



ADDIS ABABA UNIVERSITY

DEPARTMENT OF BUSINESS AND ECONOMICS

**TRENDS IN BANKING TRANSACTION ANALYSIS: INSIGHTS FOR
MANAGEMENT DECISION MAKING**

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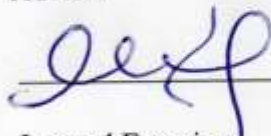
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This is to certify that the thesis prepared by **Rahel Gebre**, entitled "**Trends in Banking Transaction Analysis: Insights for Management Decision Making**" and submitted in partial fulfillment of the requirements for the Masters of Business Administration with the regulations of the University and meets the accepted standards with respect to originality and quality.

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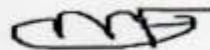
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DECLARATION

I, Rahel Gebre, the under signed, declare that this Thesis entitled: "Trends in Banking Transaction Analysis: Insights for Management Decision Making" is my original work. I have undertaken the research work independently with the guidance and support of the research supervisor. This study has not been submitted for any degree or diploma program in this or any other institutions and that all sources of materials used for the thesis has been duly acknowledged.

Decalared by: Rahel Gebre

Sign 

Date 04/03/24

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ACRONYMS AND ABBREVIATIONS

AAU	Addis Ababa University
ARSE	Amhara Regional State of Ethiopia
ATM	Automated Teller Machine
BB	Bunna Bank
ECS	Electronic Clearing Service
EFT	Electronic Funds Transfer
EIB	European Investment Bank
ETB	Ethiopian Birr
FY	Fiscal Year
HQ	Headquarter
MBA	Master of Business Administration
PI	Principal Investigator
RTGS	Real Time Gross Settlement
SC	Share Company
SSA	Sub-Saharan Africa
USD	United States Dollar

ABSTRACT

The world of banking is changing as a result of data analytics, which enables financial institutions to better understand their business processes, spot patterns and trends in massive databases, and make more scholarly decisions. Data, when treated as a product, has the potential to transform the foundations of banking. Banks don't lack data, they lack the means to unlock it, and simply and consistently turn it into actions. From the trends, bank's decision depends on a course that will shape its destiny for years to come. Globally, only 7% of banks are fully employing critical analytics. This study aimed in assessing the current trends of banking transaction analysis conducted at branches of Bunna Bank of Amhara Regional State of Ethiopia, 2023. A survey was conducted on the trends of banking transactions analysis conducted at Bunna Bank branches in Amhara Regional State of Ethiopia; from January, 2019 to September, 2022. Secondary data on all customers during the study period was obtained from the branches of the bank. Data was cleaned, coded and entered into SPSS 26 and Excel. Results were displayed using frequency and proportions; and presented using tables, figures and charts. Total transaction done was 9,707,966; of which 43.5% (94,227,252 transactions) was during the four quarters of 2021; and 32% (3,105,679 transactions) during the the first three quarters of 2022. Retail customers were 9,205,441 (94.8%) and corporate customers were 619,465 (6.4%). Transaction via Traditional method accounted for 85.2% (8,274,668 transactions)of the total; 14.8% (1,433,398 transactions) of them were made by digital methods. February and January had the least number of transactions, while December, October and July months had the highest number of banking transactions conducted. The overall banking transaction's trend showed increment during the study period. The traditional banking transaction method utilization still remains the major banking transaction route despite the trends during the study period showed decrement at branches of Bunna bank. Strengthening the banks infrastructures and technologically, as well; is recommended.

Keywords: *traditional, digital, ATM, transaction, trends*

CHAPTER ONE

1 INTRODUCTION

1.1 Background

Rome, Ancient Greece, and Babylon all had banking systems in place. Gold and silver were used as a full-bodied medium of exchange during the Middle Ages. It makes sense that people would wish to keep their species away from dangers like fire and theft. With the advent of money as a medium of exchange, banks and depositories became necessary (Guptal and Saket, 2019). Demand deposits and bank notes came into existence in an effort to lower the transaction costs associated with withdrawing cash from depositories prior to making transactions. This change gave rise to fractional reserves banking, in which banks maintain a portion of deposits in reserve and lend to depositors who need money (Guptal and Saket, 2019).

Our lives now revolve around banking, which is important to our economy. The most significant players in financial inter-mediation are banks, which gather modest sums of money and use them to fund larger ventures (Balkan, 2018). Although a bank's two primary functions are to accept deposits and lend money, other factors have dramatically increased the amount and range of goods and services that these institutions now offer. An environment that encourages the development of new business models that banks can adopt in their core operations was established by the increased development of new products and services. As a result, bank business models can be regarded in terms of the customer segments or groups they serve, the services they provide, the funding sources they use, how they deliver those services, and the level of technology they employ on a daily basis (Temelkov, 2020).

A functional requirement for the banks is the timely launch of varied products to address the diverse needs of clients (www.2markato.com). Since the introduction of computers many years ago, banking underwent revolutionary transformations (Banking 101, 2012). Technology offers us the competitive edge to quickly develop goods and delivery methods that are focused on our customers. From the days of back office automation to today's online, centralized, and integrated solutions, banking technology has advanced significantly (www.2markato.com). Every bank is using the customer satisfaction methods, tools, techniques and even software because customer

satisfaction is the only way to survive in the today's cut-throat competition. On the other hand we are entering into modern banking from traditional banking to where customers are more aware and knowledgeable than the past. In the competitive and dynamic environment it becomes mandatory to find out the customer satisfaction factors (Kumar and Sharma, 2017).

For many years, even centuries, the conventional banking business model operated without interruption (Temelkov, 2020). To stay competitive and ensure their customers are satisfied, most traditional banks have incorporated internet banking in their services. Online portals allow customers to view their balances, transfer money, open new accounts, and even apply for a mortgage (www.expatica.com). If traditional banking doesn't alter its offerings and adjust to the needs of increasingly digitized consumer profiles, it can no longer be sustained. There is no denying that the advent of the digital has advanced human culture rather than merely bringing about a shift in it (Temelkov, 2020).

Early in the 1990s, as internet commercialization took off, traditional "bricks and mortar" banks began to look into ways to offer limited online amenities in order to cut operating expenses. Due to the success of these initial attempts, some banks improved their websites and made them more accessible via the internet, enabling users to download forms, create new accounts, and submit loan applications. The term "e-banking system" refers to a system that allows customers of financial institutions to conduct financial transactions. Online banking and interne banking are other names for e-banking (Sharma, 2016). All of which is available 24 hours a day, seven days a week, unlike physical branches. Online customer service, including e-mail and chat and video call, are overtaking phone calls and visits to a bank branch (Sharma, 2016).

Digital banking can offer services that are less expensive, more practical, and have fewer mistakes. While digitization gives banks a cost advantage, it also benefits the customer by making products more useful, less expensive and with better customer experiences (Balkan, 2021). Consumers can conduct transactions quickly and obtain basic information by using automated systems including ATMs, internet banking, wireless access, and telephone banking services (Banking 101, 2012). Balkan (2021) based on a global data research reported that almost 35% of people worldwide desire to utilize digital banks. According to the worldwide banking customer study, banks

themselves have gotten more distant, with 97% of today's banking touch points occurring remotely (Accenture, 2022). One report showed that 47% of global consumers used mobile banking transaction in 2016. Banking apps are skyrocketing in usage as well, allowing consumers to make fast digital payments at stores, events, and online (Accenture, 2022).

Most customers who formerly used traditional banking services have switched to using virtual banking services as more people have access to the internet, or in other cases, they have replaced their life bank with a Fin-tech. There is no denying that the financial industry is giving digital banking more and more clout, which is leading to an increase in market share and customer numbers. Consequently, the primary distinction between traditional banks and digital banks is that traditional banks focus on customers who use cards and cash and travel to bank branches, whereas digital clients use the most up-to-date technologies and do not travel to complete transactions. The traditional customer interacts with the bank through bank offices, while the online consumer is devoted to digital support. The fundamental benefit of internet banking is that it is always accessible, which places additional restrictions on traditional customers' access to time and space (Accenture, 2022).

"The convenience, quickness, and ease of management are three of digital banking's biggest advantages over traditional banking. Contrarily, the customized treatment of the client favors traditional banking, even if they frequently provide a more commercial function than advising. Customers of traditional banks can check the balance, history, or transfers on their cards by asking the cashiers, while using digital banking, customers have the ability to download transactions and consult their data at any moment with only a few clicks (Accenture, 2022).

1.2 Statement of the Problem

Banks serve as agents for their clients and contribute to the nation's economic growth. Banks help busy people by saving them time and energy in this way. The banking industry does more than just take money; it also advises customers on how to invest their money (Goud, 2021). In the competitive banking world, improvement day by day in customer services is the most useful tool for their better growth. Bank offers so many changes to access their banking and other services (Goud, 2021). It is clear that banking has undergone many changes over time, but now we are at an important

moment, in which we must detect the opportunities that digital banking brings us, both for business and for consumers (Goud, 2021).

In the current information age, the economic industry in the 21st century is highly dependent on data. A study conducted by the IDC states only 0.5% of globally generated data is analyzed Theo (Priestley, 2015). The phenomenon of big data analytics is continually growing as organizations remodel their operational processes to rely on live data with hope to drive effective marketing techniques, improve customer engagement, and to potentially provide new products and services (Zhuge, 2015; SaS, 2015).

In order to make wise business decisions, banks and other financial organizations constantly evaluate transaction data. Transaction data can offer insightful information about consumer behavior, purchasing habits, and market trends, which can assist banks in identifying possible hazards and growth prospects. In general, banks need to analyze transaction data in order to make wise management choices (Zhuge, 2015; SaS, 2015).

Data analytics is transforming the world of banking, enabling financial institutions to gain a deeper understanding of their operations, identify trends and patterns in large datasets and make more informed decisions (Helin, 2023). The world of banking is changing as a result of data analytics, which enables financial institutions to better understand their business processes, spot patterns and trends in massive databases, and make more educated decisions (Helin, 2023). Only 7% of banks, according to McKinsey, are fully employing critical analytics, and banks can do much more with their data, according to their Global Banking Annual Review 2022. Banks can improve results and maintain competitiveness in a more difficult business environment by utilizing the power of data analytics (Mickinsey, 2022; quoted by Helin, 2023).

Data analytics gives a valuable knowledge for banks' managerial personnel about their data and its implementation in practice. It also improves their information management ability, as they accumulate experience, to reuse or adapt the proposed method to achieve a sustainable competitive advantage. Bunna Bank is one of the banks in Ethiopia adopting and utilizing customers' centered technology for better satisfaction and productiveness. Despite extensive and meticulous searches, there is no study done on the trends of banking transaction analysis in Bunna Bank and the

country, as well. This study tried to fill the gap and paucity created by the lack of similar study in the banking industries of Ethiopia.

1.3 Research Questions

The main issue of this study is to assess and analyze the trend of banking transaction based on these research questions:

- ✓ How is the trend of transaction method by customer type changed from January 2019 to September 2022 at Bunna Bank in Amhara Regional State of Ethiopia?
- ✓ How are the major transactions by type trends changed from January 2019 to September 2022 at Bunna Bank in Amhara Regional State of Ethiopia?
- ✓ How is the total trend of transaction changed January 2019 to September 2022 at Bunna Bank in Amhara Regional State of Ethiopia?
- ✓ What is the contribution of digital banking transactions methods on the current trends in reducing the traditional face to face transaction mechanism from January 2019 to September 2022 at Bunna Bank in Amhara Regional State of Ethiopia?

