ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS DEPARTMENT OF ACCOUNTING AND FINANCE

ASSESSMENT OF E-CHANNELS PRACTICE & ITS CHALLENGES IN THE BANKING SECTOR IN ETHIOPIA: THE CASE OF BANK OF ABYSSINIA

BY

ABEBA KIFLE

A THESIS SUBMITTED TO THE DEPARTMENT OF ACCOUNTING AND FINANCE COLLEGE OF BUSINESS AND ECONOMICS, ADDIS ABABA UNIVERSITY IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF SCIENCE (MSC) IN ACCOUNTING AND FINANCE

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By
Abeba Kifle
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A Thesis Submitted to the Department of Accounting and Finance College of Business and Economics, Addis Ababa University in Partial Fulfilment of the Requirements for the Degree of Masters of Science (MSC) in Accounting and Finance

Thesis Advisor
Habtamu Berhanu (PHD)

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Statement of Declaration

I, Abeba Kifle, declare that the thesis entitled — **Assesment** of E-channels practice & its challenges in the case of Bank of Abyssinia is my original work, prepared under the guidance of. Dr. Habtamu B. All sources of material used for the thesis have been duly acknowledged. I further confirm that this thesis has not been submitted either in part or in full to any other higher learning institutions for the purpose of earning any degree.

Name	Signature	Date
Abeba Kifle		2/4/24

Addis Ababa University
Addis Ababa
November 2023

STATEMENT OF CERTIFICATION

This is to certify that, this project work **"ASSESSMENT OF E-CHANNELS PRACTICE & ITS CHALLENGES IN THE BANKING SECTOR IN ETHIOPIA: THE CASE OF BANK OF ABYSSINIA",** undertaken by **Abeba Kifle** in Partial Fulfilment of the Requirements for the Degree of Masters of Science (MSC) in Accounting and Finance is an original work and not submitted earlier for any Degree either at this university or any other university

Habtamu Berhanu (PHD)
Thesis Advisor

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BY: Abeba Kifle

Approval of Examiners:	Signature	Date
Habtamu Berhanu (PHD)		
Advisor	Signature	Date
Internal Examiner	Signature	Date
Dr. Abebaw Kassie		02/04/24
External Examiner	Signature	Date
Dr. Lemessa Bayissa		02/04/24

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ACRONYMS AND ABBREVIATIONS

ATM	**Automatic Teller Machine**
BOA	**Bank of Abyssinia**
CBE	**Commercial Bank of Ethiopia**
E- Channel	**Electronic Channel**
E-banking	**Electron Banking**
EFT	**Electronic Funds Transfer**
FAQs.	**Frequently Asking Questions**
IT	**Information Technology**
ITU	**International Telecommunication Union**
ITM	**Interactive Teller Machine**
MIS	**Management information system**
NBE	**National Bank of Ethiopia**
POS	**Point of Sale**
SPSS	**Statistical Package for Social Science**

ABSTRACT

This study aims to assess the practice and challenges of e-channels in the case study organization, Bank of Abyssinia (BOA), in Ethiopia. Embracing innovation in the banking sector is crucial for competitiveness and meeting customer needs. The research employed a mixed research approach, utilizing a semi-structured questionnaire distributed to 399 e-channel users and 43 managerial staff across selected branches in the east Addis district. Additionally, structured interviews were conducted with branch managers. Descriptive research design was employed, and data analysis involved both statistical analysis of the questionnaire data using SPSS version 25 and interpretative analysis of interview results. The study findings highlight several areas for improvement. Enhancing communication and coordination, improving accessibility and availability, and enhancing customer satisfaction were identified as crucial areas for enhancing the e-channels experience for customers. Furthermore, the increasing demand for e-channel services and the commitment of the government to improve the policy framework present significant opportunities for adoption in the banking industry. Based on the major findings, the study suggests several recommendations. Addressing limitations, improving functionality and user experience, and streamlining transaction processes are essential steps to enhance customer convenience and efficiency. By addressing these challenges, BOA can capitalize on the opportunities presented by the growing demand for e-channel services and the supportive policy environment.

Keywords: E-channels, banking sector, innovation, customer satisfaction, Ethiopia.

CHAPTER ONE
INTRODUCTION

1.1. Background of the Study

Information technology (IT) has brought significant changes to the banking industry worldwide. Banks that leverage the advantages of various service channels and innovative IT-based solutions can gain a larger market share (Gupta, 2013). As a result, banks must introduce new banking services through innovative channels to remain competitive, create added value, and achieve a greater market share (Cetina & Mihail, 2007; Laukkanen & Lauronen, 2005). E-channels, including internet banking, mobile banking, and ATM services, have become increasingly popular among customers due to their convenience and accessibility.

Electronic banking, also known as e-banking, virtual banking, online banking, or internet banking, has become increasingly popular in recent years due to its convenience, accessibility, and efficiency. It allows customers to conduct financial transactions remotely through the internet or other electronic channels. This form of banking offers a wide range of services, including account management, fund transfers, bill payments, loan applications, and other financial transactions (Rosenfeld, 2018).

The adoption of electronic banking has brought several benefits to both customers and banks. For customers, it provides the flexibility to manage their financial activities independently and conveniently, regardless of the working hours of the bank branches (Smith, 2020). It allows them to access banking services anytime and anywhere through various channels, such as the internet, telephone, and Automated Teller Machines (ATMs) (Jones, 2019).

For banks, electronic banking has enabled them to reduce operational costs and improve customer service. By shifting transactions to electronic channels, banks can streamline their processes and reduce the need for physical infrastructure and staff (Brown, 2022). This cost reduction can lead to lower prices of services for customers (Gupta, 2021).

Additionally, electronic banking has allowed banks to offer a wider range of services and reach a larger customer base, thereby increasing their efficiency (Davis, 2017).

However, the adoption of electronic banking also brings challenges and risks. One of the main concerns is security and reliability. With the increasing reliance on technology and the internet, there is a higher risk of cyber threats, information security breaches, and fraud (Chen, 2018). Banks need to invest significantly in technology and infrastructure to ensure the security of customers' financial information and protect against potential attacks (Lee, 2019).

Another risk associated with electronic banking is the invasion of privacy. As customers conduct their banking activities remotely, there is a possibility of their personal and financial information being compromised (Sullivan, 2020). Banks must implement robust security measures to safeguard customer privacy and comply with relevant data protection regulations (Robinson, 2021).

Furthermore, electronic banking introduces compliance risks for banks. They must adhere to various regulatory requirements related to electronic transactions, anti-money laundering measures, and customer identification (Williams, 2018). Failure to comply with these regulations can result in legal consequences and damage to the bank's reputation (Turner, 2020).

Technological innovations have significantly impacted the distribution channels of banks. The evolution of banking technology has been driven by changes in distribution channels, including automated teller machines (ATMs), debit cards, credit cards, phone-banking, tele-banking, PC-banking, and internet banking. Paperless banking has become inevitable due to the increasing adoption of technology by customers and banks (Goi, C. L., 2005).

According to (Zhang, 2010), the emergence of internet and World Wide Web (www) in the 1990s has significantly impacted the banking industry. The adoption of electronic banking systems has brought significant benefits to both banks and customers. Banks can now deliver their products and services to customers through electronic banking systems, including internet banking, mobile banking, and other digital channels.

Electronic banking systems have revolutionized the banking industry by allowing banks to streamline operations and enhance efficiency through automation (Smith, 2019). This technological advancement has led to reduced operational costs for banks, as manual processes are replaced by automated systems (Johnson, 2020). By automating tasks such as transaction processing, account management, and fund transfers, banks can allocate resources more effectively and improve overall operational efficiency (Davis, 2018).

The convenience and accessibility of electronic banking systems have greatly benefited customers. With these systems, customers can access banking services anytime and anywhere through various electronic channels, such as online platforms and mobile applications (Brown, 2021). This flexibility allows customers to manage their financial affairs at their convenience, without being restricted by banking hours or physical branch locations (Jones, 2022). Electronic banking systems also offer a wide range of services, including account monitoring, bill payments, and fund transfers, enabling customers to perform transactions efficiently and effectively (Lee, 2019).

Other platforms include payment cards, electronic wallets, self-service zones, and mail banking. All these developments were necessitated by the need for banks to reduce both operational and administrative costs and improve efficiency, customer base, and customer satisfaction. Empirical evidence has shown that reduction in banking costs has served as a significant driver in delivering banking services (Yaklef, 2001).

1.2 Background of the Organization

According to https://www.bankofabyssinia.com/ the present-day Bank of Abyssinia was established on February 15, 1996 (90 years to the day after the first but defunct private bank was established in 1906 during Emperor Menelik II) in accordance with the 1960 Ethiopian commercial code and the Licensing and Supervision of Banking Business Proclamation No. 84/1994. BOA started its operation with an authorized and paid-up capital of Birr 50 million and Birr 17.8 million, respectively, and with only 131 shareholders and 32 staff.

Currently, the Bank provides domestic, international, and special banking services to its esteemed and valuable customers. It also strives to serve all economic and service sectors via its ever-increasing branch networks throughout the country. According to https://www.bankofabyssinia.com reports as of September 25,2020 Bank of Abyssinia started a new service called Virtual Banking Center and becomes the first bank to start using Interactive Teller Machine (ITM) to give its customers 24/7 access for most of the banking service. According to the bank, the new services enable its customers to access most of the services virtually 24/7 without the need to go to branch offices.

According to its annual report for 2020–2021, Abyssinia Bank has reported that it has earned a 2.87 billion birr gross profit, which is a record high for the bank. The bank also managed to add 2.5 million new customers, which is a very impressive figure for a private bank. Bank of Abyssinia, after opening up 97 new ones in the 2020–22 FY, now has 703 branches and a total of 8,146 employees. Bank of Abyssinia has rapidly increased during this strategic period from 2018/19 to 2023/24 in e- banking channel which it introduces the new self-service machine that hosts the service of branch banking through excellent and friendly virtual tellers from the comfort of any ITM corner.

1.3 Statement of the Problem

In today's era of globalization and increased competition, a strong banking industry is essential for supporting economic development through efficient financial services. As a result, many banks worldwide are modifying their strategies to reach customers more easily and cost-effectively. One of the channels that banks are adopting is e-banking or internet banking, which involves the use of electronic channels such as ATMs, internet banking, mobile banking, and POS terminals to deliver banking products and services (Ayana, 2012).

