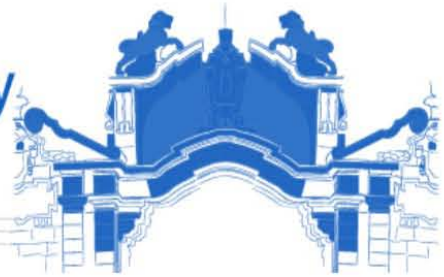




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**The Moderating Role of Customers Involvement in the Relationship between  
Electronic Banking Service Dimensions and Customers Loyalty: Case of  
Ethiopian Commercial Banks.**

**BY: BETELHEM MOLLA**

**A Thesis Submitted in Partial Fulfilment of the Requirements for  
the Degree of Master of Art in Business Administration**

**June 2023**

**ADDIS ABABA**

**Addis Ababa University**  
**Faculty of Business & Economics**  
**Master of Business Administration (Extension Program)**

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*Advisor: Lakew Alemu (PhD)*

**A Thesis Submitted in Partial Fulfillment of the Requirements for the Degree  
of Master of Art in Business Administration**

**Addis Ababa University**

**June 2023**

*Addis Ababa University*

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**Statement of Certificate**

This is to certify that Betelhem Molla has completed her thesis entitled “The Moderating Role of Customer Involvement in the Relationship between Electronic Banking Service Dimensions and Customers Loyalty: Case of Ethiopian Commercial Banks.” is her original work and is submitted for examination with my approval as thesis.

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This is to certify that the thesis prepared by Betelhem Molla entitled; The Moderating Role of Customer Involvement in the Relationship between Electronic Banking Service Dimensions and Customers Loyalty: Case of Ethiopian Commercial Banks; in partial fulfillment of the requirements for the award of the degree of Master of Arts in Business Administration, is with the regulation of the university and the accepted standards with respect to originality.

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Final approval and acceptance of the thesis is contingent upon the submission of final copy of the thesis to council of graduate studies (CGS) through the departmental or school graduate committee (DGC or SGC) of the candidate.

## DECLARATION

I hereby declare that the thesis /Project work/entitled “The Moderating Role of Customers Involvement in the Relationship between Electronic Banking Service Dimensions and Customers Loyalty: Case of Ethiopian Commercial Banks.” submitted to the School of Business and Economics, Addis Ababa University for the award of the Degree of Masters of Business Administration is based on my original research work carried out by me myself under the supervision and guidance of Lakew Alemu (PhD). I declare that this study is my original work and has not been submitted earlier in full or in a part there, for the award of other similar degree, Diploma, Fellowship, Associate ship or any other similar titles to this or any other University or Institutions.

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## **Acknowledgement**

I would like to express my deepest gratitude to my advisor Dr. Lakew Alemu (PhD) for his encouragement, valuable comment, and unreserved support to carry out this thesis. Especially his priceless commitment, professionalism and understanding enabled me for the completion of this study. His broad and profound knowledge gave me great impression as well as great help.

My special thanks also go to Customers of Commercial Bank of Ethiopia, Bank of Abyssinia and Zemen Bank for their cooperation in filling out the questionnaires and providing the necessary data for this study.

I wish to express special thanks to all my family members, my father, brothers and brother-in-law for the love, understanding and encouragement they have always given me and for believing in me I will be forever indebted. Last but not least, I would like to thank my colleagues particularly Ato Million Masresha for all the support and encouragement you gave me.

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## **Acronyms**

**CL**-customers loyalty

**CI**-customers involvement

**QS**-quality service

**QI**-quality internet

**RA**-relative advantage

**AW**-awareness

**SE**-security

**E-BANKING**- electronic banking

**ECL**- Electronic Customers Loyalty

**ANOVA**: Analysis of Variance

**SPSS**: Statistical Packages for Social science

**SD**: Standard Deviation

**IVF**: Variance Inflation Factor

**$\alpha$ ,  $\beta$** : Coefficient of an equation

**$\epsilon$** : Error

**df**: Degree of freedom

## **Abstract**

*Customers Loyalty is considered to be a customer's intention to show preference to a product or a business over other products or businesses for specific needs. A loyal customer is someone who frequently buys products and services from one seller, and persistently recommends those to all their relatives and friends communicating a positive attitude (Mohammadi, 2015). Yet the study and practice of Customers loyalty is not overwhelming, especially in understanding the antecedents considering the individual differences. The goal of this thesis was to investigate and analyze factors affecting Customers loyalty and the moderating role of Customers involvement in Ethiopian commercial banks. The explanatory design used to explain the relationship among the variables of the study. This study used two sampling stages. The first one is to sample out the bank's (strata's) from the banking industry and secondly a number of respondents within the selected companies. Data were collected from the sample of 323 from three banks through questionnaire. Descriptive statistics, correlation, regression analysis, and hierarchical regression analysis were used to analyze the data with the aid of SPSS version 27. And additionally Hayes model 1 was used for computing and depicting the moderation analysis. The results show that quality service, quality internet, relative advantage, security, awareness and Customers involvement significantly influence the level of Customers loyalty. The study also finds that Customers involvement has a moderating role on the effect between predictor awareness and Security on Customers loyalty. The study recommended that banks should handle customers with a great concern for their competitive advantage. The study deem electronic banking service dimensions and customer loyalty however further research may consider investigating this variables independently and further investigate the moderating effect of other e-banking service dimensions in predicting Customers loyalty.*

**Keywords:** *Customers loyalty, quality service, quality internet, relative advantage, awareness, Security, customer involvement, banking Industry, e-banking service dimensions.*

# Chapter One

## 1 Introduction

### 1.1 Background of the Study

Technological innovations play a crucial role in banking industry by creating value for banks and customers, that it enables customers to perform banking transactions without visiting a brick and mortar banking system. On the other hand E-banking has enabled banking institutions to compete more effectively in the global environment by extending their products and services beyond the restriction of time and space (Turban 2008).

There is little doubt that the proliferation of, and advancements in, digital technology and internet-based technologies have resulted in fundamental changes in how companies interact with their customers (Ibrahim et al, 2006; Bauer et al., 2005; Parasuraman and Zinkhan, 2002). Banks and financial corporations have been at the forefront of this internet and technology adoption process, which particularly referred as digital banking. Digital banking means the digitalization of all traditional activities of bank through ATM machines, debit cards, credit cards, mobile banking, electronic banking, virtual cards and others.

Due to the technological shift in the banking sector from conventional to digital banking, there is a significant shift in the banking sector in the way they interact with their customers. As a result, the banking sector is operating in an environment characterized by a complex and competitive climate (Agbolade, 2011). Therefore, customer satisfaction is a major factor that closely associated with the growth and survival of a company since it results in Customers loyalty and repeated purchase of the services. Customer satisfaction is now in many business organizations especially banking sector the primary standard for the assessment of their relationship with the market, a permanent object of their operating policies and an important element for the reinforcement of company reputation (Aimee, 2019). Consequently, measuring the customer satisfaction of digital banking users is useful from many aspects.

The Ethiopian banking system is underdeveloped compared to the rest of the world and hence the introduction of electronic banking also too late in the country. Cash is still the most dominant medium of exchange. The modern e-banking methods like Automated Teller Machine (ATM), Internet banking, Mobile banking and others are new to the Ethiopian banking sector. Information and communication technologies are playing a very important

role in the advancement of banking by introducing electronic banking to ease the banking activities. These banking activities may include viewing account balance, creating payment requests, transferring funds in a simple and efficient manner, retrieving an account history, paying bills etc. (Gikandi and Bloor, 2010).

CBE as a leading bank is playing a major in introducing different digital banking services and products. At the third quarter of 2021, CBE's users are 6.5 million card banking, 5.5 million CBE Birr, 4.5 million mobile banking and more than 30 thousand internet banking subscribers. (CBE Annual report, 2021)

The number of card banking users of BOA reached 987,984, while BOA Mobile and Abyssinia Online subscribers increased to 910,969 and 8,286 respectively. (BOA Annual report, 2021)

Internet/mobile banking-as of June 30, 2022, the number of internet /mobile banking service subscribers has reached 28,273; of which 13,073(46%) are active subscribers. In twelve months, 13,478 new subscribers were registered. A total sum of 2.04 billion birr was transferred via 56,498 transactions processed using our internet banking. Furthermore, 13,957 mobile banking transaction (with value of birr 283M) were executed by customer over the last fiscal year. The total number of debit card users also reached to 97,935, of which 24,189 cardholders are newly registered in the just ended fiscal year. (Zemen bank, 2022)

Therefore, assessing and knowing the factors that affect digital banking service and its impact on Customers loyalty will have significance to the banking sector in Ethiopia. Measuring and understanding factors that affects digital banking service helps banks to devise effective strategies in this heavily customer-oriented banking service industry.

## **1.2 Statement of the Problem**

E-banking is the most important tool that facilitates doing banking activities. It is said that e-banking is the most transparent and easy doing transaction. The factors motivating customers towards the e-banking services will be discussed. Although there is a study on e-banking service quality dimensions, there is a lacking and unclear discussion on how those dimensions influence customer's loyal towards e-banking services. Therefore, there is a need for further discussions and hence this study is conducted to discuss the issue. (Aker, 2010).

All banks compete with each other to attract their customers in different ways through providing convenient, accessible and acceptable services or/and products to their customers

(Ammar, 2012). One of the most important of these services is electronic service that has contributed significantly to enhance the distance between customers and the bank. It was adopted by banks so as to improve their service delivery, decongest queues in the banking hall, enable customers withdraw cash 24/7, aid international payment and remittance, track personal banking transaction, request for online statement, or even transfer deposit to a third party account (Akindele and Rotimi, 2014). In Ethiopia, most of bank customers have raised complaints on improving service delivery, an issues banks have overlooked, especially when using modern technologies (Aker, 2010). The high level of commercial bank customer dissatisfaction with the services has been previously identified customers find out private banks for their use. Key challenges of electronic banking are: getting the balance between convenience, speed and security. The problem is designing products that offer a balance between competitive pricing and functionality, keeping abreast with dynamism of customer needs and innovation and lack of proper legislative framework to support the growth of e-banking. Some customers refuse to use these services because they feel they are entitled personal customer service. On the other hand, there are Customers which complain on the issues with security and accuracy. Lack of an adequate regulatory framework to protect the banks from the volatility of risks associated with Internet banking, especially at the levels of communication and transaction. These complain have made some of the Customers not frequently use e-banks and consequently lead to an increase of queue inside the Bank. Queue inside the Bank will lead to unnecessary overcrowding of Customers inside the Bank which affects performance of the Bank. (Aker 2010, Bichanga and Wario, 2014; Kombo, et al., 2016)

Adoption of technology in the financial sector have been examined in several studies Anbalagan (2011) and Gikandi and Bloor (2010) observed that half of the people that have tried banking services through internet banking will not become active users. Berger (2013) claims that internet banking is not living up to the hype. Juma (2013) studied the influence of electronic banking services on customer service delivery in banking industry, in Bungoma County. Aduda and Kingoo (2012) also studied the Relationship between Electronic Banking and Financial Performance among Commercial Banks in Kenya. In addition, Kaburu (2010), evaluated E-banking in Kenya, Maitha (2010) analyzed the effects of E-banking in commercial banks in Kenya in promoting international business, Mchemi (2013), studied E-banking while, Munyoki and Ngigi (2012), investigated Challenges of e-banking adoption.