1.4 Objectives of the Study

1.4.1 General Objectives

- ✓ To assess the current trends of banking transaction types being utilized by customers of branches of Bunna Banks at Amhara Regional State of Ethiopia (ARSE) from January 2019 to September, 2022.

1.4.2 Specific Objectives

The study will:

- ✓ Examine the trends of method of transaction is mostly employed from January 2019 to September 2022 at Bunna Bank in Amhara Regional State of Ethiopia.
- ✓ Assess the trends of transactions by type used by the customers from January 2019 to September 2022 at Bunna Bank in Amhara Regional State of Ethiopia
- ✓ Examine the total trend of transaction changed January 2019 to September 2022 at Bunna Bank in Amhara Regional State of Ethiopia

- ✓ Contribution of digital banking transactions methods on the current trends in reducing the traditional face to face transaction mechanism from January 2019 to September 2022 at Bunna Bank in Amhara Regional State of Ethiopia.

1.5 Significance of the Study

Information technology is profoundly influencing and affecting the daily activity of every individual globally. Technology's effect is significant because it is reaching every corners of the world. Banks are among the major affected service sectors that are investing huge amount of capital for adopting new technologies. Though, the introduction and utilization of digital transactions types are still infancy in developing countries like Ethiopia; this study is aimed to assess the trends of banking transaction types being utilized in Bunna Bank. The findings from this study will significantly assist the Bunna Bank, as well as the bank sectors as a whole in the nation; in meeting the increased demand of customers and addressing customer's satisfactions.

1.6 Scope of the Study

This study is limited to examining the trends of banking transaction types in the customers of Bunna Bank in Amhara Regional State of Ethiopia. The researcher wanted to study all the available banks in Ethiopia. But, due to time and resource constraints, the study was limited to only branches of Bunna Bank in Amhara region.

1.7 Limitations of the Study

This study aimed to assess the current trends of banking transaction types being utilized by customers of branches of Bunna Banks at Amhara Regional State of Ethiopia. In spite if this big intention, the study is not free from limitations. The first limitation was the study is done based on the findings from branches of a single private bank from only one region. The second limitation was the study used only the secondary data sources and should employ some primary sources such as interview.

1.8 Operational Definitions

Bank transaction: Any time money enters or leaves your bank account is considered a bank transaction (M&T Bank, 2023).

Bank transaction Types: Cash withdrawals or deposits, cheque, internet payments, debit card charges, wire transfers, and loan payments are all examples of bank transactions (M and T Bank, 2023).

Traditional banking: In-person banking at a reputable financial institution is considered traditional banking. These banks are present physically; they have regional and national headquarters offices in addition to local branches in the regions in which they operate (Henry, 2021).

Digital banking: refers to financial transactions made using digital platforms such software, mobile devices, laptops, and other hardware (Lawrence, 2022). The digital banking transactions analyzed in this paper are those analyzed via *ATM machine* and *mobile banking*.

Mobile banking: refers to financial transactions made with or without an applications (mobile) by using one's personal mobile devices (phones) (Lawrence, 2022).

Credit: includes deposits, reversals, and adjustments for transactions from previous business days that haven't yet been reflected in real-time under credit (M and T Bank, 2023).

Debit: Cash withdrawals, cheque you write, online payments, and debit card transactions are all considered debit (M and T Bank, 2023).

Customer Type: customers could be Retails or Corporate.

1.9 Organization of the Study

The aim of the organization of the study is to provide a quick overview of how each chapter is designed to accomplish the research goals. The paper's arrangement typically serves as a road map or blueprint outlining the primary points of support the author employed for the study context, as well as a summary of what readers may expect to read throughout the thesis. Therefore, this thesis is organized into six chapters and the details of each chapter are presented as follows:

Chapter One: This chapter serves as an overview for readers, outlining what to expect to read throughout the thesis work and providing a map of the study's background, problem statement, general and specific objectives, significance, scope, and limitations. It also includes operational definitions of terms.

Chapter Two: This chapter gives a thorough explanation of the analysis of relevant theoretical and empirical literature and real data from various contexts. This chapter provided a thorough presentation of the reviewed literature on the banking transactions, banking transactions methods and their effects on the current trends of banking transactions from professionals' and customers' perspectives.

Chapter Three: This chapter covers the research methodology that was used, including the kind of research method selected and the reasoning behind it, the source and study populations, the kind of data analysis tool, and any ethical issues related to the procedures.

Chapter Four: This chapter summarizes and presents outcomes of the data analysis.

Chapter Five: The major findings of the data analysis together with discussions of the research findings, critical evaluations, and triangulation of the data. It also demonstrates the steps and methods taken during the research process to evaluate scientific data and come up with sensible answers to the original research questions based on the information that was acquired.

Chapter Six: This chapter summarizes the main conclusions from Chapter Four, offers recommendations for further research, and identifies areas that should be studied in the future in relation to the trends of banking transactions.

CHAPTER TWO

2 REVIEW OF LITERATURE

2.1 Overview

A bank is described as "an establishment for the custody, loan, exchange, or issue of money, for the extension of credit, and for facilitating the transmission of funds" in Merriam-Webster's online dictionary". (www.merriamwebster.com). The foundation of banking is money. And the necessity for a replacement for directly bartering for all we need is the foundation of money. Trading without the use of money is known as barter, and it dates back to the dawn of civilization (Banking 101, 2012).

A functional requirement for the banks is the timely introduction of numerous products to address the wide range of consumer needs. Technology offers us the competitive edge to quickly develop goods and delivery methods that are focused on our customers. From the days of back office automation to today's online, centralized, and integrated solutions, banking technology has advanced significantly (www.2markato.com). Regulation changes, concurrent technical advancements, and other events encouraged the emergence of new types of rivals that posed a threat to established business models. It is undeniable that the banking sector is undergoing a high degree of digital transformation, with advancements in financial technology (fin-tech) having a substantial impact on bank business models (Japparova and Rupeika-Apoga, 2017).

Under the strain of forces like globalization, shifting consumer tastes, the need to achieve economies of scale, diversification of core business operations, adjustments to the regulatory environment, and technical advancements, new business models have emerged. The absence or small number of new entrants into the banking sector, however, was an important aspect of the industry. With highly developed and well-established financial organizations having a high level of capital as well as well-developed networks and infrastructure, it was quite challenging for new entrants to compete directly with them (Hopkinson and Klarova, 2019).

While banks have existed for centuries, they were often solely accessible to the most affluent residents. According to the European Commission, having a bank account these days is a fundamental condition and a right in order to fully participate in society (www.expatica.com). The main outcome of digital change in the world is digital banking. The increasing adoption of social networking and the usage of the Internet has raised the expectations and needs of both the older bank customers who have adopted this technology as well as the younger generation, who are technology natives. In conclusion, service expectations are focused on quicker, higher-quality, and more affordable technology-based channels and products (Balkan, 2021).

2.2 Banking Transaction Systems

2.2.1 Traditional transaction systems

Any time money enters or leaves your bank account, it is considered a bank transaction. Cash withdrawals or deposits, cheques, internet payments, debit card charges, wire transfers, and loan payments are all examples of bank transactions (www.mtb.com). Both the more contemporary digital technologies and the conventional brick and mortar methods could be used to complete these transactions. The ability of their financial institutions to offer internet banking has started to gain prominence among modern consumers. In order to keep up, it is requiring banks to introduce new products and modify their digital strategy. Customers are visiting local branches less frequently; in fact, some say that online banking has contributed to the closure of some locations in recent years. The convenience of online banking is what draws people in, but there are benefits to traditional banking as well (Berg and Ostry 2011). Traditionally, banks may provide a variety of services, with some even aiming to serve as their clients' one-stop shop (bank). The primary distinguishing factor of the conventional approach is that banks have an established network of physical locations that allow for direct client contact (Chiorazzo, V. et al., 2016). Traditional banks with extensive branch networks incur high operating costs due to the high volume of branches and expenses related to the requirement to maintain an extensive network of Automated Teller Machine (ATM) (Temelkov, 2020).

A physical presence is the primary distinction between conventional banking and online banking. A traditional bank has a corporate headquarters (HQ), regional HQs, and branches spread out across the nations in which it conducts business. Many

conventional banks run ATM under their own brands. Smaller conventional banks may band together to run many in order to split operating costs. Traditional banks were first selected for their convenience and in-person client service because of their local branches (Aranda-et al. 2020).

A 2016 Global Consumer Banking Survey that polled 55,000 consumers in 32 countries found that 60% of respondents stated they would prefer to go to a physical branch or communicate with a live person before making a transaction or seeking advice. Traditional banks may come across as more reliable than online-only banks due to their emphasis on in-person client care. This is particularly true when a customer opens an account (Aranda-et al. 2020). Banks without internet banking capabilities, nevertheless, might not be as accessible. Outside of business hours, customers have less access to their personal banking information. They might not be able to locate an ATM or branch while traveling because of the hefty fees (Aranda-et al. 2020).

2.2.1.1 Cash

Cash is a legal tender defined by the National Bank of Ethiopia (NBE) to represent values and used as major instrument of payment. NBE has authorized Birr to be used as a legal tender throughout the country. Like in other African countries, in Ethiopia also cash is a dominant means of payment. Cash is so popular because: It can be immediately converted into other forms of money without the intermediation of any financial institution, it is portable and requires no authentication, it provides instant purchasing power for those who possess it, it supports micropayment, payments carried out through cash have zero transactional cost for both the payer and the payee, it is not required to possess bank account or use special hardware devices for using cash, it is totally anonymous. On the other hand, cash can easily be stolen and is usually not convenient for large amount of transactions (e.g. you cannot easily buy a house with cash). Cash also does not provide a float (the period of time between a purchase and actual payment for the purchase). It also forces the payer and the payee to physically present them. Thus cash is not a convenient means of payment for e-commerce.

2.2.1.2 Checking Transfer

Checking transfer is a fund transferred directly via a signed draft or check from a consumer's checking account to a merchant or other individual. Checking transfer is the second most common form of payment in terms of number of transactions in Ethiopia. Though it is not possible to find the exact magnitude of percentage share of check based and cash based payments in the country, cash based payments far exceed check-based payments. Checks are typically used for large transactions and usually not used for micropayment, checks have usually some float, checks are not anonymous and require third-party institutions to work, checks can more easily be forged than cash. The check clearing office in Addis Ababa, which is run by NBE, enables a payer from a given bank to issue a check payable to a payee from different bank. This office named Addis Ababa Clearing Office (AACO) is responsible for this task. AACO carry out its duties manually. Commercial banks must deposit a certain amount of money as reserve at NBE to be member of the AACO. When checks are issued from a customer of a given bank payable to a member from different bank, money will be transferred from payer bank reserve at NBE to payee's bank reserve at NBE. The manual check clearing system run by CBE lags behind the automated check clearing system practiced in some African countries such as Tunisia and Egypt.

2.2.2 Electronic transaction system

2.2.2.1 SWIFT

Banks and other financial institutions all over the world use the closed TCP/IP network known as SWIFT (Society for Worldwide Interbank Financial Telecommunication). A communications service offered by SWIFT makes it possible to settle most high-value international payments. SWIFT is being used by Ethiopian banks to settle payments for overseas transactions. The National Bank of Ethiopia (NBE) provided the information, which indicates that SWIFT is primarily used by Ethiopian banks for foreign payments. Dialing in to the SWIFT network is the only method available. Banks have to dial up to a Brussels-based SWIFT system. The expense of this international dialup connection makes using SWIFT prohibitively expensive.