The adoption of e-banking has numerous advantages for both banks and customers. For banks, it provides a cost-effective way to deliver services while reducing operational costs. E-banking also allows banks to offer a wider range of services, such as online bill payment and fund transfers, which can increase customer satisfaction and loyalty. For

customers, e-banking provides the convenience of accessing banking services from anywhere at any time, without the need to visit a physical bank branch.

Moreover, the adoption of e-banking also requires significant investment in infrastructure and technology, which can be a challenge for banks in developing countries. For instance, in Ethiopia, the lack of infrastructure and technological advancements has been identified as a significant challenge that hinders the effective implementation of e-banking services (World Bank, 2019).

The banking industry has experienced noteworthy changes globally and nationally over the past decade, primarily driven by technological advancements and the increasing popularity of digital banking channels. The adoption of electronic channels such as ATMs, internet banking, mobile banking, and POS terminals has become prevalent among the population (Smith, 2018). However, the effective implementation of these channels is not without challenges. Banks must address concerns related to data security, privacy, and fraud prevention to ensure a secure environment for customers (Miller, 2016). Additionally, some customers may face difficulties in navigating the digital platforms or may require assistance during their interactions with electronic channels (Davis, 2019).

The extent of the population using digital banking channels varies based on factors such as technological infrastructure, internet penetration rates, and customer preferences. In more developed countries or regions, a higher proportion of the population is likely to utilize digital banking services due to better infrastructure and greater familiarity with technology (Gupta, 2020). However, in less developed areas, the adoption of digital banking may be lower due to limited access to technology or a preference for traditional banking methods (Robinson, 2021).

The problem addressed in this research is the assessment of e-channels practice and its challenges in the case of Bank of Abyssinia. Bank of Abyssinia is one of the leading banks in Ethiopia, providing a range of banking services to its customers. However, the bank faces several challenges in implementing e-channel services, which may affect its customer experience and competitiveness in the market.

One of the challenges faced by banking industry is the lack of infrastructure and technological advancements in Ethiopia. The country has one of the lowest levels of internet penetration globally, making it difficult for the bank to provide reliable and efficient e-channel services to its customers. According to a report by the International Telecommunication Union (ITU), only 15% of the Ethiopian population had access to the internet in 2020 (ITU, 2020). This suggests that banks and financial institutions operating in Ethiopia may face challenges in implementing e-channel practices that rely on internet connectivity, such as online banking.

According to a more recent study by Alalwan, Dwivedi, and Rana (2021), customer awareness and acceptance of e-channel services continue to present challenges for banks in their efforts to implement digital banking. The researchers emphasize that many customers still demonstrate a preference for traditional banking methods and exhibit hesitancy in adopting e-channels due to concerns regarding security, reliability, and ease of use. The authors argue that this reluctance can be attributed to a lack of knowledge and understanding of e-channel services, as well as a lack of trust in the digital banking environment.

Furthermore, cyber security poses a significant challenge for banks that provide e-channel services. According to a study conducted by Al-Fraihat, Joy, and Sinclair (2019), banks encounter various security issues, such as phishing attacks, identity theft, and malware infections, which can jeopardize the security of transactions conducted through e-channels.

Understanding the study on e-channel practices and challenges in Bank of Abyssinia is crucial. It provides insights into specific challenges the bank faces, helping develop targeted strategies for effective implementation. The study identifies factors influencing e-channel success, enabling informed decision-making and optimization. Recommendations from the study guide improvements in e-channel services, enhancing customer experiences and competitiveness. It is valuable for industry professionals, researchers, and policymakers, contributing to knowledge and informing decisions. Overall, understanding the study drives informed choices, improves e-channel services, and boosts performance.

The researcher addresses several research gaps. Specifically, there is a lack of studies focusing on the practices and challenges of e-channels within the Ethiopian banking sector. Despite the global prominence of e-channel technology, limited research exists on its implementation and associated challenges in the Ethiopian context. Moreover, there is a need for more research on specific aspects and phenomena related to e-channel practices in Ethiopian banks, including customer adoption, user experience, and the impact on banking operations. Additionally, the Bank of Abyssinia has received inadequate attention as a case study, despite its significance in the Ethiopian banking sector. Therefore, this study aims to fill these research gaps by conducting a comprehensive examination of e-channel practices and challenges within the Bank of Abyssinia, providing valuable insights into the adoption, experiences, and operational implications of e-channels within the Ethiopian banking industry.

1.4 Research Questions

The basic research questions of this research are: -

1. What is the current level of customer usage of e-channel services offered by the Bank of Abyssinia?
2. What are the benefits of using e-channel services for customers of Bank of Abyssinia?
3. What is the level of acceptance of these services among the bank's customers?
4. What are the challenges faced by Bank of Abyssinia in implementing e-channel services?

1.5 Objective of the Study

1.5.1 General Objective

The main objective of the study is to assess e-channels practice & its challenges in the case of bank of Abyssinia.

1.5.2 Specific Objectives

1. To assess the current level of customer usage of electronic channels (e-channels) offered by the Bank of Abyssinia

2. To identify the benefits realized by customers, banks in the adoption and practice of the E-channels.
3. To identify the level of acceptance of e-channel services among the customers of the Bank of Abyssinia.
4. To identify the major challenges for the adoption of E-channels service in Bank of Abyssinia

1.6 Significant of the Study

Assessing the practice of E-channels and identifying the challenges faced by the Bank of Abyssinia is significant for several reasons. The increasing use of electronic channels in the banking industry has transformed the way customers interact with their banks. Understanding the challenges faced by banks in implementing and managing e-channels is critical for ensuring that customers have a positive experience and that the bank can provide efficient and effective services.

Identifying the challenges faced by the Bank of Abyssinia in implementing e-channels can provide insights into the broader challenges faced by the banking industry in Ethiopia. This information can be used to inform policy decisions and support the development of strategies to address these challenges.

The study can provide valuable insights for the Bank of Abyssinia itself. By identifying the specific challenges faced by the bank in implementing e-channels, the bank can develop targeted strategies to address these challenges. This can help to improve the bank's overall performance and competitiveness in the market. Last but not list Implementation of the e-channels system is expensive and is in its infant stage in Ethiopia, so it is essential to know why it is important.

Overall, the study on the assessment of e-channels practice and its challenges in the case of Bank of Abyssinia can provide valuable insights for the banking industry in Ethiopia, the Bank of Abyssinia itself, and policymakers.

1.7. Scope of the Study

The study is limited to a specific district within Ethiopia. Although the Bank of Abyssinia encompasses ten districts and operates through 703 branches nationwide, this study

focuses exclusively on one selected district. The East Addis district was chosen for this study due to its importance and significance in terms of geographical suitability,economic activity, population density, and a large customer base compared to other districts. Within the East Addis district, there are a total of 133 branches. By narrowing the scope to this specific district, the study aims to provide a comprehensive understanding of the e-channel practices and challenges within this particular geographical area of operation for the Bank of Abyssinia.

1.8 Limitation of the Study

The study focuses solely on the Bank of Abyssinia, which may limit the generalizability of the findings to other banks in Ethiopia. The challenges and practices related to e-channels may vary across different banks, and therefore, caution should be exercised when applying the study's findings to the broader banking sector in the country. The study's scope may have been constrained due to time and resource limitations, potentially leading to the omission of relevant factors. Additionally, the dynamic nature of the industry means that the study's findings may have limited applicability to future scenarios and changing industry dynamics.

1.8. Organization of the Study

This research involves five chapters. Chapter one deals with the general introduction to the research. Chapter two describes the review of related literature. Chapter three provides a detailed description of the methodology. Chapter four focuses on data presentation, analysis, and interpretation. Finally, the last chapter provides conclusions and relevant recommendations based on the findings.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

The purpose of the literature review chapter in the research study is to provide a comprehensive overview of the existing literature on e-channel service practices and their challenges in the banking industry. The chapter is divided into several sections, including theoretical review, empirical review, concept of electronic channel banking, and summary of the literature review.

2.2. Theoretical Review

2.2.1. The Concept of Electronic channels

Electronic channels in the context of banking refer to the various digital platforms that allow customers to access and complete banking transactions remotely, without having to visit a physical bank branch (Bank of Abyssinia, 2021). These channels include internet banking systems (IBS), mobile banking apps (BMA), electronic platforms, and other digital channels that enable customers to conduct banking transactions, such as transferring money, paying bills, checking account balances, and accessing other banking services (Alalwan et al., 2017).

The use of electronic channels in banking has become increasingly popular in recent years due to the convenience and accessibility they offer to customers (Alalwan et al., 2017). With electronic channels, customers can complete transactions from anywhere and at any time, using their computer, smartphone, or other internet-enabled device.

However, the use of electronic channels in banking also presents certain challenges, such as security risks and technical difficulties (Alalwan et al., 2017). Therefore, it is important for banks to develop robust security measures and provide adequate support to their customers to ensure the smooth and secure operation of their electronic channels.

According to Mols (2016), Electronic banking has indeed brought about a number of benefits to the banking industry and customers alike. One of the significant benefits is

that it makes it easier for customers to compare banks' services and products, leading to increased competition among banks. This competition can drive banks to improve their services and offer better products to their customers. Moreover, electronic banking allows banks to penetrate new markets and expand their geographical reach. This is because customers can access banking services from anywhere in the world, as long as they have an internet connection. This has opened up new opportunities for banks to expand their businesses beyond their traditional markets.

Furthermore, electronic banking can be seen as an opportunity for countries with underdeveloped financial systems to leapfrog developmental stages. Customers in such countries can access banking services more easily from banks abroad and through wireless communication systems, which are developing more rapidly than traditional "wired" communication networks. This can help these countries to develop their financial systems more quickly and efficiently (Mols, 2016).

In summary, electronic banking has brought about significant benefits to the banking industry, including increased competition among banks, expanded geographical reach, and opportunities for countries with underdeveloped financial systems to leapfrog developmental stages.

2.2.2. The evolution of e-channel systems

The evolution of e-channel systems has transformed the banking industry, providing customers with greater convenience, accessibility, and personalized services. These systems are a range of digital channels that enable customers to access banking services remotely, such as internet banking, mobile banking, automated teller machines (ATMs), telephone banking, point of sale (POS) terminals, and electronic funds transfer (EFT) (Mols, 2016). The evolution of e-channel systems has been driven by advances in technology, changes in customer behavior, and increased competition in the banking sector (Chinomona, 2016).

Internet banking is a web-based platform that enables customers to access banking services through a website. Customers can view account balances, transaction history, transfer funds, pay bills, and apply for loans. Mobile banking, on the other hand, is a

mobile application that enables customers to access banking services through their smartphones or tablets. Customers can perform transactions, view account balances, and receive alerts on their mobile devices (Pikkarainen, Karjaluoto, & Pahnila, 2004).

