.

5.1. Summary of major findings

The study was intended to assess electronic banking business practice and identify the major challenges and identify enablers of e-banking business practices of Buna Bank SCs customers. Primary data were collected from a total of 311 customers and retained for analysis with the help of both descriptive and infre4ential statistics such as frequency, percentage, mean, standard deviation, Kendal's Wallis Coefficient of concordance and multiple liner regression analysis is computed.

The finding indicates that of the study

Based on the assessment made using descriptive statistic to determine the adoption of e-banking business practices found to be high with grand mean value of 3.68 while mobile banking practice accounts a grand mean value of 4.29 followed by debit card, ATM card machine practice, POS machine practice, internet banking, and 4.23, 4.21, 3.91 and 3.67 respectively. On the other hand, credit card practice accounts very low mean value score as an e-banking business practice. Similarly, the Kendall's W. ranking model also detected that except credit card and internet banking practice the others found to account a high mean value.

Multiple linear regression analysis is computed to identify the challenges of electronic Banking Business practices from user perspective in Buna Bank S.C. the result indicates that Technological challenge found to be the top challenge that significantly and negatively affecting e-banking business practices with Standardized Coefficients Beta value of -14.50 with p-value of 0.000 followed by unfavorable business landscape and legal challenge with Standardized Coefficients Beta value of -1.941 and -0.628 respectively, with P-value of 0.000.

The regression model detected that Government commitment to building out ICT infrastructure found to be the top enabler that significantly and positively impacting e-banking business practices

with standardized coefficients β Coefficient value of 0.960 with p-value of 0.000 followed by Website quality, agent & usability and opportunities provided by ICT through E-banking with Standardized β Coefficient value of -10.811, 0.57 and .206 respectively, with P-value of less than 0.05.

5.2 Conclusion

The attempt made to examine electronic banking business practices of customers of Buna Bank concluded that the overall of electronic banking business practices of customers of Buna Bank S.C found to be high as mobile banking practice adoption contributed higher followed by debit card, ATM card machine, POS machine, internet banking. On the other hand, the effort made to identify the major challenges of electronic Banking Business practices for Buna Bank customers concluded that technological challenge found to be the top challenge that significantly and negatively affecting e-banking business practices followed by unfavorable business landscape and legal challenge. Similarly, efforts made to identify enablers of electronic banking business practices of customers of Buna Bank concluded that the Government commitment to building out ICT infrastructure found to be the top enabler that significantly and positively impact the e-banking business practices of Buna bank customers followed by website quality, agent & usability, and opportunities provided by ICT through e-banking.

5.3 Recommendation

The following recommendations are drown based on the finding of the study:

- Buna Bank is recommended to capitalize its effort in creating awareness towards its customer on the adoption of electronic banking business practices to maintain as it is highly practiced in terms of mobile banking practice followed by debit card, ATM card machine, POS machine and internet banking.
- In order to mitigate the adverse effect of challenges (such as Technological challenge, unfavorable business landscape and legal challenge) that significantly hider the adoption of electronic Banking business practices by customers it is recorded Buna Bank make technology quite user friendly, ease legal related challenges through awareness creation campaign and as well as providing toll free service on legal advice.

- Buna Bank has to make enablers of electronic banking business practices of customers of Buna Bank and then national government may maintain their integrated commitment to building out ICT infrastructure, website quality, agent & usability, and opportunities provided by ICT through e-banking found to be the significant enablers of e-banking business practices of Buna bank customers.

5.4 Future research areas

The study attempted to assess the current e-banking business practices of Buna bank's customers and identified major challenges and enablers in e-banking business practices. The researcher recommends further study to undertake the same study considering customers and staff of the bank as well as comparison of private and public banks in the same setting.

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Annex 1

Addis Ababa university school of Commerce

Questionnaire to be filled by Buna Bank customer

Dear respondents;

This questionnaire is prepared to collect primary data for a study entitled "Adoption of Electronic Banking Business Practice and its user Service Challenges: The Case of Buna Bank S.C Addis Ababa" for the partial fulfillment of my Master Degree in Marketing management (MMM) from the Addis Ababa university School of commerce. I would highly appreciate sparing some few minutes to fill this survey questionnaire. I assure you that your participation is voluntarily and all the information provided will be kept strictly confidential, and it will only be used for academic purposes.

For further information please don't hesitate to contact me via the following address +251936988520 or email: yohanesmitiku36@gmail.com

N.B.:

- ❖ No need of writing your name
- ❖ Please use tick mark (√) of your choice

Thank you very much for your cooperation.