Therefore, this paper tried to extend the literature on driver of Customers loyalty by incorporating or examining the moderating role of customers' involvement on the antecedents of Customers loyalty.

Moderator is a qualitative or quantitative variable that affects the direction and/or strength of the relation between an independent or predictor variable and a dependent or criterion variable (Baron and Kenny, 1986). This research therefore advances the limitation of the mainstream direct relationship between the antecedents of Customers loyalty (independent variable) and e-banking service quality dimensions as dependent variable, which fails to capture individual's resource difference in determining the level of Customers loyalty. In the process of reviewing literature on Customers loyalty I come up with ample of researches conducted in USA and western countries. And we have also observed that there are very few researches in Africa specifically in Ethiopia on this domain., However as per my review I never come across a research on antecedent of Customers loyalty in banking industry in Ethiopia, Therefore this area gap will make this paper unique. Despite various studies conducted in different countries on antecedents of Customers loyalty, it may not be appropriate to consider the finding for our country thus duo to the fact that the difference on customers knowledge, culture, preference, life standard and resources and the overall environment of the country, we need to conduct the study with the context of Ethiopian commercial banks.

The empirical evidence made available in the country such as Alemayehu (2020) which studies antecedent of Customers loyalty on Ethiopian banking industry fails to include important variables such as e-banking service dimensions as factors influencing Customers loyalty, the researcher also fails to see the individual differences on the effect of antecedent conditions.

Therefore those variables are worthy to incorporate and to consider individual difference in determining the factors of e-banking service on Customers loyalty. Thus, the researcher tried to employ a broader perspective on antecedent of Customers loyalty through including the moderating role of customer involvement in the relationship between antecedents of Customers loyalty. The research didn't find specific studies on the moderating role of customer involvement in Customers loyalty.

## 1.3 Objective of the Study

### 1.3.1 General Objective of the Study

The main objective of the study is to assess the effect of e-banking service dimensions on Customers loyalty and moderation role of customer involvement in case of Ethiopian commercial banks.

### 1.3.2 Specific Objective of the Study

The specific objectives of the study aim to analyse and discuss the following:

1. To analyse influence of High quality service on Customers loyalty.
2. To analyse influence of High quality internet on Customers loyalty.
3. To identify whether Relative advantage has a significant effect on Customers loyalty
4. To identify whether Awareness has a significant effect on Customers loyalty.
5. To examine whether security has a significant effect on Customers loyalty
6. To discover moderation role of customer involvement on the relationship between the independent variables (High quality internet, high quality service, relative advantage, awareness and security) and Customers loyalty.

## 1.4 Scope of the Study

The scope of this study is to analyse the impact of e-banking service dimensions on Customers loyalty and moderation role of customers Involvement in case of Ethiopian commercial banks.

Different reports and papers indicate that the problem of Customers loyalty is Nationwide and in every industry, but this paper is limited on the study of Customers loyalty in banking industry in Ethiopia. Commercial banks have customers using the service in various cities in Ethiopia, but the research is done only on branches located in Addis Ababa Ethiopia mainly Main branch (Head office).

under selected banks and branches by looking at the customer's perception on e-banking, customers' awareness on e-banking, the accessibility of e-banking to customers and the effects of e-banking on customers.

This research is different from other related studies as it has considered the moderating effect of customers' involvement on the relationship between increasing quality, awareness, relative advantage and use of e-banking services to customers and their loyalty to banks.

### **1.5 Significance of the Study**

The outcomes and the results of the study will have potential value for banks to understand the influence of factor affecting e-banking service on Customers loyalty in the moderation effect of Customers involvement. Understanding these issues can provide banks to develop Customers loyalty and reduce the factors affecting e-banking service. Furthermore, the study will be used as a source of data for further research on the topic and it will create picture to the general public. Besides, it will serve as a spring board for further research work on which other interested researcher could do a more in-depth analysis or create a new research idea.

Finally, the analysis will include guiding for banks on improvements required to accelerate the practice of the system to deliver service to customers through technical innovation, based on the factors discovered bankers' decision on Electronic banking system.

### **1.6 Organization of the Study**

The research paper has five chapters; the first chapter includes background of the study, statement of the problem, objectives, scope and significance of the study. The second chapter will be about review of related literature which is related to the study area and it gives a detail description of the study phenomenon by relating other scholar papers on the area. The third chapter is all about methodology of the study in which research approach and method, sources of data, sampling techniques and procedure, method of data collection and analysis and the like is included. In the fourth chapter the collected data is analysed discussed and interpreted. And the last chapter contain summary of the findings, conclusion, recommendation, references and annex.

## Chapter Two

### 2 Literature Review

On this part of the paper the researcher present a comprehensive review of relevant literature in an attempt to position the study in an appropriate theoretical framework. Therefore the researcher try to identify, read, analyse, summarize and evaluate scholarly articles and related materials on customers' loyalty.

#### 2.1. Definition and Major Concepts

##### 2.1.1 Customers loyalty

**Customers' loyalty** is considered to be a customer's intention to show preference to a product or a business over other products or businesses for specific needs. A loyal customer is someone who frequently buys products and services from one seller, and persistently recommends those to all their relatives and friends communicating a positive attitude. Therefore, a 5 % increase in Customers loyalty leads to a 25 to 85 per cent rise in the company's earnings. This rate is called the cost of loyalty. That is why traders pay attention to the most established relationships within their business relationships (Mohammadi, 2015).

It is critical to the conduct of business in today's competitive marketplace, and banks are no exception. Commercial banks have, thus, embarked on different management strategies as ways to promote Customers loyalty (Bahia and Nantel, 2000; Jamal and Naser, 2002).

**Electronic Customers loyalty (ECL)** the importance of Internet in banking increases as more people use the internet as their main channel in contacts with their bank. Consumer loyalty was primarily concerned with keeping consumers online by addressing their questions and issues with online banking. If the user enjoys Internet banking, the level of customer service is immediately lifted to their level. (Bhatty, 2001). According to Bhatty et al. (2001), true Customers loyalty is driven by a strong, trusting relationship between the customer and the business. According to Aghdaie et al. (2015), customer satisfaction and loyalty increases when system quality and information quality is remarkable in the banking industry. Internet banking allows customers to be more flexible as they can access products and services 24/7 without any difficulty.

Loyal customers are less sensitive to price changes and motivate potential customers to use a specific provider's services by spreading positive word of mouth (Akbar and Parvez, 2009).

Therefore, loyal consumers are considered an asset to an organization. In the e-banking context, Customers loyalty could be defined as “consumer tendency to frequently visit the bank’s website, regularly avail e-banking services and spread a positive word of mouth about e-banking services” ( Jeong and Lee, 2010; Kaur et al., 2012; Amin, 2016). In particular, loyal e-banking customers tend to spread positive word of mouth through electronic devices and social media pages, thereby giving a positive impression of e-banking to other customers (Kaur et al., 2012). They will also prefer e-banking over other banking channels (Kandampully et al., 2015).

Gera (2011) indicated that if consumers receive quality interactive services over an e-banking website, they will re-use this platform for availing banking services and recommend others to use it. Focusing on e-banking loyalty is important for banks to maintain relationships with consumers and to attract potential consumers (Amin, 2016). Therefore, banks should develop marketing strategies to provide superior value to customers to make them loyal to e-banking services (Kotler et al., 2014)

### **2.1.2 Customer Involvement**

Involvement is a crucial variable in the studies of marketing, social psychology and consumer’s behavior. (Kim, 2003) In fact, it is over 30 years that the concept of involvement has been studied meticulously in marketing fields. (Broderick, 2007) This concept originated from social psychology which is an interpretation of person’s involvement that points to the relationship between a person, target or subject (Michaelidou and Dibb, 2006; Lin and Chen, 2006).

According to Michaelidou and Dibb (2006), Lin and Chen (2006) Involvement seems to be a vague concept since it is interrelated with diverse concepts and meanings. Therefore, it has been used as an umbrella term which many similar but different vocabularies have been used to describe it and it is widely applicable in other disciplines as well. For example in psychology, the concept of involvement is used in attitude theories and its changes. It claims that people are involved with more or less social issues. In psychology, involvement relates to cognitive conditions which are stimulated by two noteworthy aspects of one subject which includes: importance and personal attachment. However, in marketing, consumers are considered to be people involve with different advertisements and advertising media, products and products range and purchase decision as well. Although there is no precise definition of involvement in marketing, there is a consensus that involvement is a personal

level and intrinsic variable which returns to the importance and personal attachment of goals or events. (Abdolvand and Nikfar, 2011)

### **2.1.3 Electronic Banking/Digital Banking**

The dictionary Merriam-Webster defines the word “digital” as relating to fingers or done with fingers. In line with the definition of the word digital, digital banking is taking financial assets and moving them from traditional activities to online platforms, where people can manage their accounts by their own. According to Rajan and G.Saranya (2018), digital banking is further defined as delivery of banking products and services to customers through electronic channels. Digital Banking is also known as Electronic Banking, Cyber Banking, Home Banking, or Virtual Banking and includes various banking activities that can be conducted from anywhere. The process of digitizing banking activities includes moving cash deposits, withdrawals and transfers, the management of accounts, applying for financial products, managing loans, paying bills and any account services online. These would typically be performed in a financial institution such as a bank; however they are away from that.

Electronic Banking (E-banking) is banking system which any user with electronic devise like a personal computer and a browser can get connected to his bank’s website to perform any of the virtual banking functions. In internet banking system, the bank has a centralized database that is web-enabled. (Krishna et al. 2015) Electronic banking is one of the most successful online businesses. E-banking allows customers to accept their accounts and execute orders through a simple to use web site. There is no special software for customers to install (other than a web browser and many banks don’t charge for this service some banks even lower costs for online transactions versus on site banking transactions). Electronic banking saves individuals and companies time and money. (Amor Daniel, 2002)

## **2.2 Dimensions of Electronic Banking Services**

### **2.2.1 Service quality**

Service quality is one of the essential attributes in the service industry, such as banking, in addition to security and certainty, as well as price (which corresponds to quality) (M. Z. Ishak and Azzahroh, 2017). Quality service, of course, is not limited to friendly smiles from tellers or customer service officers, but more than that. According to Aryani and Rosinta (2010), five dimensions are relevant to explain service quality known as the SERVQUAL model, namely tangibles, reliability, responsiveness, assurance, and empathy. The five dimensions of

service quality are the primary keys to increasing customer satisfaction, leading to Customers loyalty. Experience proves that satisfied and loyal customers will build a more substantial customer base in a bank's future. By expanding customer-based, it is hoped that customers will not be vulnerable to changes in interest rates and that banks can still get the right margin. Therefore our first hypothesis will be:

***Hypothesis1: There is positive relationship between Quality service and Customers loyalty***

### **2.2.2 Quality Internet**

The growth in Internet-based services has changed the way that firms and consumers interact (Yang et al., 2001). E-service is conceptualised as an interactive information service (Rowley, 2006) that provides a means by which a firm can differentiate its service offerings and build a competitive advantage (Santos, 2003; Bauer et al., 2005). Key themes within the e-service quality literature include the dimensions and measurement of e-service, elements of the web experience and the relationship between the web-experience, trust, customer satisfaction, intention to High quality online services purchase, and loyalty (Rowley, 2006).