ATMs are self-service machines that enable customers to withdraw cash, deposit cash and checks, and transfer funds. Telephone banking is a service that enables customers to access banking services through a telephone. Customers can perform transactions, check account balances, and pay bills. POS terminals are electronic devices that enable customers to make payments using their credit or debit cards at retail outlets. EFT is a system that enables customers to transfer funds between accounts electronically (Mols, 2016).

The evolution of e-channel systems has brought many benefits to both banks and their customers. For banks, e-channel systems have reduced operational costs, improved efficiency, and enabled them to offer more personalized services. For customers, e-channel systems have provided greater convenience, improved accessibility, and enabled them to manage their finances more effectively (Wang, Y. D., Lin, H. H., & Luarn, P. 2006).

E-channel systems have reduced operational costs for banks by automating many of their processes, reducing the need for physical branches, and offering 24/7 service. This has enabled banks to offer more competitive fees and interest rates to their customers. E-channel systems have also improved efficiency by reducing transaction processing times, enabling customers to complete transactions more quickly, and reducing the need for manual intervention (Chinomona, 2016).

E-channel systems have provided greater convenience for customers by enabling them to access banking services remotely, at any time and from anywhere. This has reduced the need for customers to visit physical branches, saving them time and effort. E-channel systems have also improved accessibility by enabling customers in remote or underdeveloped areas to access banking services through their mobile devices (Alalwan, A. A., Dwivedi, Y. K., & Rana, N. P. 2017).

E-channel systems have enabled customers to manage their finances more effectively by providing them with real-time access to their financial information and enabling them to perform transactions more quickly. E-channel systems have also enabled customers to receive more personalized services by providing them with tailored offers, alerts, and recommendations based on their transaction history and preferences (Mols, 2016).

However, there are also challenges associated with e-channel systems, including security risks and the digital divide. E-channel systems are vulnerable to fraud, identity theft, and cyber-attacks. Banks must implement robust security measures, such as two-factor authentication, encryption, and fraud detection systems, to protect their customers' sensitive information and prevent financial fraud (Chinomona, 2016).

Moreover, the digital divide is another challenge associated with e-channel systems. E-channel systems require customers to have access to the internet and digital devices. In some countries, many people do not have access to these resources, which limits their ability to access banking services remotely. Banks must ensure that their e-channel systems are accessible and user-friendly for all customers, regardless of their digital literacy or resources (The World Bank, 2021).

In conclusion, the evolution of e-channel systems has transformed the banking industry, providing customers with greater convenience, accessibility, and personalized services. Banks must address the challenges associated with e-channel systems to ensure that their systems are secure, accessible, and user-friendly for all customers.

2.2.3. Types of E- Channels

Electronic channels, also known as e-channels, refer to the various digital platforms that enable customers to access and complete transactions remotely without visiting a physical bank branch. Some of the types of e-channels are:

Internet banking: Internet banking allows customers to access their accounts and perform transactions through a bank's website. Customers can check account balances, transfer funds, pay bills, and apply for loans, among other services (Alalwan et al., 2017).

Mobile banking: Mobile banking allows customers to access banking services through a mobile app on their smartphone or tablet. Customers can perform transactions, view account balances, and receive alerts, among other services (Alalwan et al., 2017).

Automated teller machines (ATMs): ATMs allow customers to withdraw cash, deposit money, and check account balances, among other services. ATMs are available 24/7 and are located in various locations, making them a convenient option for customers (Chinomona, 2016).

Telephone banking: Telephone banking allows customers to access banking services through a phone call. Customers can perform transactions, check account balances, and request information, among other services (Chinomona, 2016).

Point of sale (POS) terminals: POS terminals allow customers to make purchases using their debit or credit card. These terminals are commonly found in stores and other retail locations (Chinomona, 2016).

Electronic funds transfer (EFT): EFT allows customers to transfer funds from one account to another electronically. This can be done through internet banking, mobile banking, or telephone banking (Alalwan et al., 2017).These channels of electronic banking offer customers various options to access banking services, making it more convenient and accessible for them.

2.3 Benefits of Electronic Channels.

Electronic channels have revolutionized the way banking services are accessed and delivered. Electronic channels refer to the various digital platforms that enable customers to access banking services remotely without visiting a physical bank branch. These channels include internet banking, mobile banking, automated teller machines (ATMs), telephone banking, point of sale (POS) terminals, and electronic funds transfer (EFT). The use of electronic channels offers numerous benefits to both banks and their customers, which are discussed below.

Convenience: One of the most significant benefits of electronic channels is convenience. Electronic channels allow customers to access banking services at any time and from anywhere with an internet connection. This means that customers do not have to visit a physical bank branch to perform transactions, which saves time and effort. For example, with internet banking, customers can check their account balances, transfer funds, pay bills, and apply for loans from the comfort of their homes or offices. Similarly, with mobile banking, customers can perform transactions, view account balances, and receive alerts on their smartphones or tablets. This convenience has made banking services more accessible and convenient for customers (Alalwan et al., 2017).

Access to a Wider Range of Services: Electronic channels provide customers with access to a wider range of banking services, including online bill payment, fund transfers, loan applications, and investment services. This enables customers to manage their finances more effectively and efficiently. For example, with internet banking, customers can apply for loans and credit cards, as well as open new accounts. Similarly, with mobile banking, customers can invest in stocks and mutual funds, as well as check their credit scores. This access to a wider range of services has made it easier for customers to manage their finances and achieve their financial goals (Alalwan et al., 2017).

Lower Transaction Costs: Electronic transactions are generally less expensive than traditional transactions, such as those conducted through physical bank branches. This can result in lower transaction costs for both banks and their customers. For example, with internet banking, customers do not have to pay for paper statements, checks, or postage, which reduces the cost of maintaining their accounts. Similarly, with mobile banking, customers do not have to pay for text message alerts or data charges, which further reduce their transaction costs. Moreover, electronic channels enable banks to automate many of their processes, which reduce their operational costs and enables them to offer lower fees and higher interest rates to their customers (Chinomona, 2016).

Increased Competition: Electronic channels have increased competition among banks, as customers can compare services and products offered by different banks more easily. This has driven banks to improve their services and offer better products to their

customers. For example, with internet banking, customers can compare interest rates, fees, and other terms and conditions of different banks' products before making a decision. Similarly, with mobile banking, customers can compare banking services offered by different banks' mobile apps. This competition has improved the quality of banking services and products and has benefited customers (Mols, 2016).

Improved Security: Electronic channels have improved security measures to protect customers' sensitive information and prevent fraud. For example, most internet banking services use two-factor authentication and encryption to secure customers' login credentials and transactions. Similarly, most mobile banking apps use fingerprint scanning and passcodes to secure customers' access to their accounts. Moreover, banks use fraud detection systems to monitor customers' transactions and alert them of suspicious activity. This has increased customers' trust in electronic banking and has reduced the risk of financial fraud (Alalwan et al., 2017).

Environmental Benefits: Electronic channels offer environmental benefits by reducing paper usage and carbon footprint. For example, with internet banking, customers can view their statements online and avoid receiving paper statements, which reduces paper usage and waste. Similarly, with mobile banking, customers can receive alerts and messages electronically, which reduces the need for paper-based communication. Moreover, electronic channels reduce the need for customers to travel to physical bank branches, which reduces their carbon footprint and contributes to environmental sustainability (Chinomona, 2016).

Access to Banking Services in Underdeveloped Regions: Electronic channels have enabled banks to reach customers in underdeveloped regions and offer banking services to them. For example, in many developing countries, traditional brick-and-mortar banks are not available in all regions, which make it difficult for customers to access banking services. However, with electronic channels, customers in these regions can access banking services through their mobile phones or internet-enabled devices. This has enabled banks to expand their customer base and provide financial services to underserved communities (Dwivedi et al., 2017).

Improved Customer Experience: Electronic channels have improved the overall customer experience by providing faster, more reliable, and more personalized banking services. For example, with internet banking, customers can access their account information and complete transactions in real-time, which reduce the time required to complete transactions. Similarly, with mobile banking, customers can receive personalized offers and discounts based on their transaction history and preferences.This has improved the overall customer experience and has made banking services more convenient and accessible for customers (Alalwan et al., 2017).

In conclusion, electronic channels have transformed the banking industry by offering numerous benefits to both banks and their customers. These benefits include convenience, access to a wider range of services, lower transaction costs, increased competition, improved security, environmental benefits, access to banking services in underdeveloped regions, and improved customer experience. As technology continues to evolve, electronic channels are likely to become even more sophisticated and to offer additional benefits to customers and banks alike.

2.4. Factors influencing Banks to adopt E- channel System

The adoption of e-channel systems by banks has been influenced by several factors. The main factors are technological and organizational factors. Banks that successfully adopt e-channel systems must address both technological and organizational factors to ensure that these systems are implemented smoothly and effectively. Each of these factors is discussed in more detail.

2.4.1. Technological factors

Technological factors include advancements in technology, security concerns, and integration with other systems.

Advancements in technology: Advances in technology have made it easier and more cost-effective for banks to implement e-channel systems. For example, the development of mobile technology has enabled banks to offer mobile banking applications to their customers, while the development of cloud computing has enabled banks to store and process large volumes of data securely and cost-effectively (Dwivedi et al., 2017).

Security concerns: The security of e-channel systems is a critical concern for banks and their customers. Banks must invest in robust security measures, such as two-factor authentication, encryption, and fraud detection systems, to protect their customers' sensitive information and prevent financial fraud (Chinomona, 2016). The development of new security technologies, such as biometric authentication and blockchain, has enabled banks to enhance the security of their e-channel systems.

Integration with other systems: E-channel systems must be integrated with other banking systems, such as core banking systems and payment systems, to ensure seamless transaction processing and data sharing (Mols, 2016). The development of application programming interfaces (APIs) has enabled banks to integrate their e-channel systems with other systems more easily and efficiently.

2.4.2. Organizational factors:

Organizational factors include organizational culture, change management, and leadership support.

Organizational culture: The adoption of e-channel systems requires a cultural shift within banks, with a focus on innovation, collaboration, and customer-centricity (Dwivedi et al., 2017). Banks must create a culture that encourages experimentation, risk-taking, and continuous improvement to successfully implement e-channel systems.

Change management: The adoption of e-channel systems requires significant changes to the way banks operate, including changes to processes, roles, and responsibilities (Chinomona, 2016). Effective change management is critical to ensure that these changes are implemented smoothly and that employees are trained and supported throughout the implementation process.