2.2.2.2 Western Union Money Transfer

Money Transfer via Western Union The biggest money transfer network in the world is called Western Union. It is present in more than 195 countries with over 212,000 agent locations. There are three Western Union agent firms in Ethiopia. These are Dashen Bank, Construction and Business Bank, and Commercial Bank of Ethiopia. Money transactions within Ethiopia are made in Ethiopian Birr. In Ethiopia, the maximum principal payout per transaction is 60,000 Ethiopian Birr. Sending money to Ethiopia requires the recipient to respond to a test question. To stop fraud, Western Union identifies and informs its clients about consumer fraud awareness. Western Union is exclusively used to transfer money from overseas to Ethiopia, as opposed to SWIFT, which is used to transfer money from Ethiopia to other countries and vice versa.

2.2.3 Card Based Payments TOTAL

2.2.3.1 Fuel Card

Total Ethiopia unveiled the Abyssinia Card, a smart card that can be used to pay for fuel, in 2005. The card is accepted at any of the forty-five stations located throughout Ethiopia, out of the total of one hundred and twenty fuel stations. Payment methods for the card are post-invoiced and pre-paid. Users must present their fuel card and the relevant PIN at the gas station. The fuel station's card readers interact with the card to authenticate customers using their PIN. If the PIN is entered correctly, the reader displays information about the remaining balance on the card, whether the user is authorized to buy fuel at that specific gas station, and other like details. When a user uses his card to purchase fuel, the appropriate quantity of money is taken out of his card. Once the funds on the card are depleted, users need to replenish their fuel card account.

2.2.3.2 Mobile Prepaid Card Payment System

One effective example of a card payment system in Ethiopia is the prepaid card payment system for mobile phones. Prepaid mobile phone consumers are now using it. To use mobile phone services, users must charge their phone account. Filling out an account involves giving the payment server a secret number via a mobile device. The pre-paid phone card that the consumer purchases from stores has the secret number on

it. In Addis Ababa and other major Ethiopian cities with mobile phone service availability, this payment method is in use. The number of people who use pre-paid mobile phones is growing over time; in fact, it is higher than the number of people who use post-paid phones. At the moment, very few people in Ethiopia use credit cards. Credit cards issued locally and internationally are not issued by anyone. However, some commercial establishments (such as hotels, supermarkets, etc.) do accept credit cards from other countries. Currently, Dashen Bank offers VISA and Master Card holders encashment services. When they travel to Ethiopia and wish to receive money using their credit card, foreigners and Ethiopians living abroad primarily employ this payment method. Dashen Bank solely functions as a merchant, taking credit cards from banks that are not located in Ethiopia. However, the bank is completing the necessary steps to begin issuing credit cards. These are international credit cards, similar to Mastercard and VISA. We think that this action will open the door for e-payments in Ethiopia.

2.2.3.3 Automatic Teller Machine (ATM)

An automated teller machine (ATM) is a type of electronic banking facility where users can perform routine transactions without the assistance of a teller or branch personnel. Automated teller machines come in two main varieties. The customer's sole options with the basic units are cash withdrawals and account balance reports. The more sophisticated devices will report account information, enable credit card payments, and accept deposits. Typically, one must be a member of the bank that runs the machine in order to access the advanced capabilities of the complicated machines. In our nation, there are a few sophisticated ATMs in addition to the standard model that lets users take out cash.

2.2.4 Digital banking

Digital banking goes considerably deeper and necessitates a thorough re-engineering of a bank's internal systems, whereas online banking only handles the fundamental transactions—the nuts and bolts that the majority of customers will need to manage their finances without incident. Every digital program and transaction ever carried out by a financial institution or the clients it serves is potentially included in the behemoth that is digital banking (Diniz, Porto de Albuquerque et al. 2011). Moreover, the use of mobile banking has increased as well; according to one study, 47% of consumers

worldwide used it in 2016. The popularity of banking apps is also surging, enabling customers to send quick digital payments at shops, events, and online. Of course, there is a cost associated with all of this convenience. As online banking provides criminals with a new entry point, it has also led to an increase in cybercrimes. For example, if a consumer accesses their banking information over an unprotected network, anyone nearby may listen in and obtain their log-in credentials or other information. Phishing emails may persuade those who are less tech-savvy to click on links that seem to come from the bank itself. Banks that provide online banking services can secure their own websites and mobile applications, but they also need to teach their consumers how to do it properly (Balkan, 2021). One may process basic transactions using your laptop, desktop computer, or smartphone with online banking. One will also be able to view and access your business accounts online as a business owner. Our interaction with the banking system has changed as a result of online banking because we no longer need to physically visit a branch to do our daily financial transactions. Going cashless in internet banking is expected. Cash is quickly fading away in many areas due to how easily we can access our bank accounts right now, 24 hours a day, 365 days a year. Of course, the drawback of internet banking is that you cannot make payments with actual currency. One's entire experience may be affected by your general internet connectivity and high-speed broadband availability (Balkan, 2021).

2.3 Mobile money and banking

Because the term "mobile money" encompasses a broad range of overlapping uses, definitions of it vary across members of the communication sector. According to Owusu (2017), mobile money is an electronic payment method. The term "mobile money" describes a wide range of financial services that are accessible via a mobile device. Purchasing airtime, paying bills, and sending money are now the most common uses for mobile money services. Mobile money is a digital wallet service that functions while the phone is online and is accessed by an app that is downloaded to the device. It is a way to manage and keep money in an account that is connected to a phone number. With the use of mobile money technologies, users may send, receive, and spend money using their phones. The Global System for Mobile Communications Association (Aranda-et al. 2020) states that a service qualifies as mobile money if it

satisfies three criteria: (1) it allows money transfers and payments using mobile devices; (2) it is accessible to the unbanked, or those without access to formal bank accounts; and (3) it provides a network of physical transactional points, such as agents outside of bank branches and ATMs, that make the service widely available to everyone.

With or without the direct involvement of traditional banking institutions, mobile banking refers to a suite of services that users can access through portable devices connected to telecommunications networks. These services include mobile payments, transactions, and other banking and financial services related to customer accounts. By merging the ideas of service and channel, this idea can also be thought of as the financial channel that the institutions use to offer their customers digital mobile services. Mobile money, often known as electronic money, is the same as mobile money or mobile cash. It is mainly digital and has characteristics connected to portability and mobility. Because it may mimic the key characteristics of traditional money, such acceptance and liquidity, it can be distinguished from other electronic payment methods (like credit cards, debit cards, smart cards, etc.). A mobile wallet, which is a digital store of electronic money created and used on mobile devices that enables peer-to-peer (P2P) transactions (M2M) between mobile devices (users of the same service), may be connected to mobile money. It may hold cash as well as credit and debit cards and resembles a typical physical wallet (Diniz, Porto de Albuquerque et al. 2011).

2.3.1 Benefits of mobile banking

Socioeconomic Advantages: A study conducted in 2014 by Mugambi et al. found that approximately 2.5 billion people worldwide do have access to financial services. In order to increase financial inclusion, mobile money offers new avenues and innovative business models. All residents, particularly the unbanked, have greater access to financial services thanks to mobile money. Because mobile providers and stakeholders are working together, accessibility to rural areas has also improved. Because mobile money transmits less money domestically and internationally, it enhances investment in and allocation of physical investments (Aker, et al. 2011). Furthermore, mobile money makes it possible for developing nations to acquire funds from economically vibrant regions, which may help to balance economic imbalances and ease social unrest (Berg and Ostry 2011). Additionally, because m-money is

electronic and accessible whenever needed without requiring physical cash, it lowers the risk associated with carrying cash—namely, the chance of theft, mishap, or robbery (Gencer 2011).

Benefits for Financial Institutions: Delivering financial services has become much less expensive thanks to mobile money. Consider the overhead associated with setting up and keeping up ATMs. Furthermore, m-money offers financial advantages. For the impoverished, particularly those living in rural areas with limited access to financial services, it lowers the transaction costs of financial services. Using mobile money to access financial services eliminates the need to pay for transportation and spend time in the closest town. It costs less than other cash alternatives, on the whole. (Pickens and McGay, 2010)

The benefit to Mobile Operators: M-money increases revenue. For mobile money providers, the transaction fees associated with sending and withdrawing money are a substantial source of income. For instance, Safaricom in Kenya reported that income from mobile money reached KSh 7.9 billion (\$90 million) during the first half of 2011(Muthira; 2015).

2.4 Trends in digital banking

When compared to other regions of the world, the African mobile money services industry has grown significantly in recent years (taking into account factors like the total number of mobile money services, mobile money accounts, agents providing mobile money services, and mobile payment users). It is evident that Africa is leading the way in the revolution of mobile banking, driven by the financial services provided by mobile phones. Furthermore, Africa is seeing an increase in the number of mobile Internet users. When it comes to mobile money services, Africa appears to be leading the world. Africans are able and prepared to adopt new developments in the field of mobile money services. In African nations, mobile money services have begun to revolutionize local marketplaces (Mitreğa et al., 2018). According to Mitreğa et al. (2018), there are now two primary mobile money service models in Africa. A model where banks take over at least account provision and settlement; a model for mobile payment services where customers have a direct contractual relationship with a licensed financial institution; a bank-led model offering additional services to current customers through a mobile banking application; With the exception of settlement, nonbank companies handle all basic functions under a nonbank-led model that

includes transformational outreach to the unbanked populations. In this model, cash is exchanged for electronic value stored in a virtual account on the server of a nonbank organization, such as an MNO or an issuer of stored-value cards [African Development Bank, 2013]. The history of African mobile money is said to have begun in Kenya in 2007 with the introduction of peer-to-peer money transmission via Safaricom's M-PESA product. Before then, sending money to a relative could be problematic because of low bank rates. When it comes to mobile money services, Kenya leads both in Africa and beyond. Eighty-three percent, or 26 million users, of the 31 million mobile subscribers in the nation make use of mobile money services (Ayiesia 2018).

Ethiopia's financial system is incredibly undeveloped. Due to the recent introduction of digital financial services (DFS) in Ethiopia, the majority of economic transactions still rely on cash. In 2017, 98.7% of adult consumers who paid for utilities did so with cash, according to the World Bank. Additionally, just 0.47 percent of payments made for agricultural products to adults were made through financial institution accounts, despite the fact that 59% of adults got payments for these goods. When it comes to paying utility bills, receiving government payments, and receiving earnings in cash rather than through formal financial institutions, Ethiopia performs significantly better than the norm for sub-Saharan Africa (Alemu and others, 2021). Alemu et al. (2021) define mobile money as an electronic account that can be linked to a mobile phone number; no bank account needs to be opened in order to use mobile money. This account may be used to make and receive payments as well as deposit and withdraw money. The state-owned mobile and Internet services, Ethio Telecom, are not integrated with the digital payment service (DPS) in Ethiopia because DPS is not telecom-based. The fact that only financial organizations commercial banks and microfinance institutions (MFIs) in particular offer these services in Ethiopia could have had a negative effect on the development and proliferation of direct payment services there.

Through the use of an agent banking system, commercial banks enable bank branches to assign agents to handle mobile money services on their behalf. Additionally, MFIs offer mobile money services. Launched in 2012 by five partner MFIs operating in Addis Ababa and four regional states, the nation's first mobile money service, M-Birr, became live in 2013. M-Birr allows users to make deposits and withdrawals at an

agent, as well as use a mobile device to top off mobile airtime, pay bills, make purchases, return loans, check balances, and receive statements. Because the five MFIs share a single switch system, it also offers transfer services amongst them. For those without access to banking services, these MFIs offer financial access.