This emphasis on the role of technological service facilitators contrasts to traditional service quality research which emphasises the human element of service delivery (Jabnoun and Al-Tamimi, 2003). Prior conceptualisations of e-service quality vary greatly and are largely dependent upon the focus of individual research and the nature of the web-sites used in the research (Santos, 2003). Although a number of different scales have been developed to measure e-service quality, most identified e-service dimensions lack commonality, providing a fragmented view of service quality in online environments (Kim et al., 2006).

Additional concerns relating to e-service quality studies are that many of these studies do not assess the consumer buying process, thus limiting their value in ascertaining service quality dimensions (Collier and Bienstock, 2006).

Based on the above discussion of the proposed determinants internet service, the following set of hypotheses is offered for this study.

***Hypothesis2: There is positive relationship between Quality internet and Customers loyalty***

### **2.2.3 Relative Advantages**

It refers to the comparative benefits that an user of mobile banking may avail which he/she could not get from other traditional banking services as mentioned by Pikkarainen et. al (2004) that users are more likely to adopt mobile banking if they believe using mobile

banking will gain more relative advantages as compared to other traditional banking channels such as ATM or non-mobile internet banking. It includes perceived cost and time.

Moreover, this entails the perceived cost and time. Perceived cost savings are the transaction costs related to m banking transactions, such as credit and bank commission. Perceived cost refers to the belief of a person concerning the costs of applying m-banking (Luarn & Lin, 2005). This cost may include transaction costs in the form of bank fees, mobile network fees when using communications traffic (such as SMS or data), and the cost of mobile devices. Perceived time savings denote the time required to complete transactions somewhere. In a study, Lee (2009) found that time plays a significant role in the adoption of m-banking services by users

The effect of relative advantages on Customers loyalty in Kabir's model (2013) was confirmed. Relative advantages can lead to Customers loyalty, and this was confirmed in this investigation. In our research, there was a small number of students and unemployed individuals compared to the number of employed individuals that use mobile banking, which is likely to be appropriate (because the former group does not need extensive banking services). However, self-employed people are a small number compared to the employed persons. In this case, it is necessary to discuss the relative advantages because the explanation of time and cost savings for the benefit of these people can lead to an establishment of individuals that are loyal to these services. Therefore our third hypothesis will be:

***Hypothesis 3: There is positive relationship between Relative advantage and Customers loyalty***

#### **2.2.4 Awareness**

The most influential factor towards the lack of Internet banking usage is the lack of knowledge compared to traditional banking. Lack of internet knowledge and lack of internet facility contribute most to the negative attitude of people towards e-banking. Increasing the customers' knowledge about e-banking benefits and increasing awareness about internet access can convince customers who prefer traditional banking to use internet banking facilities Kariyawasam and Jayasiri (2016).

Improvement in services offered by the organizations not only increases the convenience of clients but also increases the pleasure of the clients. Electronic services in the banking sector have facilitated clients by saving their time, cost etc. (Furst 2002). Although banking sector in the developing countries is not performing as good as it is in the developed countries.

Banks are also using different mediums for awareness of services, features, programs to facilitate their clients (Richard 2009). Banks are conducting seminars, introducing new services, promoting their features through media by using TV, newspaper, radio, banners, bill boards for increasing awareness among general public. Sometimes people of developing countries hesitate to visit banks because majority of population is illiterate therefore facilities of electronic banking system has also increased their confidence to get benefits from banking services (Chaudhury et al, 2002). Today almost all banks are providing electronic services to improve their profits and client satisfaction in this competitive environment (Furst 2002).

Customers who are aware of internet banking channel avoid using it due to lack of information and misconception. However, few customers believe that banks are not providing a proper service which is the main reason they are unaware of these services. Banks should target, convince and take decisions to create awareness among these customers (Anithamary & Harini, 2017; Noreen, 2015).

Bendigeri and Hulgur (2014) suggested that banks should make an effort to create awareness among customers on the use of e-banking technology by conducting seminars on monthly basis and encouraging customers to attend.

Therefore our fourth hypothesis will be:

***Hypothesis4:** There is positive relationship between **Awareness and** Customers loyalty.*

### **2.2.5 Security**

Every internet user and online purchaser needs to feel secured when using the service or otherwise they will not use the service. Online purchasing and e-commerce need personal information and banking information of an individual, this makes it so important for internet and e-commerce service providers to assure security to their clients and customers while and after using their services. By dealing with this security threat, confidence on internet and e-commerce services will grow among internet users and online purchasers in computer industry and hence it won't be a threat to those who are using internet and e-commerce services and even to those who are adopting online marketing and e-commerce. Survey showed that, those who have adopted online marketing and e-commerce they don't feel very secured when doing online purchase and e-commerce (online transactions) and those who are not using e-commerce and internet services are failing to adopt because of the security

reasons. (Hamad, 2010) He explains that once the customers feel secure they will be confident with the service and continues as loyal customers.

Therefore our fifth hypothesis will be:

***Hypothesis5: There is positive relationship between Security and Customers loyalty***

### **2.2.6 Customer Involvement**

Involvement has a strong component of feelings and attachments, that, beyond the affections, are often held by cognitive sources (Silvia, 2005), based on their knowledge, and as it can be seen, a high involved consumer looks for information to build its knowledge (Goldsmith and Emmert, 1991; Assael, 1998) looking for the best option (Clarke and Belk, 1978).

According to Antonides & Raaij (1998) involvement is the personal relationship level of the consumer with the product or service and it includes importance, value and risk.(Heidarzadeh et.al, 2011) As it is determined in the definitions, some of the authors consider involvement and importance as synonymous whereas others believed that a motivational factor played role in its creation and involvement is a motivating state.

Discussing the Level of involvement construct, the involvement affects the behaviour and it acts as an indicator of the researcher to understand the consumer behaviour. The involvement affects behaviours when it comes to product use, and also affects cognitive (i.e. searching, satisfaction) behaviour as the consumer is ready to spend more time in the searching for information (Zaichkowsky, 1985), that increases when the purchase decision is to be made. The Level of involvement determinates the way a consumer processes the information related to the product (or category) and the change in attitudes toward it (Evans, et al, 2009).

Therefore this paper proposes:

***Hypothesis6: Customer Involvement moderates the positive relationship between electronic banking service measured by service dimensions and Customers loyalty.***

### **2.3 Moderating Effects of Consumer Involvement in e-banking**

In the e-commerce context, consumers' responses to products and services, such as their attitudes, tend to vary depending on their involvement with the e-services (Breugelmans and Campo, 2011; Parment, 2013; Behe et al., 2015; Gohary et al., 2016; Algharabat et al., 2018). Involvement with products or services refers to the perceived personal relevance of a product or service based on the interests, needs and values of consumers (Park et al., 2007). The literature shows that online service providers can enhance consumer trust in their services by

providing quality services; however, this association varies between high- and low-involved consumers (Martin et al., 2011).

Since consumer involvement level moderates environmental cues, and the association between service quality and consumer trust, this study proposes that consumer involvement in e-banking might moderate the strength of the mediation effects that initial trust in e-banking has on the association between EBSQ dimensions and Customers loyalty. Consumers who are highly involved in online shopping are more likely to search, analyse and make online purchase decisions more carefully than low-involved consumers (Gamliel et al., 2013).

High-involved consumers tend to spend more time using online platforms, and carefully look at the information provided in the platforms (Im and Ha, 2011). They carefully evaluate the accuracy and reliability of the services provided, developing trust and loyalty when the service provider meets their promises. In contrast, low-involved customers tend to overlook the information provided by e-service providers, and their reliability and accuracy of the services, which results in customers' lack of trust and loyalty to the e-service providers (Kim et al., 2009; Gamliel et al., 2013).

Similarly, customers who are highly involved in e-banking tend to carefully evaluate information on e-banking providers and their services, and have greater concerns and expectations of the security and privacy of their transactions over e-banking platforms. Therefore, when e-banking providers deliver such a secured e-banking platform, high-involved customers feel more trusting and loyal to them than low-involved customers do. Since high-involved consumers have more technical and product (or service) knowledge and are further aware of complex issues relating to e-services, they are more likely to resolve their technical problems on their own (Thaichon et al., 2014). That is, they are less dependent on customer care support teams. However, low-involved customers are more reliant on customer care teams to resolve technical difficulties because of their lack of knowledge of e-services (Quach et al., 2016).

#### **2.4 Theoretical Background E-loyalty in Banking Services**

Several scholars have divided Customers loyalty into two categories: behavioral and attitudinal (Amin et al., 2013; Baumann et al., 2011; Zeithaml et al., 1996). Behavioral loyalty refers to a consumer's actual repurchasing behavior because they like a brand or service (Zeithaml et al., 1996). Attitudinal loyalty reflects the emotional and psychological

desire of the customer to repurchase and to recommend a product to other people (Baumann et al., 2011).

Baumann et al. (2011) define consumer loyalty in financial services as “current behavior” and “future intentions.” Current behavior is conceptualized as “share of wallet”, and future intentions as the likelihood of switching. E-loyalty has been defined as the customer’s favourable attitude and commitment toward online retailers that result in repeat purchase behavior (Harris and Goode, 2004).

Toufaily, Ricard and Perrien (2013) and Toufaily, Souiden and Ladhari (2013) define online consumer loyalty as “the customer’s willingness to maintain a stable relationship in the future and to engage in a repeat behavior of visits and/or purchases of online products/services, using the company’s website as the first choice among alternatives, supported by favourable beliefs and positive emotions toward the online company, despite situational influences and marketing efforts that lead to transfer behavior.”

Anderson and Srinivasan (2003) define e-loyalty as a repeat revisit to the website and frequent online purchase. For click-and-mortar retailers, loyalty is related to patronizing the bank and using its website. Amin (2016) highlighted that website quality in e-banking is very important for service quality and thus affects customer e-loyalty. Research has also shown that e-trust generates e-loyalty.

#### **2.4.1 Theories and Models of Technology use**

Several studies discussed the barriers against customers’ use of the internet banking services; some of these main barriers include infrastructures, privacy and security (Chiu et al., 2017). Various researchers have found that the main restriction from using internet banking services is related to the usage constraints including insufficient training in the use of the internet banking interface that is provided by the bank’s employees, which may lead the customers to drop use of the system even if they were mature banking customers (Sikdar et al., 2015). Other factors are resistance to change, lack of awareness of the benefits, usefulness and convenience of the internet banking services, high technology anxiety, high need for personal interaction and the availability of alternative models of banking including ATMs and telephone banking (Al Khasawneh, 2015). Therefore, several theories and models have been developed to explain the relationship between user beliefs, attitudes and behavioral intentions to use the technology (Tarhini et al., 2016). Some of these theories include the innovation diffusion theory (IDT), theory of reasoned action (TRA), theory of planned behavior (TPB),

the social cognitive theory (SCT), the motivational model (MM), the model of perceived credibility utilization model (PCUM) and technology acceptance models (TAM) (Zhang et al., 2018).