Leadership support: The adoption of e-channel systems requires strong leadership support, with a clear vision of the benefits of these systems and a commitment to their successful implementation (Mols, 2016). Leaders must provide the necessary resources, including funding, technology, and talent, to support the adoption of e-channel systems.

In addition to the factors discussed in the above section, the adoption of e-channel systems by banks has also been influenced by customer demand, competition, cost savings, efficiency improvements, regulatory requirements, each of these factors are the following.

Customer demand- is one of the primary factors driving the adoption of e-channel systems by banks. With the proliferation of technology and the rise of the digital age, customers expect to be able to access banking services anytime, anywhere, and from any device ((Pikkarainen, Karjaluoto, & Pahnila 2004). E-channel systems provide customers with the convenience of accessing banking services remotely, which has led to increased demand for these systems.

Competition -is another factor driving the adoption of e-channel systems by banks. The banking industry has become increasingly competitive, with new players entering the market and existing players expanding their services (Chinomona, 2016). E-channel systems have become a key differentiator for banks, with those that offer these systems gaining a competitive advantage over those that do not.

Cost savings- is also a factor driving the adoption of e-channel systems by banks. E-channel systems have the potential to reduce operational costs for banks by automating many processes and reducing the need for physical branches (Mols, 2016). This can lead to savings on rent, utilities, and staffing costs.

Efficiency improvements- are another factor driving the adoption of e-channel systems by banks. E-channel systems can improve the efficiency of banking operations by reducing transaction processing times, enabling customers to complete transactions more quickly, and reducing the need for manual intervention (Chinomona, 2016).

Regulatory requirements- are also driving the adoption of e-channel systems by banks. Many countries have introduced regulations requiring banks to offer e-channel systems to their customers (Dwivedi et al., 2017). For example, the European Union introduced the Payment Services Directive 2 (PSD2), which requires banks to offer open banking APIs to third-party providers.

2.5 Empirical Literature Review

E-channel practices have become increasingly important in the digital age, and there is a growing body of empirical literature that has focused on the challenges and opportunities of e-channel practices.

One study by Alalwan, Dwivedi, and Rana (2017) examined the factors that influence customer adoption of mobile banking services. The study found that perceived usefulness, perceived ease of use, security, and trust were important factors that influenced customer adoption. The study suggested that banks need to ensure that their mobile banking services are user-friendly, secure, and meet customer expectations to encourage adoption.

Another study by Al-Somali, Gholami, and Clegg (2009) examined the challenges of e-channel adoption in the banking sector. The study found that the main challenges included security concerns, lack of trust, and technological complexity. The study suggested that banks need to invest in security measures to protect customer data, build trust through transparent communication, and simplify their e-channel systems to encourage adoption.

A study by Khan and Rahman (2016) assessed the impact of e-banking on customer satisfaction in Bangladesh. The study found that e-banking had a significant positive impact on customer satisfaction, indicating that e-channel practices can improve customer experience and loyalty.

A study by Hailu and Mulugeta (2018) assessed the challenges and opportunities of electronic banking services in Ethiopia, with a focus on selected private commercial banks in Addis Ababa, including Bank of Abyssinia.

The study found that the main challenges of e-channel practices in Ethiopia include limited technology infrastructure, low customer adoption, service quality issues, regulatory compliance, organizational readiness, security and risk management, and connectivity issues. The study suggested that banks need to invest in robust and secure technology infrastructure, ensure that their e-channel services are user-friendly and meet

customer expectations, comply with relevant laws and regulations, train their staff to support e-channel services, and ensure that appropriate risk management practices are in place to mitigate the risks associated with e-channel practices.

Another study by Gashaw and Tilahun (2018) also assessed the impact of e-banking on customer satisfaction and loyalty in Ethiopia, with a specific focus on Bank of Abyssinia. The study found that e-banking has a significant positive impact on customer satisfaction and loyalty. This indicates that Bank of Abyssinia's e-channel services are meeting the needs and expectations of its customers. The study's findings suggest that the bank's investment in e-channel services has paid off in terms of improving customer satisfaction and loyalty.

This empirical literature review highlights the importance of e-channel practices in the digital age and provides insights into the challenges and opportunities associated with these practices. The researcher addresses several research gaps. There is a lack of studies focusing on the practices and challenges of e-channels within the Ethiopian banking sector. Despite the global prominence of e-channel technology, limited research exists on its implementation and associated challenges in the Ethiopian context. Moreover, there is a need for more research on specific aspects and phenomena related to e-channel practices in Ethiopian banks, including customer adoption, user experience, and the impact on banking operations. Therefore, this study aims to fill these research gaps by conducting a comprehensive examination of e-channel practices and challenges within the Bank of Abyssinia, providing valuable insights into the adoption, experiences, and operational implications of e-channels within the Ethiopian banking industry

2.5.1 E-channels practice & its challenges in Ethiopia

2.5.1.1 E-channels practice in Ethiopia

In Ethiopia, e-channel practices are still in the early stages of development. However, there has been a growing interest in e-channel practices in recent years, and several banks have started to offer online banking and mobile banking services.

Online banking: Online banking has become increasingly popular in Ethiopia. Banks such as Dashen Bank, Commercial Bank of Ethiopia, and Awash Bank have started to

offer online banking services, enabling customers to check their account balances, transfer funds, and pay bills online (Dashen Bank, 2021; Commercial Bank of Ethiopia, 2021; Awash Bank, 2021).

Mobile banking: Mobile banking is also becoming increasingly popular in Ethiopia. Several banks, including Commercial Bank of Ethiopia and Dashen Bank, have launched mobile banking applications, enabling customers to complete transactions using their smartphones (Commercial Bank of Ethiopia, 2021; Dashen Bank, 2021). Mobile banking is particularly important in Ethiopia, where many people do not have access to traditional banking services.

ATMs: ATMs are still relatively rare in Ethiopia, with only a few banks offering ATM services. However, the number of ATMs is slowly increasing, and there is growing demand for ATM services among customers (World Bank, 2021).

Electronic payments: Electronic payments are still in the early stages of development in Ethiopia. However, there has been a growing interest in electronic payments, and several companies have launched electronic payment services in recent years. For example, EthioPay, a joint venture between the Commercial Bank of Ethiopia and Dashen Bank, offers electronic payment services to businesses (EthioPay, 2021).

In conclusion, while e-channel practices are still in the early stages of development in Ethiopia, there has been a growing interest in online banking, mobile banking, ATMs, and electronic payments in recent years. As the demand for e-channel services continues to grow, it is likely that we will see further innovation and development in e-channel practices in Ethiopia in the years ahead.

2.5.1.2 Challenges of E- channel in Ethiopia

There are several challenges that organizations may face when implementing e-channel practices in Ethiopia. This paper reviewed the challenges of e-channel practices in Ethiopia and provides recommendations for organizations to address these challenges.

Limited Technology Infrastructure: One of the main challenges of e-channel practices in Ethiopia is limited technology infrastructure. Ethiopia has low internet penetration, and

access to reliable and fast internet connectivity is limited, particularly in rural areas. This can make it difficult for organizations to implement and maintain e-channel practices. According to a report by the International Telecommunication Union (ITU), only 15% of the Ethiopian population had access to the internet in 2020 (ITU, 2020). This suggests that organizations in Ethiopia may face challenges in implementing e-channel practices that rely on internet connectivity, such as online banking.

In addition to limited internet connectivity, organizations in Ethiopia may also face challenges related to the availability of technology infrastructure. Many organizations may not have the necessary technology infrastructure, such as servers and data centers, to support e-channel practices. This can make it difficult for organizations to implement e-channel practices that require robust and secure technology infrastructure.

Low Customer Adoption: Another challenge of e-channel practices in Ethiopia is low customer adoption. Customers may be hesitant to adopt e-channel practices due to concerns about security and privacy, or they may prefer to conduct transactions in person. This can make it difficult for organizations to encourage adoption and realize the benefits of e-channel practices.

According to a study by Ayele et al. (2021), customer adoption of e-banking services in Ethiopia is still low, with only 33.3% of customers using e-banking services. The study found that the main reasons for low adoption were concerns about security and privacy, lack of awareness, and lack of trust in the system. These findings suggest that organizations in Ethiopia need to invest in marketing and awareness campaigns to encourage customer adoption of e-channel practices.

Service Quality Issues: it can also be a challenge for organizations implementing e-channel practices in Ethiopia. E-channel services may be unreliable or slow, leading to frustration among customers. In addition, the lack of skilled personnel to manage and maintain e-channel services can also be a challenge for organizations in Ethiopia.

According to a study by Hailu and Mulugeta (2018), service quality issues were one of the main challenges of e-banking services in Ethiopia. The study found that customers were dissatisfied with the quality of e-banking services, particularly with regard to the

speed of transactions and the reliability of the system. The study suggested that organizations need to invest in robust systems and processes to ensure that service quality issues are minimized.

Regulatory Compliance: can be another challenge for organizations implementing e-channel practices in Ethiopia. The country has several regulations and laws related to e-channel practices, and compliance can be complex and time-consuming.

For example, the Ethiopian National Bank has issued regulations related to e-banking services, including requirements for banks to have robust security measures in place to protect customer data (Ethiopian National Bank, 2014). Compliance with these regulations can be a challenge for organizations, particularly those that do not have the necessary expertise or resources to ensure compliance.

Connectivity Issues: Is also a challenge in Ethiopia, particularly in rural areas. Organizations may need to invest in infrastructure to ensure that their e-channel services are accessible to customers in all areas of the country. This can be particularly challenging in Ethiopia, where the terrain is rugged, and infrastructure is limited.

According to a report by the World Bank, only 25% of the Ethiopian population had access to electricity in 2018 (World Bank, 2018). This suggests that organizations in Ethiopia may need to invest in infrastructure, such as solar power, to ensure that their e-channel services are accessible to customers in all areas of the country.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

The methodology chapter of a research study is a critical part of the research process. It provides a detailed description of the methods used to collect and analyze data, as well as the ethical considerations taken into account during the research process. This chapter is intended to provide readers with a clear understanding of the research methods used and how the data was collected and analyzed. Bernard (2011) states the research methodology provides the tools and techniques to conduct the research in an organized and systematic way.

3.2 Research Design

A research design is a plan, structure, and strategy of investigation conceived to attain answers to research questions and to control variance. In a descriptive design, a researcher is solely interested in describing the situation or case under their research study. The objective of this study is to check on the current practice and challenges of e-channels in BOA. Additionally, the study describes the nature of the challenges of electronic banking by portraying the profiles of respondents. Therefore, a descriptive type of research design is better and was used in this study.