M-Birr is essential to the nation, as about 80% of people live in rural areas with inadequate connectivity, because it operates with low-quality mobile networks and doesn't require an Internet connection (Alemu et al., 2021). Alemu et al. (2021) implied that in February 2015, Lion International Bank, Somali Micro Finance Institution, and Belfast partnered to establish HelloCash, a mobile money service, in response to the debut of M-Birr. It provides payments, transfers, withdrawals, and deposits. Agents that provide mobile money services on behalf of the banks are chosen, trained, and given permission to do so. A mobile phone-based money transfer platform called CBE-Birr was introduced by the CBE in mid-December 2017. Customers of this platform get access to extra features such as the ability to pay bills, make payments, withdraw money, and buy mobile airtime. Amole, a platform for mobile money transfers, was introduced by Dashen Bank in July of 2018. The salt bar money of ancient Ethiopia is where the word Amole originate (Alemu and others, 2021).

Until recently, only banks and Micro Finances Institutions (MFIs) were authorized to store deposits, issue payment service provider licenses, and oversee agent networks under Ethiopia's bank-led regulatory framework for digital financial services. As a result, independent provision of digital financial services by mobile network operators (MNOs) and financial technology companies (Fintechs) was prevented. Important stakeholders in the sector realized how urgent it was to update this model to allow for additional engagement from mobile network operators and Finches given Ethiopia's present priorities. Ethiopia approved Electronic Transaction Proclamation No. 1205/2020 to employ digital transactions in order to address this issue.

This is addressed by the ratification of the Payment Instrument Issuers' Directive, which permits MNOs and Financial Technologies to function as issuers of payment instruments (NBE, 2021). The Ethiopian government, as previously indicated, acknowledged the issue and made plans to address it. The regulatory body released new guidelines that let nonfinancial companies, such as the telecommunications industry, to provide digital financial services (NBE 2021). Following this, Ethio

Telecom offers a brand-new mobile money service called "telebirr," where birr is the federal democratic republic of Ethiopia's official currency. The first mobile money service, Telebirr, was introduced by Ethiopian Telecom in May 2021. In locations with mobile network coverage, the solution enables users to deposit, receive, and transfer money using their cellphone number (Ethio telecom, 2021).

So trend wise with the all of its inherent benefits, mobile banking enables banking at anytime, anyplace (as long as the network is covered) (Pousttchi, 2007). Mobile phones are incredibly common in all societal strata, which make them an ideal instrument for advancing electronic banking. It is quite probable that mobile banking and online banking would coexist as allies rather than rivals.

2.5 Digitalization and its Effects on Banking

Because technology has impacted our lives, banks today need to be present on social media for a variety of reasons, including client protection, new service architecture, marketing, and public relations. Chris Skinner (cited by Balkan, 2021) provides the following definition of "digitalization" for banking: Banking is now more about data than it is about money, and saving data storage is more crucial than ever. Retail banks have always relied on physical distribution, but they now need to transition to established and reliable electronic distribution, according to Skinner (cited by Balkan, 2021). We now have a young generation known as "digital natives" that has grown up using the Internet. These folks naturally use digital platforms because they spend their entire lives online. Given that there is only one channel and it is a digital channel, banks should immediately give up on their multi-channel plans and transition to becoming digital banks (Skinner 2014, cited by Balkan, 2021).

Banks may need to alter their services, products, organizational structures, and perhaps even their architectural designs in order to adapt to the digital shift. Banks are increasingly evolving into businesses that transform data into information and exchange information for money. We are now moving away from a bank-centric approach and toward a customer-centric one thanks to digital revolution. The formation of digital banks that offer direct digital financial services and of digital banks that use the digital channel as their only means of service delivery, in addition to banks' adaption to mobile technology, is the key trend. The banking industry is moving away from provider control and toward customer control. This indicates that

the division of the banking components into specific portions that are assembled by various small businesses (Balkan, 2021).

The main advantages of digital banking include lower costs for services compared to traditional banking, more opportunities for banks to offer new goods and services, and the ability for banks to quickly gather customer information so that customers can use it. Furthermore, this knowledge helps banks lower operational risks. Accessing digital banking services is simple, and you can obtain 24/7 service even if you move. The potential for digital banking to boost client satisfaction, loyalty, and profitability is the final point. The possibility of increasing consumer security and fraud threats; identity theft; and the risk of fraud are the main downsides of digital banking. The criticisms of online banking can be summed up as follows: The rapid pace of technology development may result in out-of-date product designs, inadequate infrastructure that lowers the quality of services, and a breakdown in one-on-one relationships with clients (Balkan, 2021). Although digitalization had many advantages, there were drawbacks as well. The absence of a personal connection has reduced trust, eliminated an important switch-blocker, and intensified pricing competition (Accenture, 2022).

2.6 Empirical Literature Reviews

Any time money enters or leaves your bank account, it is considered a bank transaction. Cash withdrawals or deposits, cheques, internet payments, debit card charges, wire transfers, and loan payments are all examples of bank transactions (www.mtb.com). The transition to digital, particularly mobile and internet banking, is the most pervasive trend in the banking sector. Consumers do not want to have to travel to a physical bank office to perform their transactions in today's era of unheard-of convenience and speed. This is particularly true of Millennials and older Gen Zers, who have started to take the lead in the workforce and make the highest salaries (Meola, 2023).

After 2011, mobile phones have become the key engine powering the digital banking revolution. The combination of rising smart phone sales, the launch of 4G high-speed internet services, and the large number of young tech-savvy consumers provide a strong indicator of the way that the digital banking bandwagon is moving (Jain, et al, 2020). According to Singh and Sinha (2016), mobile banking transactions by Indian users have changed. The data on mobile banking transactions, which have

dramatically expanded in India during the last ten years, validated this result. This has happened as a result of rising customer interest in mobile banking and a rise in mobile banking transactions. Mobile banking has seen a growing trend in recent years, with volume and value rising by 108.5% [53.30 million in Fiscal Year (FY) 2013 vis-à-vis 25.56 million in FY 2012] and 228.9% [US Dollar (USD) 1.1 billion in FY 2013 vis-à-vis USD 0.2 billion in FY 2012] (Singh and Sinha, 2016).

A 2016 Global Consumer Banking Survey that polled 55,000 consumers in 32 countries found that 60% of respondents stated they would prefer to go to a physical branch or chat with a live person before making a transaction or seeking advice. Traditional banks may come across as more reliable than online-only banks due to their emphasis on in-person client care. This is particularly true when a customer opens an account. In the same survey, 66% of customers stated that their preferred bank must have a strong online presence. The fact that the majority of Europeans use the internet to do their banking online (59%) is evidence of this (www.expatica.com). The use of mobile banking has increased as well; according to one study, 47% of consumers worldwide used it in 2016. Additionally, the use of banking applications is surging, enabling customers to send quick digital payments in shops, events, and online (www.expatica.com).

About 33 million U.S. homes (31% of the market), according to research by Online Banking Report at the beginning of 2004 and referenced by Sharma (2016), were using online banking. According to a review by Gartner Group, 47% of Americans had jobs online after five years. Between 2011 and 2012, in the UK, e-banking expanded its reach from 63% to 70% of internet subscribers. 423.5 million users worldwide used online banking services in April 2012, making up 28.7% of all internet users. 45% of internet users in North America visited banking websites (Sharma, 2016). According to the 2020 US reports, 61% of mobile banking customers stated they would switch banks for greater mobile banking capabilities, and 74% said they would examine a bank's mobile capabilities before opening an account (Meola, 2023).

According to European Investment Bank (EIB) reports from 2017, the proliferation of mobile and digital technology has already greatly increased account ownership in Sub-Saharan Africa (SSA). Adults who have a traditional or mobile account increased

from 24% in 2011 to 34% in 2014. The percentage of adults who have an account with a bank or other financial institution rose from 24% to 29% during the same time frame. Therefore, the growth of traditional banking and the use of mobile accounts each account for nearly half of the improvement in financial inclusion. By December 2016, there were 277 million registered mobile money accounts in SSA, which is more than the region's total number of bank accounts. This trend is rising in a number of nations, including Kenya, Tanzania, Zimbabwe, Ghana, Uganda, Gabon, and Namibia, mobile money is actively used by more than 40% of the adult population (European Investment Bank, 2017).

Banks themselves have become more remote as 97% of today's banking touch points take place online. The absence of a personal connection has reduced trust, eliminated an important switch-blocker, and intensified pricing competition (Accenture, 2022).

According to Meola's insider intelligence reports from 2023, 61% of mobile banking customers indicate they would switch banks for better mobile banking capabilities, and 74% of them said they would examine a bank's mobile capabilities before opening an account. On the other hand, a sizable portion of bank customers prefer actual branches. In addition, 53% of respondents stated that depositing a check was the main reason they went to a branch in the previous month, as opposed to 41% who went to withdraw cash and 36% who went to deposit cash (Meola, 2023).

CHAPTER THREE

3 METHODOLOGY

3.1 Study Area

The study area of the study is Bunna Bank, Ethiopia. Ethiopia's Bunna Bank Share Company (S.C) entered the banking sector in response to the favorable economic advances the nation has experienced over the past ten years and the steadily increasing demand for financial services. With 308 million Ethiopian Birr (ETB) in subscribed capital and 156 million ETB in paid up capital, the bank began operations formally on October 10th, 2009. It is currently one of the most powerful and publicly traded private banks in Ethiopia with a paid up capital of over 2.1 billion ETB and over 13,024 shareholders (www.scribd.com).

3.2 Research Design

A survey was conducted to gather data related to banking transactions types and trends used by customers in Bunna Bank; from January, 2019 to September, 2022. The analysis was quantitative in character, the survey methods were employed from the secondary data sources of the bank. Survey techniques are employed in non-experimental and descriptive research approaches, according to Trochin (1999). He also mentioned that surveys can be helpful for gathering information on things that cannot be directly witnessed. In this study, quantitative research (data found from the bank) methodologies based on secondary data was applied. Descriptively the study employed percentages to compare and analyze the trends. This design is used by the researcher to describe a phenomenon and provides a snapshot of a particular situation, behavior, or group, chosen by the researcher.

3.3 Population

3.3.1 Source Population

All customers of the 45 branches of Bunna Bank at Amhara Regional State of Ethiopia and the transactions conducted by all customers from the 45 branches of

Bunna Bank in Amhara Regional State of Ethiopia during a four year period (2019-2022).

3.3.2 Study Population

Customers; who had conducted banking transactions from January 2019 to September 2022, of the 45 branches of Bunna Bank in Amhara Regional State of Ethiopia; during the study period.

3.4 Sources of Data

In this study, the researcher employed secondary sources of data for analysis. To put it in another way, the study heavily relied on the data that it collected from the banks.

3.5 Data Collection Techniques

An abstract sheet was used. Excel files were extracted from the branches of the bank with the help of the principal investigator (PI) and only the required information was abstracted for analysis.

3.6 Data Analysis Techniques

The data was extracted from checked, cleaned and entered into Microsoft Excel for analysis. Data was analyzed and interpreted using the quantitative analysis. Frequency, percentage, mean, and standard deviation of the descriptive statistics are used to characterize and describe the socio-demographic characteristics of the customers and the trends of the banking transactions. The results of the descriptive statistics were displayed using tables, charts and graphs.

3.7 Ethical Considerations

After submission of this research proposal and get a written paper from Addis Ababa University's (AAU) Ethics Review Committee for informed consent, it was given to the respective head of the selected branches of BB in ARSE and others responsible body. After permission was granted and got a verbal informed consent from each personnel, the PI was involved in the data collection process. Privacy was maintained by abstracting and recording the necessary data alone and not exposing for and talking about it to others.