#### ***2.4.1.1 Innovation Diffusion Theory***

The IDT is based on the idea that individual customers' adoption rate of any new technology depends on six innovation characteristics, named relative advantage, compatibility, complexity, observability, trialability and perceived risk (Al-Jabri and Sohail, 2012). The IDT has been highly criticized as it merely defines the elements that may affect customers' adoption of the internet banking services, but does not explain how attitudes form and how they can be translated into individual customers' acceptance or rejection of the newly introduced technology (Mohammadi, 2015).

#### ***2.4.1.2 Theory of Planned Behavior***

According to TPB, customers' behavioral intentions to use the internet banking services are dependent on their attitudes, and subjective norms (Chiu et al., 2017). Two versions of the TPB had been studied; the pure traditional TPB, which only adds one additional construct on the TRA, mainly referred to as the perceived behavioral control, in order to account for situations where individuals lack complete control over their behavior. The decomposed TPB, on the other hand, added three attitudinal beliefs that may affect customers' adoption of internet banking, namely, relative advantage, complexity and comparability as part of the attitudinal belief factor that are mainly extracted from the IDT (Shih and Fang, 2004). The decomposed TPB is believed to have better explanatory power of individual customers' behavioral intentions to use internet banking services than the pure TPB and the TRA (Ajzen, 1991). However, the TPB theories have been criticized for introducing the perceived behavioral control factor as the solution to all non-controllable elements of behavior without specifying an actual measure for it (Taylor and Todd, 1995).

#### ***2.4.1.3 Motivational Model***

The MM differentiated between two types of motivators that may affect individual customers' behavior, especially in the field of the adoption of new information technology services, intrinsic motivators and extrinsic motivators (Deci and Ryan, 1985). A third factor in the model is motivation, which is a state that occurs when individual customers lack a contingency between behavior and outcomes, or when there is an experience of incompetence and lack of control (Vallerand, 2000). Within the context of internet banking services adoption, individual customers may actually adopt the internet banking services for its

perceived enjoyment, self-efficacy, feelings of accomplishment, prestige, personal growth or mere pleasure as intrinsic motivators or for their perception of the usefulness of these services by saving them their personal time and efforts, or by banks' offering them price discounts as extrinsic motivators (Mohammadi, 2015).

#### ***2.4.1.4 Perceived Credibility Utilization Model***

The PCUM provided a framework to describe how the behavior occurs, and what factors encourage actual human behavior in a voluntary environment (Al-Qeisi, 2009). The model was mainly used to understand and explain computer usage behavior in a voluntary environment.

#### ***2.4.1.5 Technology Acceptance Models***

The TAM is dependent on the TRA in regard of information systems (Zhang et al., 2018). It was developed by Davis (1989) to predict the main determinants of consumers' behavioral intentions toward the use of any new technology. It comprised of two main terms including perceived ease of use and perceived usefulness (Abdinoor and Mbamba, 2017).

Perceived ease of use is defined as the extent to which an individual believes that using a particular system will be free of physical and mental effort (Al Khasawneh, 2015), while perceived usefulness refers to the degree to which a person believes that adopting a particular system would lead to the enhancement of his or her performance (Davis, 1989), mainly linking these two factors with customers' attitude toward the use of internet banking services. The TAM has been criticized due to its poor explanatory power, and the inconsistent relationships among its two main elements (Al-Qeisi, 2009), in addition, it was believed that the model provides limited instructions to be followed to influence individual customers' usage of the internet banking services through design and implementation, as it does not provide any recommendations of improvement that may include the following; flexibility, integration, completeness of information and information currency (Venkatesh et al., 2003). Moreover, it was believed that the two main elements of the TAM cannot be relied upon solely to examine individual customers' technology acceptance tendencies (Al Khasawneh, 2015).

Therefore, several constructs have been added to the TAM over time including perceived credibility, perceived trust, organizational factors, technology factors and individual differences. In addition, in an attempt to overcome the previous limitations, TAM2 was developed by adding the following moderating factors: social influence processes; including

subjective norm, voluntariness and image; and cognitive instrumental processes mainly job relevance, output quality and result demonstrability (Al-Qeisi, 2009).

#### **2.4.1.6 Unified Theory Of Acceptance And Use Of Technology (UTAUT)**

Analytical review of these seven models of technology use resulted in the unified theory of acceptance and use of technology (UTAUT) developed by Venkatesh et al. in 2003 after a six-month study conducted on four organizations. The model has been proven to be a valid research instrument and tool that is a predictor of adoption behavior and behavior intention with emphasis on performance expectancy and voluntariness as the most salient drivers of acceptance (Arora and Sandhu, 2018). The model was highly used in various studies of technology adoption and diffusion research, reaching up to 5,000 times being cited with reference to a range of technologies including the internet, websites and mobile technology among others (Williams et al., 2015). The UTAUT consists of four main elements, performance expectancy, effort expectancy, social influence and facilitating conditions, explained in detail below. All of these elements are moderated by gender, age, experience and voluntariness of use (Venkatesh et al., 2003). Performance expectancy is mainly defined as the extent to which individual customers believe that using the internet banking services will improve their performance through saving them time, money and effort, and through offering them convenience of payment, fast response and service effectiveness. This factor is similar to perceived usefulness in the TAM, extrinsic motivation in the MM, relative advantage in the IDT and job fit in the PCUM.

## **2.5 Background Information of E-banking in Ethiopian Banking Industry**

The appearance of E-banking in Ethiopia goes back to the late 2001; CBE is the pioneer to introduce the service for local users with its eight ATMs located in Addis Ababa. (Gardachew, 2010). Then after DB comes next in the year 2006 with its ATMs that provide service for local Dashen Visa Card holders and international Visa Cardholders coming to Ethiopia. United Bank S.C is the first to introduce tele-banking - including text messages or SMS by the end of 2008. Currently, United Bank starts to deliver E-banking services like ATM, internet, mobile and agent banking. (United Bank, 2015)

United Bank S.C is the first to introduce tele-banking - including text messages or SMS by the end of 2008. Currently, United Bank starts to deliver E banking services like ATM, internet, mobile and agent banking. (United Bank, 2015)

Zemen Bank has launched prepaid bank cards which can be used without opening a deposit account at the bank. The cards will have preloaded funds, which can be withdrawn from ATMs or used to make purchases from POS terminal. The prepaid cards will be given to the cardholders with a PIN to withdraw the cash. The prepaid cards can be used as gift cards or employee salaries after the previous funds have been fully utilized. The bank will take a commission each time a card is loaded (Fortune, 2012).

The modern e-banking system, in which information is electronically transmitted over wireless communication channels and the Internet, is new to the Ethiopian banking sector. In fact, the country's banking industry is relatively late when it comes to technological advancement. With some exceptions, almost all banks operating in Ethiopia used to provide service to customers primarily through the traditional brick-and-mortar model, which exacerbated customers' dissatisfaction regarding the country's state of financial and technological development. "The banking service modality is changing now since electronics and e-commerce are engulfing traditional banking services, although Ethiopia is at the bottom," studies shows. "But, the economy is becoming more vibrant. So it is time that banks reach out to the unbanked section of the population through ATMs, PoS terminals and agent banking to accelerate economic growth. (Ethiopian Business Review,2022)

E-banking in Ethiopia has not really been able to diffuse into society, considering the low development of information and communication technology infrastructure compared to other countries. However, banks are slowly shifting from traditional models towards relationship banking. The experiences of other countries demonstrate that banks should strengthen these efforts by adding technological innovations in their development strategies and daily operations to satisfy the growing needs of customers. (Ashenafi, 2022)

## **2.6 Empirical Review**

Luis V. Casalo (2008) put forward a descriptive model that characterizes Customers loyalty in the context of electronic banking. Owing to the high costs involved in increasing the current client base, one of the main goals of banks and other financial services providers that operate through the internet should be to develop Customers loyalty in order to improve their results. The findings showed that web site perceived reputation and satisfaction have a direct and significant effect on consumer loyalty to a financial services web site. In addition, the analyses have shown that perceived reputation is particularly influenced by the satisfaction with previous interactions with the web site.

Eric E. (2017) investigate the mediating role of customer satisfaction (CS) in the electronic-customer relationship management (e-CRM) and customer's loyalty (CL) relationship, using data from the customers of one of the largest retail banks in Kenya. This study revealed that the interaction between e-CRM transaction features and CS was statistically significant and predicted CL, however, the interaction did not significantly account for more variance than just e-CRM features and CS. The path analysis revealed a lack of potential significant mediation effects of CS on the relationship between e-CRM and CL.

Amit (2018), providing high-quality e-banking services is considered a basic strategy for attracting and retaining customers with electronic-banking platforms. The purpose of this paper is to empirically investigate a comprehensive moderated mediated mechanism for enhancing Customers loyalty toward e-banking platforms via e-banking service quality (EBSQ) practices. Reliability, website design, privacy and security and customer service and support are the dimensions of EBSQ. The findings showed that of the EBSQ dimensions, reliability along with privacy and security enhanced Customers loyalty to e-banking. The initial trust in e-banking mediates the effects of EBSQ dimensions on Customers loyalty except for website design. The mediation effects of initial trust varied between high and low-involved consumers.

Fiedler (2019) demonstrate how an e-bank's structure (click-and-mortar bank vs internet-only bank) influences the consumer's evaluation of website quality, and to identify the most significant website features that influence online trust and lead to consumer loyalty. Findings suggest that e-trust and e-loyalty levels depend on the e-banking structure. Click-and-mortar-based online users were found to have more trust and loyalty in their online banks than internet-only bank users. Findings demonstrate that website features are evaluated differently according to the e-bank structure. Information design and interactivity are very important for internet-only banks, and their effect on online trust seems to be higher.

Ganguli and Roy (2010) identify the generic service quality dimensions of technology-based banking and to examine the effect of these dimensions on customer satisfaction and Customers loyalty. The paper identifies four generic service quality dimensions in the technology-based banking services – customer service, technology security and information quality, technology convenience, and technology usage easiness and reliability. It was found that customer service and technology usage easiness and reliability have positive and significant impact on customer satisfaction and Customers loyalty. It was also found that

technology convenience and customer satisfaction have significant and positive impact on Customers loyalty.

Syad (2021) explores the service quality dimensions in Internet banking and their impact on e-customer's satisfaction and e-customer's loyalty. This study tries to inspect the structural association between Internet banking service quality, electronic customer satisfaction and electronic Customers loyalty based on separate constructs. In this study results show that all the dimensions are found to have a positive and significant influence on customer satisfaction while customer's satisfaction has a significant and positive impact on customer's loyalty. Findings indicate that service quality plays a very important role in every society, as it has become the basis for how customers interpret online banking and, in the end, how it interacts and operates with online services.