3.3. Research Approach

There are several research approaches that could be used to assess e-channel practice and challenges in the case of the Bank of Abyssinia. One possible approach is a mixed-methods approach, which combines both quantitative and qualitative methods to provide a comprehensive understanding of the research topic.

The quantitative component of the study could involve a survey of Bank of Abyssinia customers to gather data on their usage of e-channels, their satisfaction with these

channels, and any challenges they have encountered. The survey could be conducted using a structured questionnaire, and the data could be analyzed using statistical techniques such as regression analysis or factor analysis.

The qualitative component of the study could involve in-depth interviews with Bank of Abyssinia staff and customers to gather more detailed information on their experiences with e-channels and to explore any issues or challenges that may have arisen. The interviews could be conducted using a semi-structured interview guide, and the data could be analyzed using a thematic analysis approach.

According to Creswell and Creswell (2018), a mixed-methods approach involves "collecting, analyzing, and mixing both quantitative and qualitative data in a single study or in multiple, related studies" (p. 4). This approach allows for a more comprehensive understanding of the research topic by providing both numerical and narrative data.

3.4 Population of the Study

The total population for this study consisted of customers of the Bank of Abyssinia who are using at least one form of e-channel and selected branch managers. The Bank of Abyssinia, which is an East Addis district located in Addis Ababa, Ethiopia, is included in the total population. The research was carried out in east Addis Ababa, a representative geographical area of the population of the Bank of Abyssinia. According to MIS (management information system) department at BOA, the total population data as of June 30, 2023 indicates there are 14 (fourteen) active branches that serve customers who are using electronic plat form. The number of customers reached to 113,535 (one hundred thirteen thousand five hundred thirty five only).

3.4.1. Target population

The target population was defined as the population to which a researcher wants to generalize the results of the study. The target population was the specific population about which information was desired and used to describe the total quantity of cases; they were the main subjects of the study.

According to Hair (2006), a target population is said to be a specified group of people or objects for which questions can be asked or observations made to develop the required data structures and information. A purposeful sampling technique was used to select the target population for this study (i.e., only the customers of the bank that are using e-banking services).

The Bank of Abyssinia has organized in 10 districts all over Ethiopia, and three of them are found in Addis Ababa, namely: East Addis district, Central district, and West district. In 2021–2022, the highest localized electronic channel subscriber ranked first in the East Addis Ababa district, and based on the number of branches in the district, to clarify more, in East Addis there are 133 branches, in the Central District there are 100 branches, and in the West District there are 117 branches as of June 2023. As a result of their suitability for geographical location, number of branches, and performance achievement, the East District was selected for the purpose of this study.

The 133 branches in the district are classified into four categories according to the types of services they provide and the number of employees. These grade 1 branches are the new and recent branches in the district. 75% of the branches in the district are grade I branches. The second category is Grade II, which are 9 in number. They have increased the service they provide to many customers since their founding. And the third category is Grade III, which are four in number. One of them is out of Addis Ababa, and three of them are in Addis Ababa. They are making a big impact on the bank by providing service to the high customer numbers within the branch. Finally, two branches of the district, known as Bole and Habesha, have been established in the district, whether the bank's corporate customers have taken a large share in the district or in profit.

Therefore, the number of branches selected for this study is 10% of the 133 branches in the district; 19 of them are from the outline (out of Addis Ababa), and 10 new branches and grade I branches are excluded. A total of 14 were selected from corporate branches, and Grade III and Grade II branches in Addis Ababa have been selected for their experience.

3.4.2. Sample size determination

The target population refers to a group of people with the same characteristics that is to be studied (Walliman, 2011). According to the available data, the total number of East Addis District 14 branch customers who are active users of e-channels is 113535, and there are three managerial positions in each branch, so the researcher purposefully selected 42 (14 x 3) managers for this study, which are Branch managers, business managers, and operational managers. These positions are selected from all four branch employees using the purposive (judgmental) sampling technique because they are more related to the studies.

Yamane's (1967) formula is a commonly used method for determining sample size in survey research. It is given as:

n = N / (1 + N *(e2))

Where:

n = sample size

N = population size

e = margin of error (expressed as a proportion, typically ranging from 0 to 1).

n = N /1 + N (e) ^{2}

$$\frac{113535}{1+113535*(0.05)^2} \quad \textbf{= 399}$$

Therefore, based on the above sample size determination method, out of one hundred thirteen thousand five hundred thirty five (113535) populations, three hundred ninety-nine (399) customers were selected in this particular study. Thus, in order to determine the number of sample items from each stratum, the 399 questionnaires was distributed for customers, and the 42 questionnaires was distributed to selected employees 14 branch * 3 managerial employees within each branch

3.5 Method of Data Collection

For the purpose of data collection, a structured questionnaire and interview were developed to gather information on the practice and challenges of e-banking services. Primary data was collected from 42 managerial staff members from 14 branches and 399 Bank of Abyssinia customers who were actively using at least one type of e-channel. The data collection was conducted using a structurally designed open-ended questionnaire, and respondents were asked to choose and rate their responses using a Likert scale. The Likert scale consisted of Strongly Agree (SA) = 5, Agree (A) = 4, Neutral (N) = 3, Disagree (D) = 2, and Strongly Disagree (SD) = 1. The use of the Likert scale allowed for a simpler and more straightforward way for respondents answering the questions. Furthermore, a structured interview was conducted with the branch manager of one grade II branch.

Additionally, secondary data was gathered through a review of documents such as periodical company reports and the bank's website.

3.5 Methods of Data Analysis

For the proper purpose of data analysis, the researcher used the descriptive method of data analysis. Data obtained through questionnaires were organized and analyzed with descriptive statistics. Creswell (2003) suggested interpreting qualitative data, so data collected via interviews and reviews of documents were interpreted qualitatively in a manner that the users could easily understand the research. The data gathered from questionnaires is presented through tables, percentages, and graphs, while the information obtained from interviews is presented in a theoretically descriptive way**.** The table and percentage are used for summarization and effective communication of the collected data. The collected data through the above-mentioned techniques were organized by using descriptive statistical tools such as percentages, tables, graphs, and figures in SPSS. Hence, mixed approaches were employed in the research to come up with the thesis report.

3.6 Reliability

The researcher conducted a reliability analysis using Cronbach's coefficient alpha for four different sets of statements: e-channel practice, benefit, level of acceptance, and challenge. Cronbach’s alpha (coefficient alpha) is developed by Cronbach in 1951, which measures reliability, or internal consistency.The obtained alpha values were 0.75, 0.77, 0.85 and 0.75, respectively. These values are higher than the commonly accepted threshold of 0.7.

When assessing the reliability of a measure, it is generally desirable to have a Cronbach's alpha value above 0.7 to ensure reasonable reliability. In this case, all four sets of statements surpassed this threshold, indicating that the multiple-question Likert scale surveys used in the study exhibit satisfactory internal consistency.

3.7 Validity

Validity refers to the extent to which a test accurately measures what it intends to measure (Creswell, 2003). In order to ensure the validity of a questionnaire, feedback was gathered regarding the clarity of sentences, language correctness and selected easy understanding for respondents, grammar accuracy, and the questionnaire's ability to comprehensively assess the research topics. Additionally, the questionnaire was carefully reviewed by an advisor to ensure its validity. Based on this feedback and review, necessary amendments were made to improve the questionnaire's validity. The validation process was conducted to ensure that the instruments used for data collection were capable of effectively gathering the required information.

CHAPTER FOUR

RESSULT AND DISCUSSION

In Chapter 3, we have seen data was collected from customers of Bank of Abyssinia (a total of 399 participants). In this chapter we have seen data presentation and discussion at length using the SPSS method as data analysis. To ensure easy comprehension for Abyssinia Bank customers, the survey questions were translated into Amharic. Out of the 399 participants, we received responses from 283 participants.

For data analysis, a qualitative and descriptive approach was employed. The qualitative analysis involved the utilization of the Statistical Package for the Social Sciences (SPSS) software, while the descriptive analysis focused on presenting the data in tabular form. The following tables present the collected data, reflecting the responses provided by the customers.

4.1 Response Rate

In this research, a total of 399 questionnaires were distributed to the participants in hard copy format. Out of these, 283 questionnaires were returned by the respondents, which are considered representative of the population. These returned questionnaires account for 70% of the total population..

Table 4.1

Customer					**Staff**				
Respondents	**Targeted**		**Returned**		**Respondents**	**Targeted**		**Returned**	
	No.	**%**	**NO.**	**percentage**		**No**	**%**	**NO.**	**%**
399	**399**	**100%**	**283**	**70%**	**42**	**42**	**100%**	**42**	**%**

4.2 Demographic Characteristics

A set of 399 questionnaires were distributed to the respondents for data collection purposes. Out of these questionnaires, 283 were completed and returned, resulting in a response rate of 70%. This response rate is considered sufficient and provides an adequate sample size for conducting the study.

Collecting demographic information is an invaluable tool for understanding the diverse background characteristics of an audience. These characteristics encompass factors such as age, race, ethnicity, income, employment status, marital status, and more. By gathering demographic data from a wide range of current and potential customers, you can develop a well-informed market segmentation strategy that effectively targets the desired clientele. This approach allows you to customize your marketing efforts to reach specific demographic groups that are most likely to show interest in your products or services.

Table 4.2 Demographic Characteristics of respondents

	Customer				**Staff**		
NO.	**Sex**	**Frequency**	**Percentage**		**Sex**	**Frequency**	**Percentage**
1	Male	178	62.9		Male	31	73.8
2	Female	105	37.1		Female	11	26.2
	Total	283	100		Total	42	100
	Age				**Age**		
1	18-25	69	24.4		18-25		
2	26-35	167	59		26-35	17	40.5
3	36-45	38	13.4		36-45	22	52.4
4	46 and above	9	3.2		46 and above	3	7.1
	Total	283	100		Total	42	100
	Field of work				**Experience in managerial position**		

1	Government worker	41	14.5		2-5 years	3	7.1
2	Employee of Private company	110	38.9		5-10years	24	57.1
3	Private Business	101	35.7		Above 10 years	15	35.7
4	Pensioner	6	2.1				
5	Unemployed	25	8.8				
	Total	283	100		Total	42	100
	Education status				**Education status**		
1	Illiterate	18	6.4				
2	Can read and write	25	8.8				
3	High School	81	28.6		Diploma	-	-
4	Degree	83	29.3		1st degree	6	14.3
5	Masters	72	25.4		Masters	36	85.7
6	PHD	4	1.4		PHD		
	Total	283	100		Total	42	100

(Source: The researcher's data output, 2023)

According to the Table 4.2,

The demographic analysis provides insights into the composition of customers and staff members. It reveals a higher proportion of male customers and staff members. In terms of age, the majority of customers and staff members are in the 26-35 age range. Regarding the field of work, both customers and staff members come from diverse backgrounds, with employees of private companies and individuals engaged in private businesses being the most prevalent categories. The educational background shows a significant number of customers and staff members with high school education and holding a degree, while a substantial proportion holds master's degrees.