3.8 Dissemination of the Result

The results of the research were submitted and presented to AAU, College of Business and Economics. The findings of this study will be delivered to the department and other responsible stakeholders. If possible the findings will be presented in different seminars, meetings and workshops and sent to peer review scientific journals for possible publication.

CHAPTER FOUR

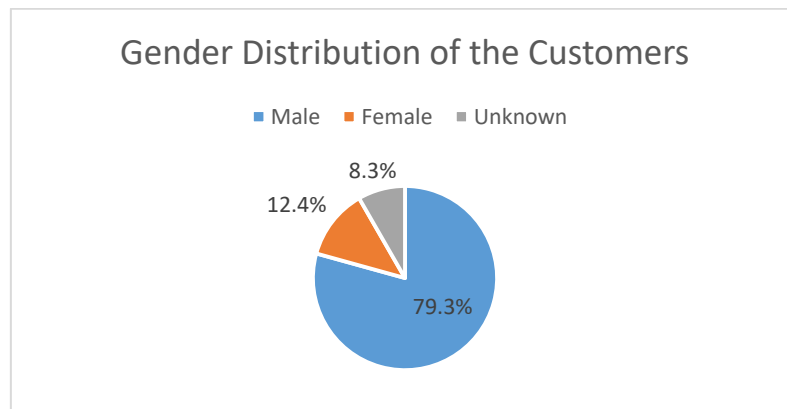
4 DATA PRESENTATION AND ANALYSIS

4.1 Introduction

The researcher analyzed the transactions conducted by all customers from the 45 branches of Bunna Bank in Amhara Regional State of Ethiopia during a four year period (2019-2022). The total transactions conducted at Bunna Bank during this study period were 9,707,966.

4.2 Background of Customers

From the total customers registered during 2019, 2020, 2021 and the first three quarters of 2022, the customers' gender is unknown in 8.3% (804,335) of the cases but 79.3% (7,701,899) and 12.4% (1,201,732) of them were male and female customers, respectively (Figure 1). From these 8,903,631 customers whose gender is identified, majority 86.5% (5,760,394) of them were male.



Source: Bunna Bank (2023)

Figure 1: Gender Distribution of Customers at Branches of Bunna Bank in Amhara Regional State of Ethiopia, from January 2019 - September, 2022

4.3 Methods of Transaction employed by Retail and corporate customers

There were two, Retail and Corporate; types of customers in Bunna Bank. During the four years study period, most of the customers 93.6% (9,088,501) were retail in type and only 6.4% (619,465) of them were corporate customers. From the total yearly

transactions performed, retail customers accounted for 95.2% (873,480 out of 917,135) of the 2019; for 95% (1,384,616 out of 1,457,900) of the 2020; for 93.8% (3,967,223 out of 4,227,252) of the 2021; and for 92.2% (2,863,182 out of 3,105,679) of the 2022 transactions (Table 1). From this we can see that the trend is increasing for both ATM and mobile banking while the trend traditional banking for retailers and corporates decreases in percent from the total transaction.

Table 1: Types of Customer with Transaction Method used at Branches of Bunna Bank in Amhara Regional State of Ethiopia, from January 2019 to September 2022

Methods of Transaction	Calendar Years					
		2019	2020	2021	2022	Total
Traditional Banking	Retail	832,157	1,230,441	3,435,884	2,252,883	7,751,365
	Corporate	43,646	73,230	258,846	147,481	523,303
Mobile Banking	Retail	30,922	133,268	460,500	443,318	1,068,008
	Corporate	9	54	1,183	94,998	96,244
ATM Machine	Retail	10,401	20,907	70,839	166,981	269,128
	Corporate	---	---	---	18	18
Total		917,135	1,457,900	4,227,252	3,105,679	9,707,966

Source: Bunna Bank (2023)

Upon desegregation of the customers type to the transaction methods used during the whole study period, the majority of both customers types used the traditional method of banking with frequency of 85.3% (7,751,365 out of 9,088,501) and 80.9% (523,303 out of 619,465) for retail and corporate customers, respectively. Retail customers accounted for 93.7% (7,751,365 out of 8,274,668) of the traditional banking method, 91.7% (1,068,008 out of 1,164,252) of the mobile banking method and 99.999% (269,128 out of 269,146) of the transactions via ATM machines during the study period (Table 1).

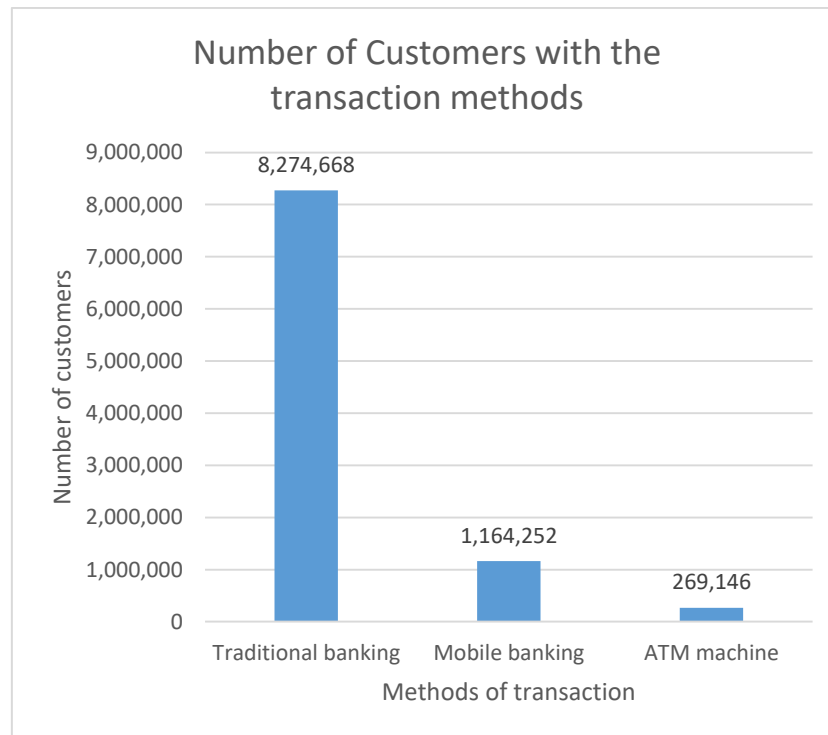
Retail customers accounted for 93.6% of the whole customers during the study period. This might be due to the fact that number of corporate is by far lower than number of individual or personal bank account holders similar to this study's finding where corporate clients accounted only for 6.4% of the total. It could also be partly explained by the reports of Deloitte (2022) as most corporate clients have a strong relationship with their primary bank and only 7% of them tend to switch banks. The majority of both customers' types have used the traditional method of banking with frequency of 85.3% of the retail and 80.9% of the corporate customers. This finding could be explained by the other finding of this study where most, 85.2% of the customers have utilized the traditional banking method.

From the customers who used the digital banking method for transactions, 91.7% of them were retail customer types. In other words, corporate customers accounted only for 8.3% of the digital banking method consumers. This finding is also supported by the other finding of the current study where the majority, 93.1%; of the customers are retail in type. This might be due to the fact that digital banking method is usually conducted remotely from the banks which may hinder deep trusts in corporate' members. This is further supported by "the absence of a human connection has reduced trust, eliminated an essential switch-blocker, and intensified pricing competition" (Accenture, 2022). Corporate customers, on the other hand, demand that trust be established and that there be evidence to support all of their accounts and transactions. Corporate may concentrate on providing in-person client care as it may come across as more reliable than banks with online-only banking services. This is particularly true when a customer creates an account (www.expatica.com).

4.4 Methods of Transactions mostly employed

From the total transactions during the study period, majority 85.2% (8,274,668 transactions) of them were made by traditional brick and mortar methods but the rest 14.8% (1,433,398 transactions) of the total transactions were made by digital methods which complies with the 2016 Global Consumer Banking Survey, which found that 60% of consumers preferred to go to a physical branch or chat with a live person before making a transaction or seeking advice (Meola, 2023). From the digital methods of transactions, mobile banking contributed for the majority, 81.2% (1,164,252 out of 1,433,398) of the transactions conducted while ATM machine

transactions made up the rest 18.8% (269,146) of the digital method's transactions (Figure 2). The highest transaction of the traditional method might be explained by the fact that customers usually need trust and guarantee in their banks. It is further reinforced by Meola (2023), which said that "consumers have maintained a preference for depositing checks in branches in person" despite an overwhelming reliance on digital banking channels, services, and the resulting drop in branch visits. The quarterly transactions made are described in (Table 3).



Source: Bunna Bank (2023)

Figure 2: Routes of Transactions used by the Customers of Bunna Bank in Amhara Regional State of Ethiopia, from January, 2019 to September, 2022

The above 85.2% contribution of the traditional method implies that the rest is digital method. Digital banking transactions contributed for only 14.8% of the total transactions in the current study. The researcher believes that this lower figure of the digital banking contributions to the total transactions might be explained by the two major factors. The first factor is the fact that Ethiopia has lower coverage of internet access and utilization. Secondly, Ethiopian' lower levels of literacy and restricted access to digitalization compared to those in industrialized nations might also explain the lower number of digital transactions. Unlike to our findings, a study of global

banking customers found that 97% of current banking touch points take place remotely (Accenture, 2022). Moreover, digital banking methods utilized by the customers, mobile banking utilization (81.2%) is better than the ATM machine transactions where it was utilized for only 18.8% of the digital transactions. These findings are consistent with and may help to explain the increase of mobile banking, which 47% of consumers worldwide used mobile banking in 2016 according to a survey from Expatica (www.expatica.com). The use of mobile banking apps is also surging, enabling customers to send quick digital payments at shops, events, and online (www.expatica.com).

4.5 Types of transaction

From the total transactions made during the study period, 51.9% (5,042,077 transactions) of them was debit transactions in type while 48.1% (4,665,889) of the transactions was credit. Credit transactions accounted for 50.2% (460,157) of the 2019's; 49.2% (717,685) of the 2020's; 48.8% (2,062,344) of the 2021's; and 45.9% (1,425,704) of the 2022's transactions, accordingly.

The transactions' data segregated by type of transactions conducted was obtained and retrieved only for 2021 and 2022 fiscal years of the study period. The transactions conducted via the traditional methods were withdrawals, account transfers, check transfers, POS transactions while via digital methods were only withdrawals, account transfers and POS transactions. From the total transactions conducted via traditional method (6,095,094), 40.4% (2,463,891 transactions) and 33.7% (2,056,699 transactions) of them were for reasons of cash withdrawals and deposits. The transactions which were done using mobile banking were mobile banking transactions (total = 875,751) and POS transactions (total = 124,248). The transactions' sum of withdrawals and account transfers recorded during the study period were 4,013,442 and 1,098,794 transactions via traditional and conventional methods. As expected, there was no transaction done for check transfer and deposits in the digital methods of banking (Table 2).