Inzamam (2020) empirically explore e-banking service quality and its impact on the e-banking loyalty through a mediating impact of e-banking satisfaction. The account holders of three domestic systemically important banks of Pakistan were surveyed during COVID-19 to examine the electronic services provided by these banks. The findings delineate that reliability and website design proved to increase e-banking loyalty, particularly during COVID-19. The link between e-banking privacy and security and e-banking loyalty was proved as fully mediated by e-banking satisfaction; however, indirect effect of the reliability and website design with e-banking loyalty was partially mediated.

According to Flavia'n (2008) Customers loyalty and positive word-of-mouth (WOM) have been traditionally two main goals aimed at by managers. Focusing on the online banking, the importance of these concepts is even greater due to the increasing competence in electronic commerce. Thus, the purpose of this paper is to characterize both concepts in the e-banking context. This research showed that satisfaction with previous interactions with the bank website had a positive effect on both Customers loyalty and positive WOM. In addition, website usability was found to have a positive effect on customer satisfaction and, as expected, loyalty was also significantly related to positive WOM.

Many studies have been conducted to determine the impact of e-banking service quality on consumer loyalty. Any of these findings, such as those by (Ayo and Oni, 2016; Dauda and Lee, 2016), have conducted a mobile banking study in Nigeria for financial inclusion. In this study, feedback from the customers on the usage (e-banking benefits) and feedback from the customers on ease of use, security, reliability, speed and responsiveness is provided. The

results indicate that the probability of usage influences the conduct of the customer's program, but customer feedback on the benefits pressured clients to the usage of Mobile Bank service area. This study did not take into account the total number of e-banking products some related studies are conducted by different researchers in different parts of the world. However, there are limited numbers of studies conducted in Ethiopia on the adoption of E-Banking technological innovation.

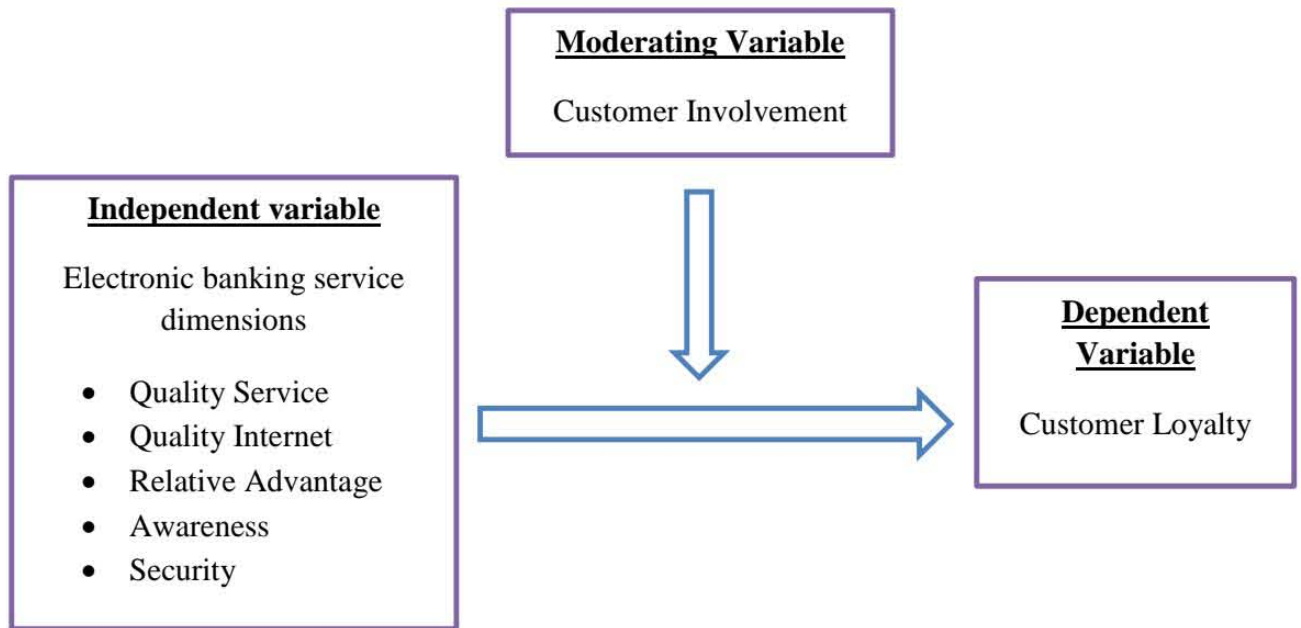
Ayana (2010) conduct his study on “Adoption of Electronic banking system in Ethiopian Banking industry: and that according to his findings, that E-banking system, such as ATM, mobile banking, internet banking and others were not well adopted by Ethiopian banking industry. This is due to low level of ICT infrastructure and lack of legal frame work at NBE, which can initiate banking industry to implement the system. In addition to the above two basic factor, the result of the study shows that security risk and lack of trust on the use of technological adoption are other major barriers for the system. The level of security risk associated with E-banking product or service, such as ATM, internet banking, mobile banking and others, pose different challenges to different banks. (Abebe, 2016)

Based on the literature review, it is found that there are many studies on the EBSQ dimensions but scant studies on what dimensions is the most important on explaining Customers loyalty. Moreover, the study will focus on the customer Involvement as a moderating variable on explaining relationship between factors affecting e-banking service and Customers loyalty. Therefore, the focus is towards the direction. E-banking service are studied earlier while the current study is the extensions of that to further analyses which factors of the e-banking service affects Customers loyalty mostly along with the moderation role of customer Involvement. Therefore, it is concluded that current research has a strong linkage with the existing research.

## **2.7 Theoretical and Conceptual Framework**

After reviewing the literature it was found that there is a relationship between Customers loyalty and e- banking service dimensions. Hence, these factors can be used as a tool to improve Customers loyalty. The review of the literature leads the researcher to construct conceptual frame work that illustrates the relationship between Customers loyalty and e-banking service dimensions, in the presence of moderating variable customer Involvement.

This proposition was diagrammatically represented as follows:



Source: Own construction based review of literature

As indicated in the model we have three paths to create relationship among variables. The first path estimates the direct path between the antecedent variables and Customers loyalty. Thus on this path we have directly relate quality service, quality internet, relative advantage, awareness, and security to Customers loyalty. The second path is the path that indicates the direct relationship between the moderator variable and Customers loyalty which means we consider the moderator variable as an independent variable (Customers involvement to Customers loyalty) and the 3rd path is the indirect path which estimates the path from each independent variable to its hypothesized moderator and from moderator to the dependent variable. Therefore, under this path the effect of antecedent variables on Customers loyalty will be regressed indirectly through the moderating variable. It is hypothesized that when individual encompass different level of involvement, the effect of those antecedent variables on Customers loyalty will change in strength and/or direction.

## Chapter Three

### 3 Research Methodology

In this chapter research methodology is presented: the flow on how the research basically answers the objective of the study. Therefore in this section of the study an overview of the target population, research design, data sources and types, data collection methods, instrument, sample design, sampling frame, sample size determination, data processing and analysis, is carried out.

#### 3.1 Research Design and Approach

In order to collect relevant empirical data for academic research, an appropriate approaches needs to be considered (Bryman and Bell, 2005; Blumberg et al., 2008). To begin with research approach needs to be decided whether an inductive or deductive. And then it must be decided qualitative or quantitative research, or a mixture of both to go along with the approach.

These are plans and procedures for research that cover the steps from broad assumptions to detailed methods of data collection, analysis, and interpretation. And the approach selection of a research is based on the nature of the research problem or issue being addressed, the researcher's observation, and respondents for the study (Creswell, 2014). According to Creswell (2014) certain types of social research problems call for specific approaches.

Quantitative approach involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion (Kothari, 2004). On this study explanatory research design was implemented to assess why and how e-banking service dimensions impacts on customers' loyalty in Ethiopian Commercial Banks. Explanatory research answers "why" and "what" questions, leading to an improved understanding of a previously unresolved problem or providing clarity for related future research initiatives. It builds on exploratory and descriptive research and goes on to identify actual reasons for a phenomenon that occurs.

Explanatory research looks for causes and reasons and provides evidence to support or refute an explanation or prediction. According to Kothari (2004), it could help to interpret and determine the relationship and the predication between the variables.

### 3.2 Data Type and Source

Both sources (primary and secondary) will be used to investigate this research. Primary sources are respondents who will give their perception on the questionnaire. Thus primary data are the most relevant data in investigating the effect of customer involvement on the relationship of e-banking service dimensions and Customers loyalty. For the purpose of this study secondary data were also used from the bank's website to get the necessary inputs, specifically to gather some information about the year of formation of the banks and their annual report (2020/2021).

According to Mark et al. (2009) the advantage of using secondary data is to minimize usage of resource like time and money. In addition, secondary data are more likely to be higher-quality data than the one obtain by the researcher his/her-self.

As mentioned, secondary data might not provide all of the information required. Questions might not be put in a precise word as we would like to answer specific questions. Analyses will be complicated if the question wording or methods of administration vary. (Linda, 2020)

### 3.3 Population and Sampling Size

#### 3.3.1 Target Population

To study the dimensions on e-banking affecting Customers loyalty, the desired datasets explaining the variables (dependent and independent) will be gathered from banks and customers. Accordingly, the 25 actively operating commercial banks registered by NBE at the end of second quarter in 2021/22 were used as the target population group for the study. These banks are Abay Bank, Addis International Bank, Awash International Bank, Bank of Abyssinia, Berhan International bank, Buna International bank, Commercial Bank of Ethiopia, Cooperative Bank of Oromia, Dashen bank, Debub global bank, Enat Bank, Lion International Bank, Nib international Bank, Oromia International Bank, United Bank, Wegagen Bank, Zemen Bank, Zamzam Bank, Hijra Bank, and Sinqe Bank, Amhara Bank, Ahadu Bank, Goh Betoeh Bank, Tsedey Bank and Tsehay Bank.(National bank of Ethiopia,2022)

Of these 25 banks, seven have 20 years and above experience in the industry and are relatively larger than the rest. For the study the banks are classified as the generation they belong. Therefore, a sample of 1 bank was taken from each generation from both the public and private - owned Ethiopian banks. Thus to make our concept strong we take samples from

the 3 generations banks due to their experience however, for the sake of our study on e-banking service we cannot find bank that can be taken as a sample from fourth generation.