Part one: Demographic profile of the respondent

1. Sex: Male ☐ Femal ☐

2. Age (in years): Under 20 ☐ 21-35 ☐ 36-50 ☐ 51 and above ☐

3. Educational level: Grade1-12 Complete ☐ Certificate ☐ Diplomas ☐

BA/BSC ☐ MA/MSC/MBA ☐ PhD ☐

4. How long have you been a Buna bank customer?

Less than 1 year ☐ 1-2 year ☐ 3-5 years ☐ more than 5 years ☐

E-banking practice [Actual use]

SD =Strongly disagree, D= Disagree, N =neutral, A= agree, S. A= strongly agree

Please tick one box only for each statement (√)

1, E-banking practice	Scale				
A) Mobile banking practice	SD	D	N	A	SA
1.1.I use mobile banking to check my balance					
1.2. Mobile banking helps me tracks my spending, review my account history.					
1.3.Mobile banking helps me deposit checks, transfer funds and pay bills.					
B) Internet banking practice	SD	D	N	A	SA
1.4.Internet banking allows me to conduct financial transactions via the Internet.					
1.5.Internet banking offers me almost every service traditionally available through a local branch cash deposit.					
1.6.Internet banking offers me almost every service traditionally available through a local branch cash transfer.					
C) ATM service practice	SD	D	N	A	SA
1.7.ATM card helps me to Withdrawal of cash.					
1.8.ATM card give me the opportunity Transfer of cash.					
1.9.ATM card shows my Accounts details/summary.					
D) POS service practice	SD	D	N	A	SA
1.10. Pos machine helped me shopping everywhere.					
1.11. Pos machine helped me to pay any good and service.					
1.12. Pos machine helped me to pay unlimited cash.					
E) Credit card service practice	SD	D	N	A	SA
1.13. I use Credit card to buy goods and services					
1.14. I use Credit card for advances and balance transfers					
1.15. I use Credit card to borrow money					
F) Debit card service practice	SD	D	N	A	SA

1.16. I use Debit card to know my current bank account balance and available funds.					
1.17. I use Debit card to Know my daily cash withdrawal and spending limits.					
1.18. I use Debit card to get cash back when making purchases, to avoid ATM fees.					

Enablers (PU)

2. Enablers (PU) of E-banking practices	SCALE				
A) Government commitment to building out ICT infrastructure	SD	D	N	A	SA
2.1. Government internet cost tariff encourage me to use e-banking service.					
2.2.Government internet platform help me use of e-banking service					
2.3.Availability of *ICT infrastructure helped me use e-banking practices*					
B) Opportunities provided by ICT through e-banking	SD	D	N	A	SA
2.4.E-banking gives opportunity to peak me balance.					
2.5.E-banking gives opportunity provide to pay any bills.					
2.6.E-banking gives opportunity to transfer any transaction					
C) Use of Agents accessibility& usability	SD	D	N	A	SA
2.7.Agents' promotion helped me able to access e-banking service					
2.8.Agents' accessibility helped me to use e-banking financial tools.					
2.9.Agents promotional campaign helped me to use e-banking service					
D) ***website quality***	SD	D	N	A	SA
2.10. quality website network helped me to use e-banking service					
2.11. Website easy to use helped me to use e-banking service					
2.12. Website simply optimized by mobile helped me to use e-banking service					

Challenges (PEU)

3. Challenges (PEU) of e-banking practices					
A) legal and regulatory frameworks	SD	D	N	A	SA
3.1. The National Information Communication Technology Policy hinders me use of e-banking					
3.2. Ethiopia national payment System-Vision and strategies hinders me use of e-banking					
3.3. Bank of Ethiopia Electronic Payment Scheme Guidelines hinders me use of e-banking					
B) **Technological, Organizational, environmental challenge**	SD	D	N	A	SA
3.4. Shift of Banking technology Habits and Products challenge to use e-banking service					
3.5. Security Concerns of new technology Challenging to use e-banking service.					
3.6. lack of new technology platform Challenge to use e-banking service.					
C) Customer awareness	SD	D	N	A	SA
3.7. lack of e-banking awareness challenged me to use e-banking service.					
3.8. Lack of online service supporter challenged me to use e-banking service.					
3.9. Lack of bank promise discuss about new technology challenged me to use e-banking service.					
D) Changing banking landscape and Shifting bank habits related challenge	SD	D	N	A	SA
3.10.Changing bank location challenged me use of e-banking service					
3.11. Changing bank set up challenged me to use e-banking service					
3.12. Changing the bank's ATM machine challenged to use e-banking service					

Annex 2

Table 12: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	.685[a]	.469	.464	.21339
A. Predictors: (Constant), Website quality, use of Agent accessibility & usability, Opportunity provided by ICT infrastructure, Government Commitment, Legal and Regulatory frameworks, Technological challenges, Customer and changing bank landscape				

Source: Owen survey 2023

Table 13: ANOVA a

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.303	3	4.101	90.063	.000[b]
	Residual	13.933	306	.046		
	Total	26.236	309			
A. Dependent variable: e-banking practices						
B. Predictors: (constant), website, agent, opportunity and government.						

Source: Owen survey 2023