Table 2: Transaction Conducted by Bunna Bank's customers at Amhara Regional State of Ethiopia, from January 01, 2021-September 30, 2022

Types of Transactions	Traditional Method		ATM Machine		Mobile Banking	
	2021	2022	2021	2022	2021	2022
Withdrawals	1,452,205	1,011,686	67,224	153,989		
Account Transfers	896,928	652,623	569	1,261	449,963	425,788
Deposits	1,329,010	726,780	—	—	—	—
Check Transfers	16,583	9,263	—	—	—	—
POS transaction	4	12	3,046	11,749	11,720	112,528
Total	3,694,730	2,400,364	70,839	166,999	461,683	538,316

Source: Bunna Bank (2023)

From the above table 2, the transactions conducted via the traditional methods were withdrawals, account transfers, check transfers, POS transactions while transaction types conducted via the digital methods were only withdrawals, account transfers and POS transactions. As expected, there was no transaction done for check transfer and deposits in the digital methods of banking. From the total transactions conducted via traditional method (6,095,094), the majority (74.1%) of them were for reasons of cash withdrawals (40.4%) and deposits (33.7%). This finding is similar a study reports by (Meola, 2023) where 41% of their participants went to withdraw cash and 36% went to deposit cash.

4.6 Trends of Transaction

4.6.1 Monthly, Quarter and Annual transaction trends

4.6.1.1 Quarterly total transactions

Upon desegregation of the total transaction to each years of the study period, 9.5% (917,135) of the total was made during the four quarters of 2019; 15% (1,457,900) was during the four quarters of 2020; 43.5% (4,227,257) was during the four quarters of 2021; and the remaining 32% (3,105,679) of the transactions was conducted during the first three quarters of 2022 (Table 2). Moreover, nearly three-fourth (7,332,936 transactions) of the total number of transactions was conducted only during the years of 2021 and 2022.

The number of transactions conducted during the first three quarters of each study years showed the highest was conducted in 2022 (3,105,679 transactions) and the least was in 2019 (635,004 transactions). The number of transaction conducted via traditional method during the 1st three quarters of each study years revealed that the highest was conducted in the year of 2022 (2,400,364) and followed by 2021 (22,549,322). The least was conducted in the 1st three quarters of 2019 (616,705). The 1st three quarters' digital transactions records of each years of the study period showed that year 2022 had the highest (705,315) number of transactions and followed by year 2021 and 2020 with transactions frequency of 362,091 and 99,278, respectively

Generally, from the total 9,707,966 transactions done during the study period, nearly three-fourth (7,332,936 transactions) of the total number of transactions was conducted only during the years of 2021 and 2022. Upon comparing the transactions conducted during the first three quarters of the study period, it has increased by nearly five times as we go from the quarterly transactions of 2019 (635,004) to 2022 (3,105,679) (see table 3). This could be explained by the fact that Bunna Bank is one of the fast growing private banks in the country where there is continuous increment in customer's number and capital.

Table 3: The study period's fiscal years' Quarterly total transactions made at branches of Bunna Bank, Amhara, Ethiopia

Years	Quarters	Traditional	Digital Methods		Total
		Branch	Mobile	ATM	
2019	Quarter 1	181,116	222	1,398	182,736
	Quarter 2	203,658	2,307	2,144	208,109
	Quarter 3	231,931	9,342	2,886	244,159
	Quarter 4	259,098	19,060	3,973	282,131
Total		875,803	30,931	10,401	917,135
2020	Quarter 1	289,431	25,622	4,395	319,448

	Quarter 2	237,041	28,032	3,833	268,906
	Quarter 3	328,263	31,418	5,978	365,659
	Quarter 4	448,936	48,250	6,701	503,887
Total		1,303,671	133,322	20,907	1,457,900
2021	Quarter 1	805,335	81,320	10,459	897,114
	Quarter 2	833,282	95,243	16,267	944,792
	Quarter 3	910,705	139,088	19,715	1,069,508
	Quarter 4	1,145,408	146,033	24,398	1,315,839
Total		3,694,730	461,683	70,839	4,227,252
2022	Quarter 1	815,218	134,145	29,476	978,839
	Quarter 2	790,849	194,248	66,749	1,051,846
	Quarter 3	794,297	209,923	70,774	1,074,994
Total		2,400,364	538,316	166,999	3,105,679

Source: Bunna Bank (2023)

The number of transactions conducted during the first three quarters of each study years showed the highest was conducted during fiscal years of 2022 and 2021 (3,105,679 transactions) and the least was in 2019 (635,004 transactions). This finding of this study might be partly explained by the effect of COVID-19 and the emergency enforcement of movement restrictions during the 2020. The 1st three quarters' digital transactions records of each years of the study period showed that year 2022 had the highest (705,315) number of transactions and followed by year 2021 and 2020. This showed as there is increment in the utilization of digital banking methods at Bunna Bank. This might be explained by the fact that digital banking services are simple to use and are available around-the-clock (www.soldo.com). It can be as a result of customers' easy access to digital banking. Using automated systems, such as ATMs, online banking, wireless access, and telephone banking services, consumers can complete transactions quickly and acquire basic information (Banking

101, 2012). According to a Global Data study, around 35% of consumers wish to use digital banks (Balkan, 2021).

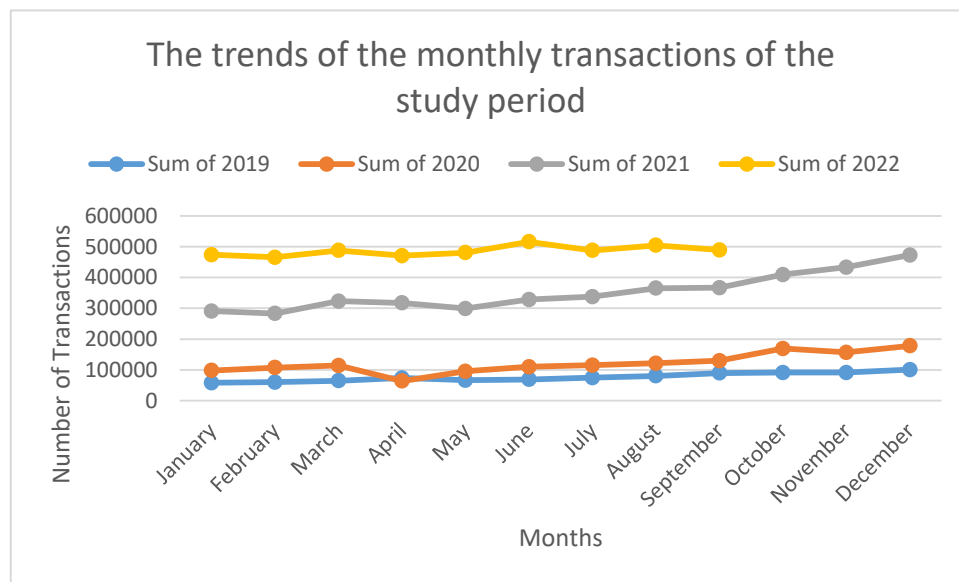
The quarterly transactions made during the four years period showed as there was decrement in the traditional banking methods utilization despite it still remains as the major route for transaction in the bank. The total contribution of the traditional banking to the total yearly transactions during the study period decreased from 95.5% in 2019 to 77.3% in 2022 of the transactions made at the banks. The contribution of digital banking methods to the total transactions during the four years increased from 4.5% in 2019 to 22.7% in 2022. This might partly be due to the advancement and the increased application of digitalization on the banks. Electronic commerce has developed as a result of the Internet, enabling businesses to communicate with their clients and other firms both within and outside of their own industries more effectively (www.electrobank.com). Additionally, the COVID-19's impact on the banking system and the global market may be a contributing factor in the growth of the digital technique and decline of the traditional one (Accenture, 2023).

The transactions which were conducted by type showed decrement in those conducted by traditional banking method while it was increasing in the cases of transaction types which were conducted through the digital methods; in both the mobile banking and ATM machines' transactions. This could be explained by the say of "online banking has completely changed how we interact with the banking industry because we no longer need to physically go to a branch to do our daily financial operations. Going cashless is expected when banking online (www.soldo.com). Additionally, Skinner claimed that "retail banks traditionally operate based on physical distribution but they must now switch to mature and proven electronic distribution" (quoted by Balkan, 2021).

4.6.2 The Monthly Trends of total Transaction

Upon analyzing the monthly trends, the highest and lowest number of transactions conducted during 2019 were recorded on the months of December (100,305 transactions) and January (57,770 transactions), respectively. The 2020 records of the monthly's transactions showed that December and April months have the highest (177,891) and lowest (63,790) transactions' records, respectively. The highest and least number of transactions done during the 2021 were on the months of December

(484,233 transactions) and February (285,437 transactions), respectively. The highest number of transactions conducted during the 2022 was on the month of June (543,811 transactions) while the least being on the month of February (469,709 transactions). The overall trend of monthly transactions conducted showed increment as we go from 2019 to 2022 (Figure 3).

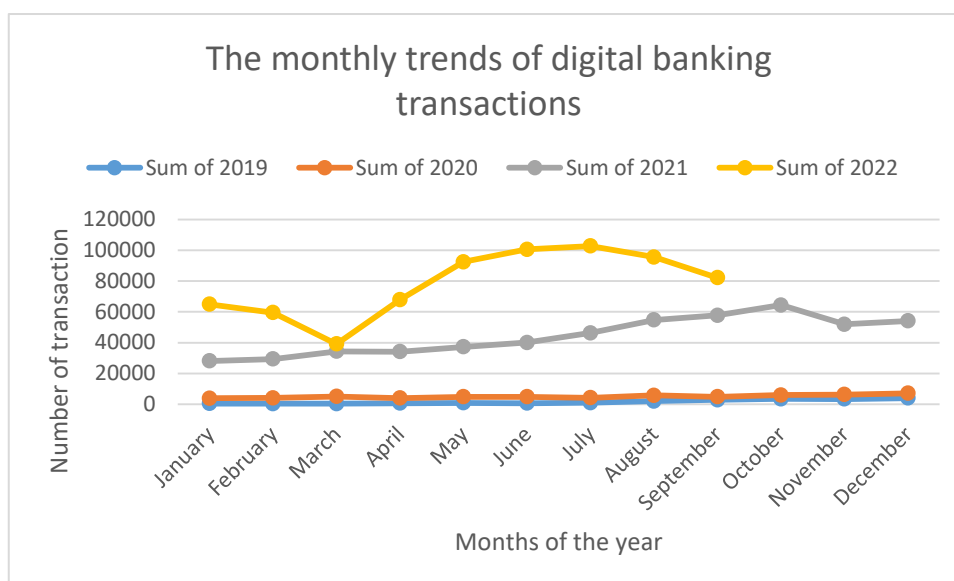


Source: Bunna Bank (2023)

Figure 3: The monthly banking transactions’ trends during the study period at branches of Bunna Bank, Amhara, Ethiopia

4.6.3 The Monthly Trends of Digital Transaction

The highest and lowest number of the digital transactions conducted during 2019 was on the months of December (3998 transactions) and February (307 transactions), respectively. In 2021, the highest transactions was on month of December (7082 transactions) and the lowest was month of January (3911 transactions). The highest and lowest number of transactions were conducted on months of October and January for 2021 year with frequency of 64,464 and 28,135 transactions, respectively. The highest number of monthly transactions for 2022 was on the month of July with 102,839 transactions while this year’s least number of transactions was conducted on month of March (Figure 4).