Commercial bank of Ethiopia incorporated in 1942 is termed as first generation bank. Banks incorporated from the period of 1991-2000 are termed as second-generation banks. Banks that get licenses from 2001 to 2012 are called third-generation banks. All banks that are getting licenses from 2013 till now are called fourth-generation banks. (National Bank of Ethiopia, 2022)

**Table 3. 2 List of Banks with Their Respective Years of Establishment**

S.N	List of Banks	Years of Establishment(G.C)	Target Population
<b>First Generation Bank</b>			
1	Commercial Bank Of Ethiopia	1942	5,500,000
<b>Second Generation Banks</b>			
2	Awash International Bank	1994	
3	Dashen Bank	1995	
4	Bank Of Abyssinia	1996	4,500,000
5	Wegagen Bank	1997	
6	Hibret Bank	1998	
7	Nib International Bank	1999	
<b>Third Generation Banks</b>			
8	Cooprative Bank Of Oromia	2005	
9	Lion Internaional Bank	2006	
10	Oromia Bank	2008	
11	Zemen Bank	2008	139,686
12	Bunna International Bank	2009	
13	Abay Bank	2010	
14	Berhan International Bank	2010	
15	Addis International Bank	2011	
16	Debub Global Bank	2012	
17	Enat Bank	2013	
<b>Fourth Generation Banks</b>			
18	Zamzam Bank	2021	
19	Hijra Bank	2021	
20	Sinqe Bank	2021	
21	Amhara Bank	2021	
22	Ahadu Bank	2021	
23	Goh Betoeh Bank	2021	
24	Tsedey Bank	2022	
25	Tsehay Bank	2022	

Source: National Bank of Ethiopia (2022)

### 3.3.2 Sample Size Determination

Charan J, Biswas T (2013), for sample size calculation of unknown population size, you can use the following formula:

$$n = z^2 \cdot [P \cdot q] / d^2,$$

This is used to calculate the sample size of a qualitative variable in prevalence or cross-sectional studies.

In this formula,

N= the sample size

P= estimated proportion of the study variable or construct based on previous studies or pilot studies (70%),

q=1-p (30%), and

D= the margin of error (5%)

Z=z-score or a standard normal deviate corresponding to (100%,  $\alpha/2\%$ ),

Where  $\alpha$  refers to the significance level or the probability of making a type I error.

The z score for different significance levels is: 1.96 for 5%, 1.28 for 10%, and 2.58 for 1%.

I have added some hypothetical values and the sample size would be 323.

### 3.3.3 Sampling Technique

This study engaged non-probability sampling; because the sampling unit is unavailable and difficult to reach randomly selected samples in person based on the list of customers. Employing convenient sampling technique were better when large population to reduce cost, time and easy to handle (Saunders, Lewis & Thornhill, 2009).

Based on the year of establishment Commercial Banks in Ethiopia are classified in to four generations. From each generation the researcher selects three banks namely Commercial Bank of Ethiopia, Bank of Abyssinia and Zemen Bank (except from 4<sup>th</sup> generation). Then the main branches were selected purposefully based on large number of ATM machines on the branches and e- banking services. Next the researcher was selected respondents from the branches and Convenience sampling method was used for data collection

**Table 3. 3 Population and Sample Size**

<b>S.N</b>	<b>List of target bank</b>	<b>Population</b>	<b>% From total population</b>	<b>Sampled Customer</b>
1	Commercial bank of Ethiopia	5,500,000	0.54	175
2	Bank of Abyssinia	4,500,000	0.44	143
3	Zemen Bank	139,686	0.01	4
	Total	10,139686	1	323

Source: own computation (2022)

The researcher also distributed the questionnaires for three banks namely commercial bank of Ethiopia, bank of Abyssinia and Zemen bank ,then the researcher will draw a random sample from each sub population. In order to increase the representativeness of the sample, the researchers will apply proportionate allocation sampling procedure.

### **3.4 Data Collection Method**

Data collection method describes all about how data is gathered or collected. There are various methods of data collection such as census, experiment, survey and observation.

In this study, the researcher use sample survey method where structured questionnaires that were compiled for the purpose of this research, with five point Likert scale, were administrated. A survey design provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population. From sample results, the researcher generalizes or makes claims about the population (Creswell 2014).

### **3.5 Variable Measurement**

Variable measurement For the purpose of this research, structured questionnaires were compiled /adopted from different previous literature and studies (Amit, 2018; Lurn and Lin, 2005; Amin, 2016; sathyee (1999); Lee and Moghavvemi 2015) in order to collect the necessary data to answer the research questions.

The first section of the questionnaire contain the demographic characteristics of the respondents were respondents are requested to provide information about their gender, age, citizen, monthly income and education level.

The second section of the questionnaire contains questions related with each variable in the study. The items are formed with a 5-point agreement–disagreement Likert format with and 5=strongly agree 4=Agree 3=Neutral 2=Disagree and 1=Strongly Disagree.

Service Quality and Internet Quality is measured by 4 items each and it is adopted from Amin(2016) that indicates internet banking service quality and its implication on e-customer satisfaction and e-Customers loyalty. Relative Advantage is measure by 4 summarized and concise items adopted from Lurn and Len (2005) toward an understanding of the behavioural intention to use mobile banking. Awareness is measured by 5 items from Sathye (1999), cited on awareness of electronic banking and the customer's level of satisfaction. Security is measured by 4 items adopted from the dimension of service quality and its impact on customer satisfaction, trust, and loyalty by Lee and Moghavvemi (2015). The other variable we have is customer involvement which is measured by 3 items adopted from the influence of e-banking service quality on Customers loyalty by Amit (2018).

To ensure the validity of the study, the researcher was used expert opinion from highly experienced bankers and academic professor. Also, validity of measure is guaranteed using a thorough and adequate literature review. Based on the feedback from the opinion gathered, the questionnaire was revised.

### **3.6 Method of Data Analysis**

After the researcher conduct the actual survey and collect the data, the data should go through the quantification process to make the data ready for analysis. Today, quantitative analysis is almost always done by computer programs such as Statistical package for Social science (SPSS) and Micro- Case. (Babbie, 2007) Thus for the purpose of this research the Statistical package for Social science (SPSS) were used to analyses the data which are obtained from primary sources. And specifically, inferential statistics (correlation and multiple regression analysis) was employed in this study.

A correlation is a design in which investigators use the correlational statistic to describe and measure the degree or association (or relationship) between two or more variables or sets of scores (Creswell, 2012).

Multiple regression analysis on the other hand adopted when the researcher has one dependent variable which is presumed to be a function of two or more independent variables. The objective of this analysis is to make a prediction about the dependent variable based on its covariance with all the concerned independent variables (Kothari, 2004).

Therefore regression analysis was employee to investigate the relationship between the dependent and independent variables. Therefore, after the data was collected from the

respective company's it was edited organized and analysed using SPSS 27. Statistical tools such as descriptive statistics used to describe the phenomenon that exist at the time of the study in the form of frequency distribution, mean calculation and graphical representation; regression analysis was done to test the hypothesis and correlation analysis was done to establish the nature and degree of relationships between dependent variable (Customers loyalty) and independent variables (service quality, internet quality, relative advantage, awareness and security).

For this study Hayes model will be used to test the moderation role of the variable (customer involvement) in the relationship between the dependent and independent variables.

### 3.7 Reliability Test

Reliability is essentially a test by which our measurement method produces stable and consistent result, over instruments and over groups of respondents (Cohen et. al., 2005).

Previous related studies which employed similar assessment tool have tested the tool for its subscales reliability and scored medium to high Cronbach's coefficient Alpha. Consequently, to make sure the measurements of variables under this study reliability will be conducted for each of the variable under the study (high quality service, high quality internet, awareness, relative advantage and security). As stated by Nunnaly (1978) the closer the reliability coefficient to 1.00 is the better. In general, reliabilities less than 0.60 are considered poor; those in the range of 0.60 to 0.80 are considered good and acceptable.

**Table 3. 3 Reliability test result of study Variables**

No	Variables	No of items	Cronbach's Alpha
1	Quality Service	4	0.0859
2	Quality Internet	4	0.860
3	Relative Advantage	4	0.736
4	Awareness	5	0.763
5	Security	4	0.750
6	Customer Involvement	3	0.856
7	Customers Loyalty	5	0.847

*Source: Own Survey, computed in SPSS, 2023*

### **3.8 Ethical Consideration**

Every person involved in the study will be given to the right of privacy and dignity of treatment, and no personal harm will caused to subjects in the research. Information obtained will be held in strict confidentiality by the researcher. All assistance, collaboration and other sources from which information will draw will be acknowledged.

## Chapter Four

### 4 Data Presentation, Analysis and Discussion

This chapter is consists of the empirical findings from the survey and an analysis of the results. The first section presents an overview of the respondents profile and data distribution using descriptive statistics in order to visualize the result more clearly. This is followed by testing the hypotheses by analysing the correlation and regression. Generally this part of the paper will present: descriptive statistics, correlation, regression analysis and moderated regression analysis with respective discussion of results.

#### 4.1 Data Cleaning

Based on the methodologies specified in chapter three (Convenience sampling), 323 questionnaires were distributed and 321 were returned for analysis which is 99.3% response rate. Meanwhile, in the process of cleaning the data for its completeness and practical response pattern, only 303 of the questionnaires were found valid or workable, which is 93.8% response rate. Accordingly those 303 workable responses obtained from respondents were used for data analysis with Statistical Package for Social Science (SPSS) Version 27.

#### 4.2 Respondents Demographic Information

As indicated in the instrument of the survey, the first part of our questionnaires is consists of the demographic characteristics of respondents The demographic information of the respondents were regarding to gender, age, citizen, educational background and monthly income in birr which are used to describe the features of respondents and also check for possible correlation with the dependant variable. The results and analysis of demographic information obtained from the structured questionnaire are summarized below:

**Table 4. 1 Demographic Information on Gender**

	Frequency	Percent	Valid Percent	Cumulative Percent
MALE	216	71.3	71.3	71.3
FEMALE	87	28.7	28.7	100.0
Total	303	100.0	100.0	

*Source: Own Survey, computed in SPSS, 2023*

As far as the composition of gender concerns the above table (Table 4.2) indicates that In the industry, the majority of the respondents, 216(71.3%) were male, and 87 (28.7 %) are

females. for this we can say that the number of males are considerably higher than females in the case area.

**Table 4. 2 Demographic Information on Age**

	Frequency	Percent	Valid Percent	Cumulative Percent
18-24	30	9.9	9.9	9.9
25-34	113	37.3	37.3	47.2
35-44	125	41.3	41.3	88.4
45-55	32	10.6	10.6	99.0
Above 55	3	1.0	1.0	100.0
Total	303	100.0	100.0	

*Source: Own Survey, computed in SPSS, 2023*

The above table (Table 4.2) shows with regard to age category, the highest number of respondents fall under the age group of 35-44 years, which accounts 125 (41.3%) of the total sample. Accordingly, 113(37.3%) respondents are at the age of between 25-34 years, whereas, 30(9.9%) respondents are on the age group of 18-24, 32 (10.6) are lies on the age group of 45-54 and 3 (1.0%) of the respondents are between the age of 55 and above. In this regard, it can be observed that almost half of the population (53.2%) in the industry is below 44 years of age and from this result we can induce that the majority of customers in the case areas are at the young age group.