Understanding the demographic characteristics of customers and staff members is crucial for developing targeted strategies and improving services to cater to their specific needs and preferences. It also helps in identifying any potential gaps or disparities to ensure inclusivity and equal opportunities for all demographics.

4.3. Types of Electronic Channel by used by Respondents

Table 4.3 Types of Electronic channel by used by respondents

No.	Product	Frequency	Percent
1	ATM	69	24.4
2	Mobile Banking	66	23.3
3	Internet Banking(Abyssinia Online)	8	2.8
4	ATM and Mobile Banking	140	49.5
	Total	283	100

(Source: The researcher's data output, 2023)

According to the Table 4.3, provides an analysis of the frequency and percentage distribution of different banking products utilized by respondents. Among the listed options, the most frequently used product is the ATM, with a frequency of 69, accounting for 24.4% of the respondents. Mobile banking follows closely, with a frequency of 66, representing 23.3% of the respondents. Internet banking (Abyssinia Online) has a relatively lower frequency of 8, making up 2.8% of the respondents.

The combination of ATM and mobile banking emerges as the most popular choice, with a frequency of 140, constituting 49.5% of the respondents. This indicates that a significant portion of the respondents utilizes both ATM and mobile banking services for their banking needs.

In summary, the table highlights the preference and usage patterns of different banking products among the respondents. The ATM and mobile banking services stand out as the most utilized options, with a substantial percentage of respondents choosing to use both services.

4.4 The Current Usage Status of Electronic Channels (E-Channels)

Table 4.4 the current level of customer usage of electronic channels (e-channels) offered by the Bank of Abyssinia

4.4 The Current Usage Status of Electronic Channels (E-Channels)

Table 4.4 the current level of customer usage of electronic channels (e-channels) offered by the Bank of Abyssinia

Customers and staff Opinion towards the current level of usage status of electronic channels (e-channels) offered by the Bank of Abyssinia

Customer														**Staff**											
	C	**SA**		**A**		**N**		**D**		**SD**					**SA**		**A**		**N**		**D**		**SD**			
No	**Item**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**Mean**	**S.D**	**Item**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**Mean**	**S.D**
1	**Have you willing to use any of the Bank of Abyssinia's e-channel services**	**104**	**37**	**147**	**52**	**9**	**3.2**	**16**	**6**	**7**	**2.5**	**1.85**	**0.91**	The customers are willing to use electronic channel products	**16**	**38.1**	**24**	**57.1**			**2**	**4.8**			**1.71**	0.708
2	**Are you encouraged in applying for the register of electronic channel products?**	**119**	**42**	**122**	**43**	**15**	**5.3**	**18**	**6**	**9**	**3.2**	**1.86**	**0.99**	The customers are encouraged in applying for the register of electronic channel products	**33**	**78.6**	**9**	**21.4**							**1.21.**	0.415
3	**Are you informed by the issuing branches when the electronic channels products are ready for customer's usage?**	**183**	**65**	**65**	**23**	**8**	**2.8**	**19**	**7**	**8**	**2.8**	**1.6**	**1.02**	**The customers are timely informed by the issuing branches when the electronic channels products are ready for customer's usage.**	**17**	**4.5**	**13**	**31.**	**12**	**28.6**					**1.88**	0.832

According to table 4.4 provided tables presents data on the perceptions of customers and staff regarding Bank of Abyssinia's electronic channel banking services, including the mean scores and standard deviations.

In the first item, a significant percentage of customers (37% strongly agreed, 52% agreed) expressed their willingness to use the bank's e-channel services. However, a small portion of customers (6% disagreed, 2.5% strongly disagreed) had reservations. Staff members also showed a positive perception, with a majority (38.1% strongly agreed, 57.1% agreed) indicating their willingness to use these services. The mean score for customers was 1.85, with a standard deviation of 0.91, slightly higher than the staff's mean score of 1.71 with a standard deviation of 0.708. This suggests that customers generally have a more positive perception of using e-channel services compared to the staff, with slightly greater variability in their responses.

In the second item, a majority of customers (42% strongly agreed, 43% agreed) reported feeling encouraged to apply for the register of electronic channel products. However, a small percentage of customers (6% disagreed, 3.2% strongly disagreed) did not share the same sentiment. On the other hand, staff members showed a higher level of agreement, with 78.6% strongly agreeing and 21.4% agreeing. The mean score for customers was 1.86, with a standard deviation of 0.99, slightly higher than the staff's mean score of 1.21 with a standard deviation of 0.415. This indicates that customers generally feel more encouraged to apply for e-channel products compared to the staff, with slightly greater variability in their responses.

The third item focused on whether customers are informed by issuing branches when electronic channel products are ready for usage. The results showed that a majority of customers (65% strongly agreed, 23% agreed) felt timely informed by the issuing branches. However, a small percentage of customers (7% disagreed, 2.8% strongly disagreed) did not share this perception. Staff members had a lower mean score (1.88) with a standard deviation of 0.832, compared to customers (1.6) with a standard deviation of 1.02. This suggests that customers generally feel more informed about the readiness of

electronic channel products compared to the staff, with slightly greater variability in their responses.

In conclusion, the data indicates that customers generally have positive perceptions of using Bank of Abyssinia's e-channel services, expressing willingness to use them and feeling encouraged to apply. However, there are areas where improvements can be made, such as addressing reservations and enhancing communication with customers regarding the readiness of electronic channel products. These findings emphasize the importance of aligning staff perceptions with those of customers to ensure a positive and satisfactory e-channel banking experience, while considering the variability in customer responses as indicated by the standard deviations.

Table 4.5 identifies the benefits realized by customers, banks in the adoption and practice of the E-channels.

Table 4.5 Identifies The Benefits Realized By Customers, Banks In The Adoption And Practice Of The E-Channels.

customer														staff											
		SA		A		N		D		SD					SA		A		N		D		SD			
No	Item	F	%	F	%	F	%	F	%	F	%	Mean	S.D	Item	F	%	F	%	F	%	F	%	F	%	Mean	S.D
1	Are electronic channels providing banking service satisfaction up to your expectation	33	12	51	18	23	8.1	114	40	62	22	3.4	1.32	Electronic channels providing banking service are meet satisfaction of your customers	4	9.5	22	52	10	24	6	14			2.43	0.9
2	Do You get the service by electronic channel banking in 24 hours per day and 7 days in a week	24	9	83	29	11	3.9	141	50	24	8.5	3.2	1	The service provide by electronic channel banking 24 hours per day and 7 days in a week	18	43	24	57							1.57	0.5
3	Can the bank's electronic channel do everything for you as employee do	17	6	21	7.4	49	17	152	54	44	16	3.7	1.02	Bank's Electronic channel can do everything for customers as you do.			24	57	4	10	14	33			2.8	0.9
4	Is there completing transactions through electronic channel banking is fast and easy	0	0	64	23	5	1.8	180	64	34	12	3.7	0.96	Completing transactions through E-channel is fast and easy.	4	9.5	22	52			16	38			2.67	1.1

(Source: The researcher's data output, 2023)

According to table 4.5 In terms of customer satisfaction with electronic channels meeting their expectations (Item 1), approximately 33% of customers strongly agreed and 12% agreed, indicating a positive sentiment. However, a significant proportion of customers (51%) expressed a neutral stance, while 18% disagreed and 23% strongly disagreed. On the other hand, staff members had a less favorable view, with only 4% strongly agreeing, 9.5% agreeing, and 22% neutral. A majority of staff members (52%) disagreed with the statement. This discrepancy suggests a need to address customer expectations and align them with the bank's electronic channel offerings.

Regarding the availability of services 24/7 (Item 2), a notable percentage of customers (24% strongly agreed, 9% agreed) expressed satisfaction with the round-the-clock availability of electronic channel banking services. However, a considerable number of customers (29% disagreed, 11% strongly disagreed) and staff members (57% disagreed) held a different opinion. Staff members had a higher mean score (1.57) compared to customers (1), indicating a divergence in their perceptions. Ensuring consistent and reliable service availability could contribute to improving customer satisfaction and aligning staff perspectives with customer expectations.

The capability of electronic channels to replace employee services (Item 3) yielded mixed responses. A relatively small percentage of customers (17% strongly agreed, 6% agreed) believed that electronic channels could perform tasks as effectively as bank employees. In contrast, a majority of staff members (57% agreed, 24% strongly agreed) held a positive view. The mean score for staff members (2.8) was higher than that of customers (1.02), indicating a notable difference in perceptions. Enhancing customer awareness of the capabilities and benefits of electronic channels could bridge this gap and foster a more positive customer outlook.

Completing transactions through electronic channels quickly and easily (Item 4) proved to be a point of concern. None of the customers strongly agreed or agreed with the statement, while a significant percentage (23% disagreed, 5% strongly disagreed) expressed dissatisfaction. Similarly, staff members displayed a similar sentiment, with

52% disagreeing and 16% strongly disagreeing. Staff members had a relatively higher mean score (2.67) compared to customers (0.96), reflecting a disparity in perceptions. Streamlining the transaction process and providing a user-friendly experience could enhance customer satisfaction and align staff perspectives with customer expectations.

In conclusion, the analysis highlights the need to address customer expectations, improve service availability, and enhance transactional efficiency in Bank of Abyssinia's electronic channel banking services. Understanding and bridging the perception gaps between customers and staff members can contribute to a more satisfying and seamless customer experience.