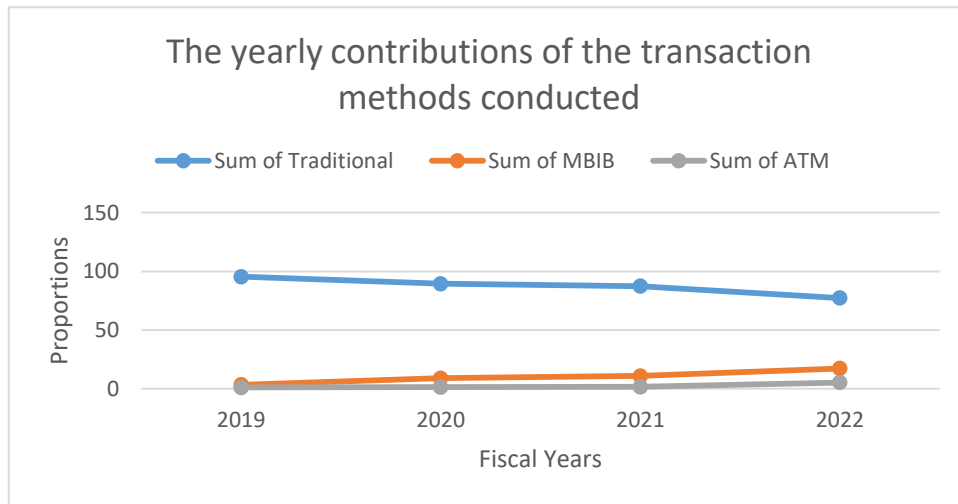
Source: Bunna Bank (2023)

Figure 4: The monthly trends of digital transactions done at branches of Bunna Bank in Amhara Regional State of Ethiopia, from January 2019 to September 2022

The average monthly trends of the digital transaction were 43,444 in 2019; 12,852 in 2020; 44,377 in 2021; and 78,368 in 2022. By considering only the 1st three quarters, the average monthly digital transactions were 2,033 in 2019; 11,031 in 2020; 40,232 in 2021; and 78,368 in 2022. Increment as we go from 2019 to 2022. The overall trends of the average monthly digital transactions showed increment by 38.6% as we go from 2019 to 2022 (2019 (3,444 transactions) to 2022 (78,368 transactions)).

4.6.4 The quarterly Banking Transactions Trend

The highest and lowest number of the quarterly total transactions were recorded at the 4th quarter of 2021 and 1st quarter of 2019 with frequency of 1,315,839 and 182,736, respectively. The highest and lowest number of transactions made by traditional method were recorded at the 4th quarter of 2021 (1,145,408) and 1st quarter of 2019 (181,116), respectively. The least number of transactions made by the digital methods [in both mobile (222 transactions) and ATM (1,398 transactions)] were reported at the 1st quarter of 2019 while the highest were at the 3rd quarter of 2022 in both mobile banking (209,923 transactions) and ATM machine (70,774 transactions) methods (Table 3).



Source: Bunna Bank (2023)

Figure 5: Trends of Transactions made during the quarters division of the study period at branches of Bunna Bank, Amhara, Ethiopia.

The total contribution of the traditional banking to the total yearly transactions during the study period decreased from 95.5% in 2019 to 77.3% in 2022 of the transactions made at the banks. The contribution of digital banking methods to the total transactions during the four years increased from 4.5% in 2019 to 22.7% in 2022 (Table 3 and Figure 5).

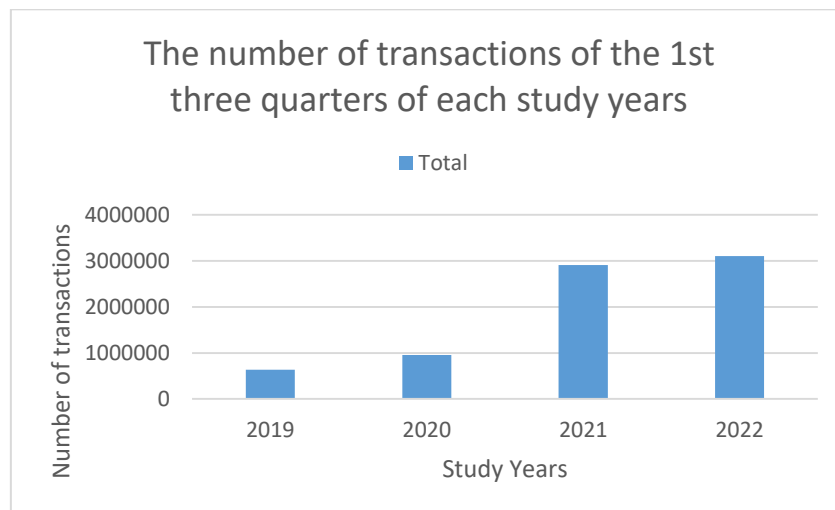


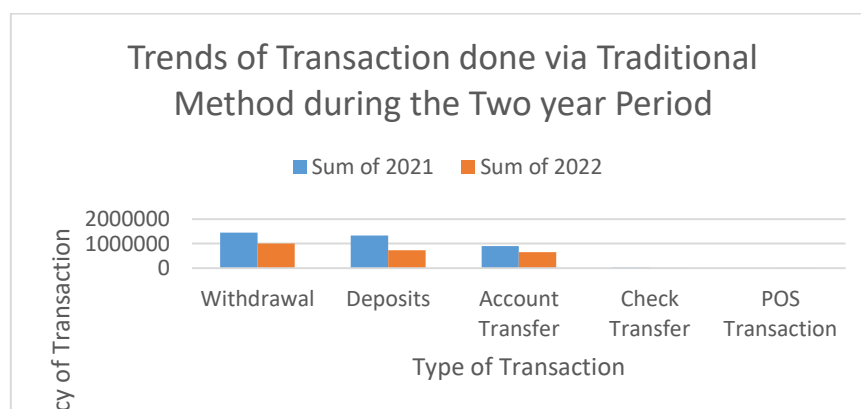
Figure 6: The number of the first three quarters' transactions of each study years at branches of Bunna Bank, Amhara, Ethiopia.

Upon comparing the quarterly transactions by taking the first three quarters of each study years (as the available data for the 2022 year is only on the first three quarters), the highest was conducted in 2022 (3,105,679) and followed by the year 2021 (2,911,413 transactions). The least number of the 1st three quarters' transactions was conducted in 2019 (635,004) which are followed by year 2020 (954,013 transactions). The total number of the 1st three quarter's transactions increased by nearly five times as we go from the quarterly transactions of 2019 (635,004) to 2022 (3,105,679) (Figure 6). By considering only the 1st three quarters of each years, the overall trends of the average monthly digital transactions showed increment by 38.6% as we go from 2019 to 2022. This finding is further supported by the reports of different researchers across the about the increase demands and utilization of digital banking transactions (Singh and Sinha, 2016; Meola, 2023; Japparova and Rupeika-Apoga, 2017).

4.6.5 Trends of Banking Transactions by Transactions Type

4.6.5.1 Traditional method

Upon analyzing the trends of banking transactions by type of transactions conducted, the researcher found such segregated data only for 2021 and 2022 years of the study period. Based on this available data, the transactions' sum of withdrawals and account transfers recorded during the study period were 4,013,442 and 1,098,794 transactions via traditional methods, respectively.



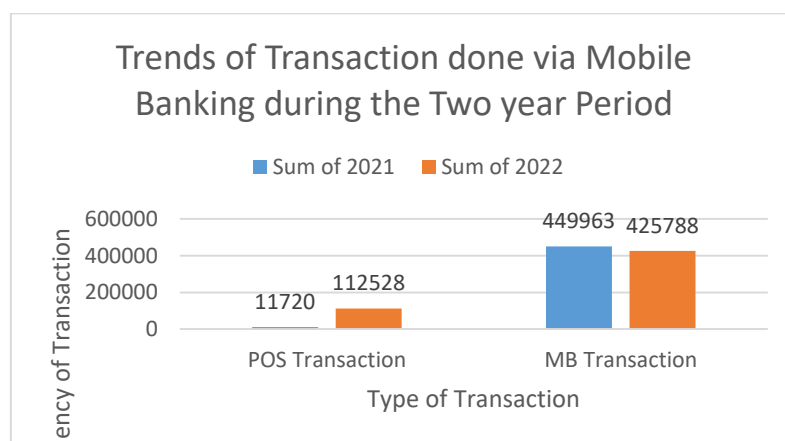
Source: Bunna Bank (2023)

Figure 7: Trends of the transactions' type conducted via the traditional method at branches of Bunna Bank in Amhara Regional State of Ethiopia, from January 2021 to September 2022.

The transactions conducted via the traditional methods were withdrawals, account transfers, check transfers, POS transactions while transaction types conducted via the digital methods were only withdrawals, account transfers and POS transactions. As expected, there was no transaction done for check transfer and deposits in the digital methods of banking. From the transactions conducted via the traditional method, cash withdrawal was the most common in type accounting for 40.4% (2,463,891 out of 6,095,094) of the traditional method's transaction during the two years period. This was followed by account deposits and account transfer with proportions of 33.7% (2,055,790 out of 6,095,094) and 25.4% (1,549,551 out of 6,095,094), respectively (Table 2). The trends of transactions via the traditional banking method showed decrement in all transaction types (including withdrawal, account transfer, deposits and check transfer transactions) except the POS transaction where it increased from 4 in 2021 to 12 in 2022 (Figure 7).

4.6.5.2 Trends of transaction done via mobile

Upon analyzing the trends of banking transactions by type of transactions conducted, the researcher found such segregated data only for 2021 and 2022 years of the study period.

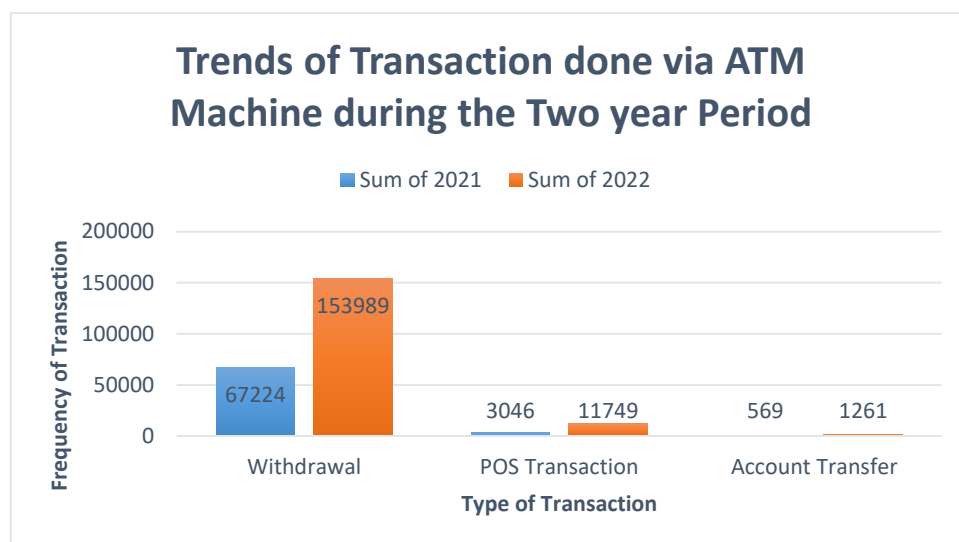


Source: Bunna Bank (2023)

Figure 8: Trends of the type of transactions conducted via the Mobile banking method at branches of Bunna Bank in Amhara Regional State of Ethiopia, from January 2021 to September 2022.

The transactions which were done using mobile banking were mobile banking transactions (total = 875,751) and POS transactions (total = 124,248). From the transactions conducted via mobile banking method, mobile banking's transaction accounted for the majority, 87.6% (875,751 out of 999,999) share of this method during the study period (Table 2). The trend over the two year period showed increment as we go from 2021 calendar year to the 2022 in POS transactions type but there was no big difference in mobile banking transaction type utilization (Figure 7).