**Table 4. 3 Demographic Information on Citizen**

	Frequency	Percent	Valid Percent	Cumulative Percent
ETHIOPIAN	286	94.4	94.4	94.4
NON ETHIOPIAN	17	5.6	5.6	100.0
Total	303	100.0	100.0	

*Source: Own Survey, computed in SPSS, 2023*

From the data presented in table 4.3, the majorities (94.4%) of the respondents were Ethiopian citizen and the remaining (5.6%) of the respondents were non Ethiopian citizen.

This specified that out of 303 respondents around 286 were Ethiopian citizen and the remaining 17 were non Ethiopian citizen. Therefore, the study comprises both Ethiopian citizen and non-Ethiopian citizen customers of commercial banks.

**Table 4. 4 Demographic Information on Educational Background**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	READING AND WRITTING	1	.3	.3	.3
	<6	3	1.0	1.0	1.3
	6-12	24	7.9	7.9	9.2
	DIPLOMA	10	3.3	3.3	12.5
	DEGREE	229	75.6	75.6	88.1
	MASTERS DEGREE AND ABOVE	36	11.9	11.9	100.0
	Total	303	100.0	100.0	

*Source: Own Survey, computed in SPSS, 2023*

In case of educational background, BA/BSc degree holder respondents constitute the highest number with 75.6% (229), followed by Masters Holder and above 11.9% (36) and 3.3% are diploma holders (10). However, 24(7.9%) of the respondents fall under grade 6-12 and 3(1%) of respondent fall under less or equal to grade six. Therefore, it is possible to say that academically, majority of respondents, who account 265 (87.5%) of sample respondents hold First Degree and above. To this end, given the banking industries primary services the education level of the respondents are consistent with the educational level requirement to use the e-banking service of the bank.

**Table 4. 5 Demographic Information on Monthly Income**

	Frequency	Percent	Valid Percent	Cumulative Percent
<5000	122	40.3	40.3	40.3
5000-10000	71	23.4	23.4	63.7
10001-15000	33	10.9	10.9	74.6
15001-20000	14	4.6	4.6	79.2
20001 AND ABOVE	63	20.8	20.8	100.0
Total	303	100.0	100.0	

*Source: Own Survey, computed in SPSS, 2023*

The study covered the upper and lower income level. The less than 5,000.00 Birr income group, income group 5,001-10,000, income group 10,001 – 15,000, income group 15,001-20,000 Birr and income group above 20,001 respondents were representing 40.3%,23.4%,10.9%,4.6% and 20.8% respectively. This indicated that the analysis comprising different income section of the population.

Generally the demographic data showed that male respondents representing 71.3% of the sample and the majority of respondents fell into the age groups below 44 which constitute ( 88.5%) of the sample and considerably large number of customers were Ethiopian citizen made up (94.6%). In terms of level of education, the biggest group had either a degree or above (75.6 %). Lastly majority of the respondents (63.7%) have monthly income of less than birr 10,000.

### **4.3 Descriptive Statistics for Variables**

This section discusses the results of the survey in respect of the dependent and independent variables; accordingly we will discuss customer’s loyalty status in each of the variables under study. Therefore Descriptive statistics in the form of arithmetic means and standard deviations for the respondents were computed for the multiple variables and dimensions that have been assessed through the questionnaire; the results are presented and discussed in the section below.

#### **4.3.1 Customers loyalty Level in the e-banking Service**

In order to assess the level of Customers loyalty in the e-banking service, five (5) item scales which specifically measures participant’s level of loyalty were designed and presented to the respondents. Customers were asked to show their levels of loyalty to their bank using a five point liker –type scale with affix (1) strongly disagree to (5) strongly agree. Then, the average (mean) rating for each statement is computed and tested for its significance using a descriptive statistical technique. The analysis result is in the (table 4.5) below.

**Table 4. 6 Descriptive statistic for Customers loyalty (CL)**

Item	Mean	Std. Deviation
I tell the positive options of e-services of this bank to other.	3.26	.851
I intend to use e-services of this bank in the future.	3.21	.612
I prefer using e-services of this bank to other banks.	3.10	.551
I doubt to change this bank as long as providing e-services of this bank continues.	3.21	.616
As long as I need banking services, e-services of this bank are my first choices.	3.37	.810
SUM_CL	3.2317	.22798

*Sources: Own Survey, computed in SPSS, 2023*

The overall Customers loyalty, which is an aggregate of the five statements, is agreed to an average agreement rating of (M=3.23, SD=.227) which is found that on average the majority of respondents reported themselves to be engaged with their bank. As we can see from the table the mean score of each item is ranged from low of 3.1 (SD =.551) to a high of 3.37 (SD=.81) therefore it appears that respondents in the given sample are relatively loyal by which all of the items rated above the average score of 5 point liker scale. When we observe the individual items of Customers loyalty, the customers in the bank are highly loyal to their respective bank with the highest mean score, relatively, with a mean of 3.37 (SD= .81) for the item (As long as I need banking services, e-services of this bank are my first choices.) this indicate that the majority of customers who participated in the case area feel that they experienced their bank e-banking service is better. The second highest mean score for item is (I tell the positive options of e-services of this bank to other.) with mean and standard deviation of 3.26 and .851 respectively. This illustrate that the bank did some work in order to do in increasing loyalty to their usage of e-banking.

Generally we can observe that for all of the items specified to measure Customers loyalty, the mean score is moderate and above the average mean score which clearly indicate a high level of Customers loyalty in the case area.

#### 4.3.2 Descriptive Statistics for Quality Service

Quality service was measured with 4 items with each item corresponding to a core service quality as cited by Amin(2016) Participants indicated their levels of agreement using specific five - point anchors such as (1) strongly disagree to (5) strongly agree.

**Table 4. 7 Descriptive Statistics for Quality Service (QS)**

Item	Mean	Std. Deviation
I feel completely safe when doing transactions on the website of the bank.	2.42	1.548
I feel that my personal/financial needs are met when using the website of the bank.	2.88	.563
The website of banks is user friendly	3.06	.612
Confidentiality of customer data on the website of banks is ensured.	3.43	.615
<b>SUM_QS</b>	<b>3.1007</b>	<b>.29373</b>

*Sources: Own Survey, computed in SPSS, 2023*

Table 4.7 above depicted questions related to quality service as a predictor of Customers loyalty. Participants were on average score a slightly higher level of quality service with a mean weight of 3.1 (SD=0.29) using a five point likert scale. From the table we can also observe that from the items measuring quality service respondents give maximum score (M=3.43 SD= .615) for item 4 (Confidentiality of customer data on the website of banks is ensured) which shows respondents enjoys the website of the bank that leads customers to be loyal to the bank. The second largest average mean (M=3.06, SD=.612) is recorded for item 3 (The website of banks is user friendly.) which indicate respondents feel easy for doing transaction and that leads customer to be loyal . Therefore customers on average (M=3.1, SD=.293) feel that their banks quality service have high level of concern for customers and this may change their loyalty to their bank.

#### 4.3.3 Descriptive Statistics for Quality Internet

The other variable included in our survey is quality internet which is measured by averaging 4 items from Amin (2010). Accordingly four statements which specifically measures participant's perceived fit with their usage were presented to the respondents. Customers were asked to show the levels of internet quality using a five point liker –type scale with anchor (1) strongly disagree to (5) strongly agree.

**Table 4. 8 Descriptive Statistics for Quality Internet**

Item	Mean	Std. Deviation
The bank website is easy to use.	3.05	.512
The bank is well organized in e-banking infrastructure.	2.83	.499
It is easy to navigate on the bank website.	2.95	.694
I can do a transaction quickly on the bank website.	3.25	.449
SUM_QI	3.0215	.29333

*Sources: Own Survey, computed in SPSS, 2023*

The above table indicating the measure of quality internet illustrates that the overall quality internet, as driver of Customers loyalty produce , score mean and standard deviation of 3.02 and .293 respectively, which tells customers on average agreed to the quality internet provided by the bank have impact on their usage of e-banking service. When we look in to the items, the highest score item is (I can do a transaction quickly on the bank website.) with mean score of 3.25 (SD=.449) which indicate the significance of the website easier to use it. The result shows that on average respondent respond with high level of agreement on the easiness of the website. The lowest mean score lies to the item (The bank is well organized in e-banking infrastructure.) (M=2.83, SD=.499) which measures the e-banking infrastructure of the bank to transact on the website is lower. Overall the assessment of quality internet in the case area indicate the bank’s website provide quality internet which may lead customers to get motivated and loyal to their bank.

#### **4.3.4 Descriptive Statistics for Relative Advantage**

The other variable included in our survey is relative advantage which is measured by averaging 4 items from Lurn and len(2005). Accordingly four statements which specifically measures participant’s perceived advantage with relative to their bank and e-banking service were presented to the respondents. Customers were asked to show their levels of advantage relativity using a five point liker –type scale with anchor (1) strongly disagree to (5) strongly agree.

**Table 4. 9 Descriptive Statistics for Relative Advantage (RA)**

Item	Mean	Std. Deviation
Electronic banking helped in better managing of personal finances.	3.08	.450
I perceive value in managing my finances electronically	2.90	.735
I get enough advantages exist in electronic banking for consideration to use banking service.	3.17	.580
I perceive ease-of-use in the use of electronic banking services.	2.96	.571
<b>SUM_RA</b>	<b>3.0264</b>	<b>.27770</b>

*Sources: Own Survey, computed in SPSS, 2023*

Regarding relative advantage dimensions, respondents were requested to rate based on the five point Likert scale ranging from 5 for strongly agreed to 1 for strongly disagreed. As revealed in table 4.9, the mean score is found between 2.96 and 3.17. And majority agree on relative advantage of the bank's e-banking service is reasonable. Generally, the research findings indicated that the overall mean result of the respondent's scored a mean value of 3.02. Hence the customers of each bank somehow agreed to the relative advantage dimensions however Compare the advantage with other bank in the market and banks relative advantage have significant implication on loyalty.

#### **4.3.5 Descriptive Statistics for Awareness**

The other variable included in our survey is awareness which is measured by averaging 5 items from Sathye (1999). Accordingly five statements which specifically measures participant's awareness with their e-banking service usage were presented to the respondents. Customers were asked to show their levels of awareness using a five point liker –type scale with anchor (1) strongly disagree to (5) strongly agree.

**Table 4. 10 Descriptive Statistics for Awareness (AW)**

Item	Mean	Std. Deviation
The bank advertises and teaches the customers to use e-banking through mass media.	3.00	.561
I got informed about the service of e-banking outside the bank.	3.00	.726
I have been informed about the allowed transaction limit using e-banking channels.	3.16	.584
I have been informed about the risks I may face when using e-banking service.	3.00	.564
I have been informed about the service fees and charges when using e-banking service.	2.95	.604
<b>SUM_AW</b>	<b>3.0211</b>	<b>.30463</b>

Sources: Own Survey, computed in SPSS, 2023

As illustrated on the above Table 4.10 the mean score and standard deviation of respondents for each item ranges between the lowest  $M= 2.95$  with  $SD = .604$  and the highest  $M = 3.16$  with  $SD = .584$  the average mean score for awareness was  $M = 3.02$  with  $SD = .304$ . Overall the assessment of awareness in the case area indicate the bank provide awareness creation cites or platforms which may lead customers to get knowhow and understanding of the products and services, which lead customers to be loyal to their bank.