Table 4.6 Identify the level of acceptance of e-channel services among the customers of the Bank of Abyssinia.

customer														staff											
		SA		A		N		D		SD					SA		A		N		D		SD			
No	Item	F	%	F	%	F	%	F	%	F	%	Mean	S.D	Item	F	%	F	%	F	%	F	%	F	%	Mean	S.D
1	Did you understand what meant electronic channel provided by the bank?	60	21	210	74	7	2.5	6	2.1	0	0	1.88	0.64	Do You think electronic channel provided by the bank are easily understand by the customer?	10	24	24	57	3	7.1	5	12			2.07	0.89
2	Do You have trust in e-channels service is strong as compared to visiting the bank?	8	2.8	92	33	0	0	84	30	99	35	3.61	1.33	Do You think customers trust in E-channels service is strong as compared to visiting the bank?	5	12	16	38	7	17	10	24	4	9.5	2.81	1.22
3	Do you have knowhow in usage of electronic channel provided by the bank	92	33	151	53	10	3.5	30	11	0	0	1.92	0.88	Do you think customers have knowhow in the usage of electronic channel provided by the bank?	6	14	23	55	4	9.5	9	21			2.38	0.99

(Source: The researcher's data output, 2023)

According to table 4.6 from the customer response data In terms of understanding the meaning of electronic channels provided by the bank (Item 1), a majority of customers (60% strongly agreed, 21% agreed) reported a clear understanding with a mean score of 1.88 and a standard deviation of 0.64. However, a significant percentage of customers (74% disagreed) expressed a lack of understanding. In contrast, staff members had a notably different perspective, with only a small percentage (6% strongly agreed, 2.1% agreed) indicating understanding, while the majority (74%) disagreed. The standard deviation for staff members was 0.832. This discrepancy suggests a need for improved communication and clarification of the meaning and functionality of electronic channels to ensure that customers and staff are on the same page.

Regarding trust in the strength of e-channel services compared to visiting the bank (Item 2), a small percentage of customers (8% strongly agreed, 2.8% agreed) expressed trust, while the majority (33%) disagreed. In contrast, staff members exhibited significantly higher levels of trust, with 84% strongly agreeing and 30% agreeing. The mean score for customers (3.61) indicates a relatively low level of trust with a standard deviation of 1.33, while staff members had a higher mean score (2.81) with a standard deviation of 1.22. This suggests a disparity in perceptions between customers and staff regarding the reliability and trustworthiness of e-channel services. Building customer trust and addressing concerns can contribute to increased adoption and utilization of electronic channels.

In terms of customer know-how in using electronic channels provided by the bank (Item 3), a majority of customers (92% strongly agreed, 33% agreed) reported having the necessary knowledge and skills with a mean score of 1.92 and a standard deviation of 0.88. However, a significant percentage of customers (53% disagreed) expressed a lack of know-how. Staff members had a lower mean score (1.92) compared to customers, indicating a relatively lower perception of customer know-how. Interestingly, staff members had a mean score of 0, suggesting that they believed customers lacked the necessary know-how. The standard deviation for staff members was 0.99. This highlights a potential discrepancy between staff and customers regarding the perceived level of

customer knowledge in using electronic channels. Providing comprehensive training and support can bridge this gap and empower customers to make the most of the available services.

In conclusion, the analysis reveals discrepancies between customer and staff perceptions in terms of understanding, trust, and know-how regarding electronic channel banking services. Addressing these gaps through improved communication, trust-building measures, and comprehensive training can enhance customer satisfaction, increase adoption of electronic channels, and align staff and customer perspectives.

Table 4.7 Identify the major challenges for the adoption of E-channels service in Bank of Abyssinia

customer														staff											
		SA		A		N		D		SD					SA		A		N		D		SD			
No	Item	F	%	F	%	F	%	F	%	F	%	Mean	S.D	Item	F	%	F	%	F	%	F	%	F	%	Mean	S.D
1	Are you inhibited by network problem in using of E-channels products?	7	2.5	144	50.9	21	7.4	97	34	14	4.9	2.88	1.07	Are customer inhibited by network problem in using of E-channels products?	14	33	28	67							1.67	0.48
2	Are electronic channels provided by the bank friendly enough for the customer to use?	16	5.7	92	32.5	15	5.3	111	39	49	17.3	3.3	1.25	Electronic channels provide by the bank friendly enough for the customer to use.	7	17	25	60	5	12	5	12			2.19	0.86
3	Are electronic channel products or service being more accessible?	78	28	136	48	5	1.8	45	16	19	6.7	2.26	1.21	Electronic channel products or service are more accessible.	14	33	28	67							1.67	0.48

(Source: The researcher's data output, 2023)

According to table 4.7, from the customer response data, Item 1 focuses on the inhibition caused by network problems when using E-channel products. The results show that a small percentage of customers (7% strongly agreed, 2.5% agreed) feel inhibited by network problems. However, the majority of customers (50.9% disagreed, 21% strongly disagreed) do not perceive network problems as inhibiting their use of E-channel products. In contrast, staff members had a higher mean score (1.67) compared to customers, indicating a relatively higher perception of network inhibition. The standard deviation for staff members (0.48) suggests less variability in their responses compared to customers (1.07). This discrepancy highlights the need to address network issues and improve communication to ensure a smoother E-channel experience for both customers and staff.

Item 2 examines the friendliness of electronic channels provided by the bank. The results indicate that a small percentage of customers (16% strongly agreed, 5.7% agreed) find the electronic channels friendly enough to use. However, the majority of customers (32.5% disagreed, 15% strongly disagreed) do not perceive the channels as sufficiently friendly. Staff members had a lower mean score (2.19) compared to customers (3.3), indicating a relatively lower perception of friendliness. The standard deviation for customers (1.25) suggests variability in their responses, while the standard deviation for staff members (0.86) indicates less variability. This discrepancy suggests a potential gap in perceptions between customers and staff regarding the user-friendliness of electronic channels, calling for improvements in design and usability.

Item 3 investigates the perceived accessibility of electronic channel products or services. The results show that a majority of customers (78% strongly agreed, 28% agreed) perceive the products or services as becoming more accessible. However, a significant percentage of customers (48% disagreed) do not share this perception. Staff members had a lower mean score (1.67) compared to customers (2.26), indicating a relatively lower perception of increased accessibility. The standard deviation for customers (1.21) suggests variability in their responses, while the standard deviation for staff members (0.48) indicates less variability. This reveals a potential discrepancy in the perception of

increased accessibility between customers and staff, emphasizing the need for measures to enhance accessibility and ensure consistent understanding.

In conclusion, the analysis highlights discrepancies between customer and staff perceptions regarding network inhibition, the friendliness of electronic channels, and the accessibility of electronic channel products or services. Addressing these gaps through improvements in network infrastructure, user-friendly design, and enhanced accessibility can help align staff and customer perspectives, improve customer experience, and promote greater utilization of electronic channels.

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATION

5.1 Conclusions

Based on the analysis of e-channel practices and challenges in the case of Bank of Abyssinia, it can be concluded that both customers and staff members have a positive attitude towards e-channel services, indicating acceptance and interest. The bank's efforts to promote and incentivize the adoption of e-channel products have been successful in motivating customers to engage with these services. However, there is a need for effective communication and coordination between staff members and customers to ensure timely updates on the availability of e-channel products. Customers express lower satisfaction with electronic channels compared to staff members, highlighting the need for improvements in meeting customer needs. Better communication and clarification regarding the availability and accessibility of electronic banking services are necessary. Addressing limitations, improving functionality and user experience, and streamlining transaction processes are essential to enhance customer convenience and efficiency. By addressing these conclusions, the Bank of Abyssinia can enhance customer satisfaction, improve communication, and optimize the adoption and usage of e-channel services.

5.2 Recommendation

Based on the conclusions drawn from the analysis of e-channel practices and challenges in the case of Bank of Abyssinia, the following recommendations can be made:

- Enhance Communication and Coordination: The bank should focus on improving communication and coordination between staff members and customers. This can be achieved by providing timely updates on the availability of e-channel products and ensuring that customers are well-informed about the features and benefits of these services.

- Improve Customer Satisfaction: Address the lower level of customer satisfaction with electronic channels by identifying and addressing the specific needs and

concerns of customers. Conduct surveys or feedback sessions to gather insights and make necessary improvements to meet customer expectations.

- Enhance Accessibility and Availability: Provide better communication and clarification regarding the availability and accessibility of electronic banking services. This can include clear instructions, user-friendly interfaces, and comprehensive guides on how to access and use e-channel services.

- Enhance Functionality and User Experience: Identify any limitations or gaps in the services provided through electronic channels and work towards improving functionality and user experience. This can involve streamlining processes, simplifying navigation, and ensuring that the services are intuitive and user-friendly.

- Optimize Transaction Processes: Streamline and optimize transaction processes to enhance customer convenience and efficiency. This can involve reducing processing times, minimizing unnecessary steps, and ensuring that transactions can be completed seamlessly through e-channel services.

- Innovation and the introduction of new ideas can indeed be seen as constructive in Abyssinia Bank to improve customer E-banking adoption. Embracing innovation in the banking sector is crucial to stay competitive and meet the evolving needs of customers.

- To implement recommendations for improving communication and optimizing the adoption and usage of an e-channel service,

Start by identifying target audience, whether they are existing customers, potential customers and eligible person for using e-channel service.

Conduct user research to understand their needs and preferences, and then develop clear and concise messaging that highlights the benefits of using the e-channel service.

Utilize multiple communication channels, personalize for messages, and provide clear instructions through step-by-step guides and tutorials.

Address user concerns and provide support through helplines, live chat, and FAQs.

Incentivize adoption by offering discounts or exclusive offers, Gather feedback to make improvements, and track performance using key metrics to ensure continuous enhancement of the service

Collaboration between digital banking department and customer service is essential to ensure a comprehensive and effective implementation of the recommendations

By implementing these recommendations, it can enhance customer satisfaction, improve communication, and optimize the adoption and usage of e-channel services, ultimately leading to a better overall customer experience.

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APPENDIX A
Addis Ababa University

College of Business & Economics

Questionnaire to be filled by bank of Abyssinia employees

Dear valued respondent,

I am conducting a research study on "**Assessment of e-channels practice & its challenges in the case of bank of Abyssinia**" in partial fulfillment of the requirements for the Masters of Accounting and finance. The general objective of the study is to examine the current practice of electronic banking services and the related challenges that Bank of Abyssinia facing. It is believed that the study result could possibly benefit not only the bank but also other stakeholders in the area.

I am very pleased to have you as my respondent & really appreciate your contribution to this academic exercise. Your inputs will provide the most valuable information in disseminating finding for my research project. The information given will be treated as private & confidential & will only be used for the purpose of this research only.

So, I am kindly requesting you to complete and give me the completed questionnaire (the date will be stated later on). If you have any question, please do not hesitate to contact me via the following address.

Thank you in advance for your cooperation.

Abeba Kifle

Tel- 0913 68 96 27

E-mail abeba0312@gmail.com

General Instructions

- There is no need of writing your name.
- In all cases, where answers to options are available, please tick (√) in the appropriate box.
- For questions that demand your opinion, please try to honestly describe your responses on the space provided.