4.6.5.3 Trends of transaction done via ATM



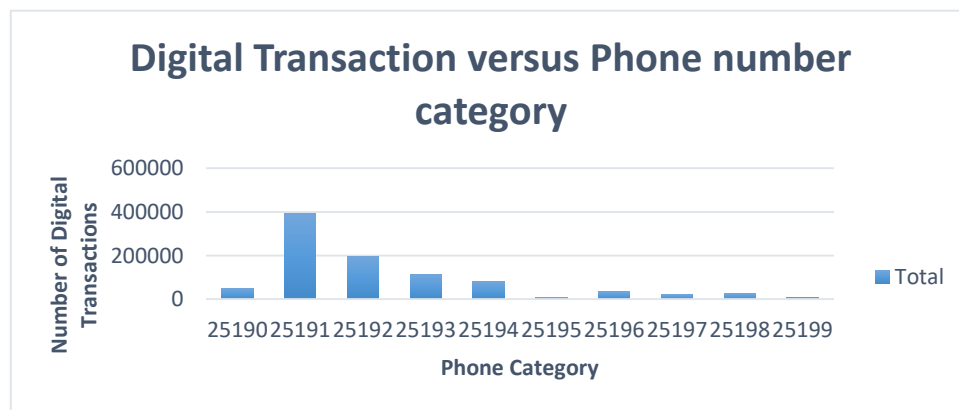
Source: Bunna Bank (2023)

Figure 9: Trends of the type of transactions conducted through ATM machines at branches of Bunna Bank in Amhara Regional State of Ethiopia, from January 2021 to September 2022.

From the transactions conducted via ATM machines during the study period, withdrawal was the most commonly conducted transaction type sharing for 93% (221,213 out of 237,838) of ATM transactions and by far followed by POS transaction with proportions of 6.2% (14,795 out of 237,838) (Table 2). The trend showed increment in 2022 calendar years as compared to the 2021's transactions in all three transaction types conducted during the two year period (Figure 9).

4.6.6 Trends of Digital Transactions with Phone number category

Upon analysis based on the total transactions done through digital methods, only 9.7% (936,994 out of 9,707,966) of the customers had an easy identifiable phone number category with their initials. Those identified phone numbers were mobile phone numbers. For purpose of analysis, the phone numbers were categorized into 10 categories based the beginning code given by ethio-telecom organization in the country. These categories were +25190***, +25191***, +25192***, +25193***, +25194***, +25195***, +25196***, +25197***, +25198*** and +25199***. From these 936,994 identified phone number, those customers whose phone numbers began with +25191*** accounted for the majority, 41.7% (390,915 out of 936,994)



Source: Bunna Bank (2023)

Figure 10: The number of digital transactions done through customers' phone category at branches of Bunna Bank in ARSE, from January 2019 to September 2022.

Proportions of the digital transactions and this was followed by those customers whose phone numbers began with +25192*** and +25193*** with contributions of 21% (197,038 out of 936,994) and 12.1% (113,060 out of 936,994) of the digital transactions, respectively. The least digital transactions was conducted by those customers whose phone numbers started with +25199*** and +25195*** with proportions of 0.8% (7,114 out of 936,994) and 1.1% (9,882 out of 936,994) of the digital transactions, respectively (Figure 10).

Table 4: Trends of banking transactions conducted via Mobile banking and ATM machines related to Phone category at branches of BB in ARSE, from January 2019 to September 2022.

Phone Number Category	Mobile Banking		ATM Machine	
	2021	2022	2021	2022
+25190****	16,763	15,438	3,151	6,886
+25191****	223,863	200,807	32,916	76,294
+25192****	108,769	111,308	12,260	28,658
+25193****	64,316	60,226	6,477	16,318
+25194****	46,385	41,543	6,006	14,896
+25195****	5,168	5,541	807	16,699
+25196****	20,663	20,212	2,813	7,250
+25197****	14,045	13,123	1,648	4,804
+25198****	14,043	14,181	2,368	6,140
+25199****	3,869	3,724	879	1,819

Source: Bunna Bank (2023)

The mobile number category with the highest number of banking transactions conducted via mobile banking was those which started with +25191**** during both years while the least number of mobile banking transactions was conducted by customers whose phone numbers started with +25199**** in both years. However, the highest number of ATM machine transactions was conducted by customers whose phone number started with +25195**** while the least was conducted by the customers with phone number starting with +25199**** (Table 4). This implies that when customers utilize their phone the amount of transaction carried out with the other means of transaction will decrease and vice-versa. Upon analysis based on the total transactions done through digital methods with phone category, only 75.7% (936,994 out of 1,237,837) of the customers had well registered phone numbers.

Those identified phone numbers were mobile phone numbers. Those customers whose phone numbers began with +25191***, +25192*** and +25193*** had the majority of contributions. It could be explained partly by the fact that these mobile number categories were released during the first phases of mobile expansions in the country where only those who can afford and pay could own it. The above findings were also in line with the finding of the current study where the highest number of mobile banking transactions conducted was those customers whose phone numbers started with +25191**** during both years of the study.

4.7 Findings Implication for Decision Making

Customers now find it simpler to access and manage their financial data thanks to digital banking. Customers can examine account information, manage spending, and keep an eye on their investments in real time by utilizing online and mobile banking. Digitalization makes it easier for banks and outside services to share data easily, and it improves teamwork by promoting alliances between established institutions and businesses. Additionally, it makes it possible to provide customized banking services and products and to enhance the client experience by giving them more options and better control over their personal financial information.

In the process of making decisions, digital technologies (such databases and software) are employed for a number of objectives, including obtaining, compiling, and evaluating data as well as streamlining transactions and saving time. It has been demonstrated that these diverse operations enhance decision-making procedures generally. The shopkeeper at Bunna Bank, however, prefers the old transaction system, which presents certain obstacles to digitization in the decision-making process. The management's ability to make decisions will be impacted by inefficiencies in the place of successful transactions and decision-making capacity. The study adds to the body of knowledge about transaction trends both traditional and digital and how the banking sector uses them to inform decisions. Based on the Bunna Bank study, this research suggests that digitization actually makes a difference in data processing and contributes to efficient management decision-making by streamlining traditional transaction mechanisms. Digitalization has a significant role in enhancing managers' ability to make decisions by mitigating the strain that arises from traditional withdrawal and transaction processes. The benefits of digitalizing decision-

making processes for organizations are highlighted in this study, along with the trends showing a growth in the use of digital payment and transaction methods, particularly mobile money and mobile banking.

CHAPTER SIX

5 SUMMARY, CONCLUSION AND RECOMMENDATIONS

The aim of this study was to assess the recent trends of banking transaction types and methods being utilized and the effect of digitalization on the banking industries.

5.1 Summary

This study was conducted to assess the trends of banking transaction. For this goal, a survey techniques was employed. Based on a previous related study, the study has drawn three specific objectives. The study has followed descriptive research approach with semi-structured questionnaire to extract and collect the required data from the banks and collected. Moreover, the study has applied descriptive research designs; and the study's data was analyzed by using descriptive statistics based on the research objectives. Accordingly, this study has reached to the following major findings:

The total number of transactions has increased by more than three times as we compare the 2019's (917,135) and the 2022's (3,105,679) transactions. Moreover, by considering only the first three quarters of each year; the number of total transactions increased by nearly five times in 2022 (3,105,679) from the 2019's (917,135) transactions. Nearly three-fourth of the total number of transactions was conducted only during the years of 2021 and 2022. Moreover, the total number of the 1st three quarter's transactions increased by nearly five times as we go from the quarterly transactions of 2019 to 2022. The majority 85.2% of them were made by traditional brick and mortar methods but the rest 14.8% of the total transactions were made by digital methods. However, the contribution of the traditional banking to the total yearly transactions during the study period decreased from 95.5% in 2019 to 77.3% in 2022. The overall trend of the average monthly transactions conducted showed increment by 38.6% as we go from 2019 to 2022.

5.2 Conclusion

Based on the study questions and specific objective and the summary of the main findings the study concludes that retail customers accounted for highest percentage of transaction from the whole transaction made during the study period and retailer and corporate customers have used more the traditional method of banking. This finding could be explained by the other finding of this study where most of the customers have utilized the traditional banking method. Also from the customers who used the digital banking method for transactions, most of them were retail customer types.

Transaction wise, from the total transactions during the study period, majority of them were made by traditional brick and mortar methods and from the digital methods of transactions, mobile banking contributed for the majority of the transactions conducted while ATM machine transactions made up small percentage. Here the highest contribution of the traditional method implies that this lower figure of the digital banking contributions to the total transactions might be explained by Ethiopia's lower coverage of internet access and utilization. The transactions conducted via the traditional methods showed decrement in all transaction types (including withdrawal, account transfer, deposits and check transfer transactions) while via digital methods were only withdrawals, account transfers and POS transactions and showed increment.

The total trend implies that upon desegregation of the total transaction to each years of the study period, the total transaction increased from 2019 to 20022. Moreover, nearly three-fourth of the total number of transactions was conducted only during the years of 2021 and 2022. The number of transaction conducted via traditional method during the 1st three quarters of each study years revealed that the highest was conducted in the year of 2022 and followed by 2021 showing increment. The least was conducted in the 1st three quarters of 2019 and the 1st three quarters' digital transactions records of each years of the study period showed that year 2022 had the highest number of transactions.

Generally, from the total transactions done during the study period, nearly three-fourth of the total number of transactions was conducted only during the years of 2021 and 2022. Upon comparing the transactions conducted during the first three quarters of the study period, it has increased by nearly five times as we go from the quarterly transactions of 2019 to 2022.

Upon analyzing the monthly trends, the highest and lowest numbers of transactions conducted during 2019 were recorded on the months of December and January, respectively. The 2020 records of the monthly's transactions showed that December and April months have the highest and lowest transactions' records, respectively.

So, the quarterly transactions made during the four years period showed as there was decrement in the traditional banking methods utilization despite it still remains as the major route for transaction in the bank and the transactions method showed decrement in those conducted by traditional banking method while it was increasing in the cases of transaction types which were conducted through the digital methods; in both the mobile banking and ATM machines' transactions.

From the transactions conducted via ATM machines during the study period, withdrawal was the most commonly conducted transaction type and trend showed increment in 2022 calendar years as compared to the 2021's transactions.

Generally, the overall trends of the banking transaction are increasing. The contribution of the traditional banking transaction method to the total banking transaction is still high. Utilization still remains the major banking route where customers are being entertained and the coverage of banking infrastructure might be the problem for the digitalization to not create major impacts but the trend of banking transaction by type in using the digital methods is at increasing rate in branches of Bunna Bank, Ethiopia. However, mobile banking transaction method is the most utilized type from the digital banking methods.

5.3 Recommendations

Based on this study's findings, the following things are recommended:

Since the lower figure of the digital banking contributions to the total transactions might be explained by the Ethiopia's has lower coverage of internet access and utilization and lower levels of literacy and restricted access to digitalization compared to those in industrialized the researcher believe that strengthening the banks infrastructures at branches and creating significant level of awareness to digitalization is recommended apart from increasing the number of branches.

Advocacy and briefing on mobile banking system and usage to the customers should be dealt with the officials of banks. Increasing the number as well as accessibility of ATM machines, particularly in areas (business areas) where there is active and higher number of transactions being carried.

Bank institutions should increase and enlarge the server of their internet system capacity and handling of customer's information at bank should have to be strengthened by upgrading hardware and using load balancing to distribute the incoming traffic across multiple servers, preventing any single server from becoming overwhelmed and optimizing the database structure and queries to handle a larger user base.

Moreover, a future comprehensive and detail similar study participating both governmental and different bank institutions is recommended.

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