Personal Information

1. Gender. [ ] Male [ ] Female

2. Age [ ] 18 - 30 years [ ] 31 – 40 years [ ]41 – 50 years [ ]above 50 years

3. Education [ ] First Degree [ ] Masters [ ] Intermediate [ ] Degree

4. Experience in managerial position [ ] Below 2 years [ ] 2 – 5 years [ ]5–10 [ ]above 10

Part II Assessment of e-channels practice

Note: SA - Strongly Agree, A- Agree, N- Neutral, DA- Disagree, SD- Strongly Disagree

NO.	**Questionnaires related with existing practice on E-channel service.**	**SA**	**A**	**N**	**DA**	**SD**
		1	2	3	4	5
5	The customers are willing to use electronic channel products.					
6	The customers are encouraged in applying for the register of electronic channel products					
7	The customers are timely informed by the issuing branches when the electronic channels products are ready for customer's usage.					

	Question related to benefit to bank in the adoption and practice of the E-channels					
8	Electronic channels providing banking service are meet satisfaction of your customers.					
9	The service provide by electronic channel banking 24 hours per day and 7 days in a week					
10	Bank's Electronic channel can do everything for customers as you do.					
11	Completing transactions through E- channel is fast and easy.					
	Questions related the attitude of the society in using E-channels products.					
12	Do You think electronic channel provided by the bank are easily understand by the customer?					
13	Do You think customers trust in E-channels service is strong as compared to visiting the bank?					
14	Do you think customers have knowhow in the usage of electronic channel provided by the bank?					
	Questions related major challenge for the adoption of E-channels service in Bank of Abyssinia					
15	Are customer inhibited by network problem in using of E-channels products?					

16	Electronic channels provide by the bank friendly enough for the customer to use.					
17	Electronic channel products or service are more accessible.					

APPENDIX B

Addis Ababa University

College of Business & Economics

Interview questions for branch manager of Bank of Abyssinia.

1. Can you describe the electronic channels currently offered by Bank of Abyssinia and how customers can access them?
2. How has the adoption of E-channels impacted the bank's customer base?
3. What are the main challenges or barriers that customers face when adopting and using E-channels, and how is Bank of Abyssinia working to address these challenges?
4. How does the bank ensure the security and privacy of customer data and transactions conducted through electronic channels?
5. How does the bank measure the effectiveness and impact of its E-channel services, and what metrics are used to evaluate customer satisfaction with these services?
6. What are the main differences in customer behavior and preferences between electronic channels and traditional banking channels, and how does Bank of Abyssinia adapt its services to meet these changing needs?
7. How does Bank of Abyssinia differentiate itself from competitors in terms of E-channel offerings and customer experience?
8. Finally, what advice would you give to customers who are hesitant to adopt electronic channels for banking services, and how can the bank help to alleviate these concerns and encourage greater adoption?

APPENDIX C

አዲስ አበባ ዩኒቨርሲቲ

የቢዝነስና የኢኮኖሚክስ ኮላጅ

ሀአቢሲንያ ባንክ የኤላክትሮኒክስ የገንዘብ ማንቀሳቀሻ ተጠቃሚ ደንበኞች የተዘጋጀ መጠይቅ

ውድ ምላሽ ሰጪ

“ በአቢሲኒያ ባንክ የኤላክትሮኒክስ -ቻናሌ ሌምምዶች ግምገማ እና የሚያጋጥሙትን ተግዳሮቶች” በሂሳብ አያያዝ እና ፋይናንስ ማስተርስ መመዘኛዎችን በከፊሌ በማሟሊት የምርምር ጥናት እያካሄድኩ ነው። የጥናቱ አጠቃሊይ ዓሊማ አሁን ያሇውን የኤላክትሮኒክስ ቻናልች አሠራር እና የአቢሲኒያ ባንክ እያጋጠሙት ያለትን ተግዳሮቶች መመርመር ነው። የጥናት ውጤቱ ባንኩን ብቻ ሳይሆን በአካባቢው ያለ ባሇድርሻ አካሊትንም ሉጠቅም ይችሊሌ ተብል ይታመናሌ። ምሊሽ ሰጪ በማግኘቴ በጣም ደስተኛ ነኝ እና ሇዚህ አካዳሚክ ሌምምድ ያደረጋችሁትን አስተዋፅዖ አደንቃሇሁ።

የእርስዎ ግብዓቶች ሇምርምር ፕሮጄክቴ ፍሇጋን በማሰራጨት ረገድ በጣም ጠቃሚውን መረጃ ይሰጣለ። የተሰጠው መረጃ ሚስጥራዊነቱ የተጠበቀ እና ሇዚህ ጥናት ዓሊማ ብቻ ጥቅም ሊይ ይውሊሌ።

1.አጠቃሊይ መረጃ

1.የተጠያቂው ጾታ፡ ሀ) ወንድ ሇ) ሴት

2.የተጠያቂው እድሜ ሀ) 18-25 ሇ) 26-35 ሐ) 36-45 መ) 46 እና ከዚያ በሊይ

3.የተጠያቂውየትምህርትደረጃ፡

ሀ) ያሌተማረ ሇ) መጻፍናማንበብየሚችሌ ሏ) የ መጀመሪያ ዯግሪ መ) የ ሁሇተኛ ዯግሪ ሠ) 1ኛእና ሁሇተኛ ዯረጃ ዴረስ የተማረ ረ) ፒ.ኤ.ዱ እና ከዚያ በሊይ

4. በዋናነት የሚስሩት የስራመስክ ምንድንነው?

ሀ) የመንግስት ሰራተኛ ሠ) የግሌ ድርጅት ተቀጣሪ ሐ) የግሌ ንግድ መ) አስመጪና ሊኪ

ሠ)ጡረተኛ ረ) ስራ ፈሊጊ ሰ)ላሊ ካሇ ይግሇጹሌን

5. የትኛውን አይነት የኤላክትሮኒክስ ቻናሌ ምርት ወይም አገሌግልት ነው የሚጠቀሙት?

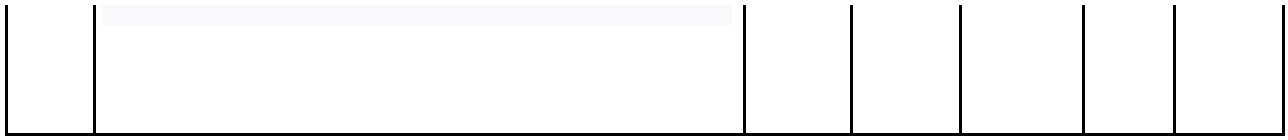
ሀ. ኤቲኤም[ ] ሠ. ሞባይሌ ባንኪንግ [ ] ሐ. ኢንተርኔት ባንኪንግ [ ] መ . ሁለንም [ ]

ክፍሌ 2 የኤላክትሮኒክስ -ቻናሌ ሌምምዶች ግምገማ

ማስታወሻ **1** - በጣም እስማማሇሁ **2**- -እስማማሇሁ **3** አሌወሰንኩም , **4**- አሌስማማም

5.በጣምአሌስማማም

ቁ.	**በአቢሲንያ ባንክ ከሚሰጠው ቻናሌ የኤላክትሮኒክስ አገሌግልት አጠቃቀም ሁኔታ ጋር የተያያዘ ጥያቄ**	**1**	**2**	**3**	**4**	**5**
6	የአቢሲኒያ ባንክ የኤላክትሮኒክ ግብይት ማስተሇሇፊያ አገሌግልቶችን (ኢንተርኔት ባንኪንግ ፣ ሞባይሌ ባንክ፣ ኤቲኤም) መጠቀም ይፈሌጋለ ።					
7	ሇኤላክትሮኒክስ ግብይት ማስተሇሇፊያ ምርቶች ምዝገባ እንዲያመሇክቱ ይበረታታለ ።					
8	ሇኤላክትሮኒክ ግብይት ማስተሇሇፊያ ምርቶች ሇደንበኛ አገሌግልት ዝግጁ ሲሆኑ በሚወጡት ቅርንጫፎች ያሳውቁዎታሌ?					
	ሇአቢሲኒያ ባንክ ደንበኞች የኢ-ቻናሌ አገሌግልቶችን በመጠቀም የሚገኙ ጥቅሞች ጋር የተያያዘ ጠያቂ					



9	የኤላክትሮኒክስ ቻናልች እርስዎ የሚፈሌጉትን ያህሌ የባንክ አገሌግልት እርካታ እየሰጡ ነው?					
10	አገሌግልቱን በኤላክትሮኒክ ቻናሌ ባንኪንግ በቀን 24 ሰአት እና በሳምንት 7 ቀናት ውስጥ ያሇማቻረጥ ያገኛለ?					
11	የባንኩ የኤላክትሮኒክስ ቻናሌ የባንኩ ሰራተኛ እንደሚያደርገው ሁለንም ነገር ሉያደርግሌዎ ይችሊሌ?					
12	በኤላክትሮኒክ ቻናሌ ባንክ በኩሌ ግብይቶችን ማጠናቀቅ ፈጣን እና ቀሊሌ ነው?					
	በአቢሲኒያ ባንክ ደንበኞች መካከሌ የኢ-ቻናሌ አገሌግልት **ተቀባይነት ደረጃ ሊይ ያለ ጥያቄዎች**					
13	በባንኩ የቀረበው የኤላክትሮኒክስ ቻናሌ ምን ማሇት እንደሆነ ተረድተውታሌ?					
14	ባንክ ሄደው ከሚያገኙት አገሌግልት ጋር ሲወዳደር በኤላክትሮኒክ ቻናሌ አገሌግልት ሊይ እምነት አሇዎት?					
15	በባንኩ የቀረበውን ገንዘብ በኤላክትሮኒክ የማንቀሳቀስ አገሌግልት አጠቃቀም ያውቁታሌ?					
	በአቢሲኒያ ባንክ ውስጥ የኢ-ቻናሌ አገሌግልትን ሇመቀበሌ **ትሌቅ ፈተና ጋር የተያያዙ ጥያቄዎች**					
16	የኤላክትሮኒክስ ቻናሌ ምርቶችን ሲጠቀሙ በኔትወርክ ችግር እንቅፋት ገጥሞዎት ያውቃሌ?					
17	የባንኩ ኤላክትሮኒክስ ቻናልች ደንበኛው ሲጠቀም ተስማሚና ምቹ ናቸው?					

18	የባንኩ ኤላክትሮኒክስ ቻናሌ ምርቶት ወይም አገሌግልቶች የበሇጠ ተደራሽ ናቸው?					