#### 4.3.6 Descriptive Statistics for Security

**Table 4. 11 Descriptive Statistics for security (SE)**

Item	Mean	Std. Deviation
My bank maintains error-free records (e.g. accurate bills and statements)	3.26	.715
My bank keeps confidentiality of account and privacy of customers.	2.94	.826
My bank delivers up to date record.	2.84	.813
Physical security at bank is adequate (e.g. security guards, Cameras).	2.69	.567
<b>SUM_SE</b>	<b>2.9340</b>	<b>.29160</b>

Sources: Own Survey, computed in SPSS, 2023

Aggregating customer's response of respondents on four statements, on the average, respondents reported the level of security of the e-banking services' of 2.93 (SD= .291) measured on a five point scale which is found that the majority of respondents reported themselves to have slightly moderate feeling on security.

When we observe the individual items of security, respondents feel different level of score with the highest mean score of 3.26 (SD=.715) to the lowest score of mean 2.69 (SD=.567). The highest mean is recorded for item (My bank maintains error-free records) with a mean of 3.26 (SD=.715) which indicate relatively highest average rated satisfaction with security of the service. The second highest score is recorded for the item (My bank keeps confidentiality of account and privacy of customers.) with a mean of 2.94 (SD=.826). The least score 2.69 (SD= .567) is computed for the item (Physical security at bank is adequate. e.g. security guards, Cameras).

#### 4.3.7 Descriptive Statistics for Customer Involvement

An individual's involvement is measured by three items from customer involvement scale generated by Amit (2018) which mostly measures the extent to which customer involve. Participants were asked to indicate the feeling of involvement with which they have felt in a particular way in their e-banking activities using a five point time related scale (e.g., 1=strongly disagree , 3=neutral, and 5= strongly agree) Then, the average mean rating for each statement is computed and tested for its significance using a descriptive statistical technique. The analysis result is in the table (4.12) below.

**Table 4. 12 Descriptive Statistics for Customer Involvement (CI)**

Item	Mean	Std. Deviation
I put much effort into evaluating the given information over e-banking website.	3.26	.716
I think deeply about the information available over e-banking website.	2.84	.672
I personally feel involved in e-banking transactions.	2.74	.549
SUM_CI	2.9472	.24773

Sources: Own Survey, computed in SPSS, 2023

Aggregating customer's response of respondents on three statements, on the average, respondents reported a level of involvement 2.94 (SD=0.24) measured on a five point scale which is found that the majority of respondents reported themselves to possess a high level of involvement. In particular to statement 1, (I put much effort into evaluating the given information over e-banking website.) customers are found to put much effort in evaluating the service provided by the bank 3.26 (SD=.716) average agreement score.

Generally we can observe that for all of the items specified to measure customer's involvement, the mean score is above the average mean score which clearly indicate a high level of customer involvement in the case area. The least score is recorded on item (I personally feel involved in e-banking transactions.) with a mean of 2.74 (.549).

**Table 4. 13 Summary of Descriptive Statistics for Independent and Dependent Variables**

<b>Variables</b>	Minimum	Maximum	Mean	Std. Deviation
Quality Service	2.50	3.50	3.1007	.29373
Quality Internet	2.50	3.50	3.0215	.29333
Relative Advantage	2.25	3.50	3.0264	.27770
Awareness	2.40	3.40	3.0211	.30463
Security	2.25	3.25	2.9340	.29160
Customer Involvement	2.33	3.33	2.9472	.24773
Customers loyalty (Y)	2.80	3.60	3.2317	.22798

*Source: Own Survey, computed in SPSS, 2023*

#### 4.4 Pearson Correlation Analysis

Pearson correlation coefficient (r) is a measure of the direction and magnitude of the relationship between two variables. Theoretically, there could be a perfect positive correlation between variables which is represented by 1.0 (plus1), or a perfect negative correlation which would -1.0 (minus 1). The correlation coefficient is a measure of strength of the relationship (among different variables) that lies between -1 and 1 (Wegner, 2012).

A correlation test therefore shows either a negative or positive relationship, which can either be weak or strong, depending on the range of value of the coefficient: 0.3-weak, 0.5-moderate, 0.7-strong (cooper, 2010).

As table 4.14 indicated the entire variable are significantly correlated. Besides, the correlation coefficients are not highly correlated. Therefore, the variables that were included in this study were appropriate for the next analysis that is multiple regression analysis.

**Table 4. 14 Correlation Analysis of Each predictor Variable with Customers loyalty**

	1	2	3	4	5	6	7
1.Customers loyalty (CL)	1						
2.Quality Service (QS)	.719**	1					
3.Quality Internet(QI)	.931**	.715**	1				
4.Relative Advantage (RA)	.923**	.683**	.852**	1			
5.Awareness (AW)	.967**	.657**	.877**	.902**	1		
6.Security (SE)	.749**	.634**	.631**	.732**	.672**	1	
7.Customer involvement (CI)	.838**	.633**	.794**	.818**	.807**	.498**	1

\*\**. Correlation is significant at the 0.01 level (2-tailed).*

*Source: Own Survey, computed in SPSS, 2023*

Table 4.14: above shows the level of correlation between the dependent variable Customers loyalty and independent variables quality service, quality internet, relative advantage, awareness and security.

Quality service is positively correlated to Customers loyalty with a Pearson correlation coefficient of  $r=.719$  and Sig. (2-tailed) is 0.000 which is  $<0.05$  so that, there is a high relationship between the two variables.

Quality internet is positively correlated to Customers loyalty with a Pearson correlation coefficient of  $r=.931$  and Sig. (2-tailed) is 0.000 which is  $<0.05$  so that, there is a high relationship between the two variables.

Customers loyalty is positively correlated to customer involvement with a Pearson correlation coefficient of  $r=.838$  and Sig (2-tailed) is 0.000 which is  $<0.05$ . Therefore there is a strong relationship between Customers loyalty and customer involvement.

The results of the Pearson correlation analysis also revealed that there was a positive correlation between Customers loyalty and relative advantage ( $r =.923$ ,  $p <0.05$ ) which implies a moderate relationship between the aforementioned variables.

Security is positively correlated to Customers loyalty with a Pearson correlation coefficient of  $r=.749$  and Sig. (2-tailed) is 0.000 which is  $<0.05$  so that, there is a high relationship between the two variables.

Customers loyalty is also positively correlated to awareness with a Pearson correlation coefficient of  $r=.967$  and Sig (2-tailed) is 0.000 which is  $<0.05$ . Therefore there is moderate relationship between the two variables.

Thus, the analysis indicated that awareness was the most correlated variable with the dependant variable Customers loyalty ( $r = .967, p <0.05$ ) followed by quality internet with Customers loyalty ( $r = .931, p <0.05$ ) there was also a high positive relationship between customer involvement, relative advantage and security with the dependent variable Customers loyalty with the correlation coefficient of ( $r = .838, p <0.05$ ), ( $r = .923, p <0.05$ ) and ( $r=.749, p <0.05$ ) respectively. The lowest correlation is found between quality service and Customers loyalty at ( $r = .719, p <0.05$ )

#### **4.5 Assumptions of Simple Linear Regression Analysis**

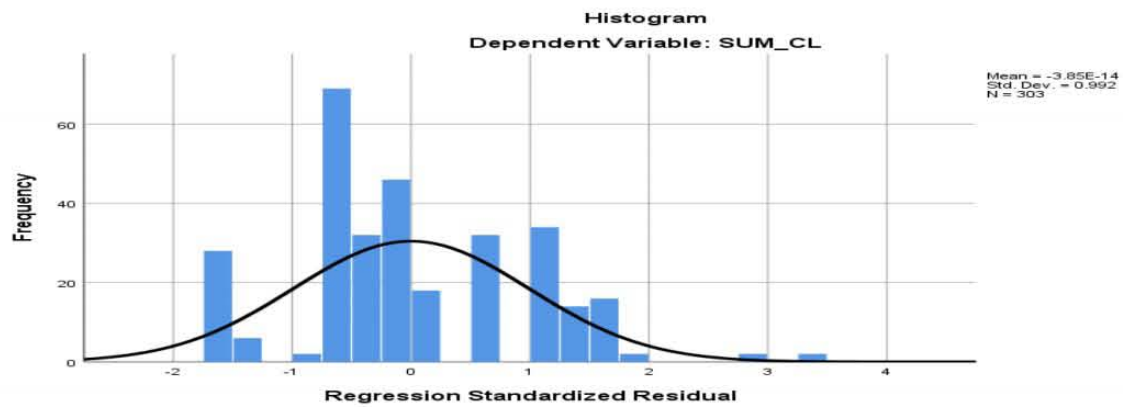
According to Field (2009), to run a simple linear regression, checking critical assumptions is essential and it is helpful to draw conclusion about the population under study. Therefore in order for our analysis to be reliable and valid we need to check our data for the assumptions of multiple regressions. In this regard, all of the assumption were checked and pass the standards to run regression analysis; the results are presented as follows.

##### **4.5.1 Normality Test**

Normality test of data is applied to determine whether a data is well modelled by a normal distribution or not, and to compute how likely an underlying random variable is to be normally distributed. Skewness and kurtosis were used to measure the normality of data for this study.

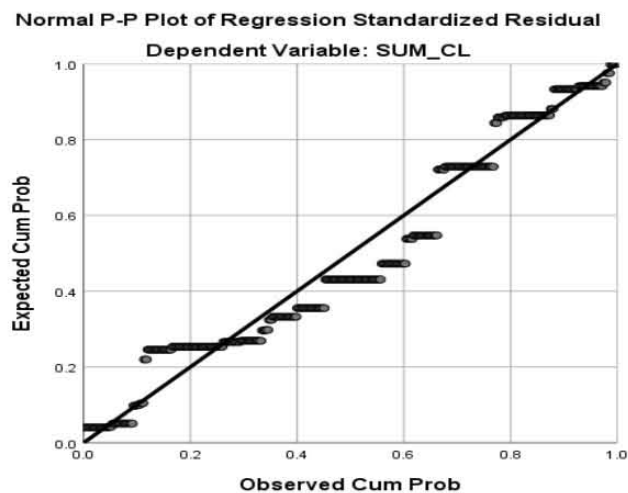
As Field (2009) noted, many statistical procedures assumed that the sampling distribution is normally distributed and so, if the sample data are approximately normal then the sampling distribution will be also. Among several ways to check for the normality assumptions for simple linear regression analysis, it is advisable to inspect to see if a distribution is normal through histogram and a P-P plot (probability–probability plot). Therefore, to establish the validity of these assumptions, the researcher also checks for the normality through P-P plot as follows.

**Figure 4. 1: Normality Test Using Histogram**



According to Krithikadatta (2014) a normal distribution looks like a symmetric bell-shaped curve, and the mean, median, and mode are equal or close to each other. Therefore figure 4.1 above show the underlying frequency distribution that look like bell-shaped curve.

**Figure 4. 2: Plot of Standardized Residuals**



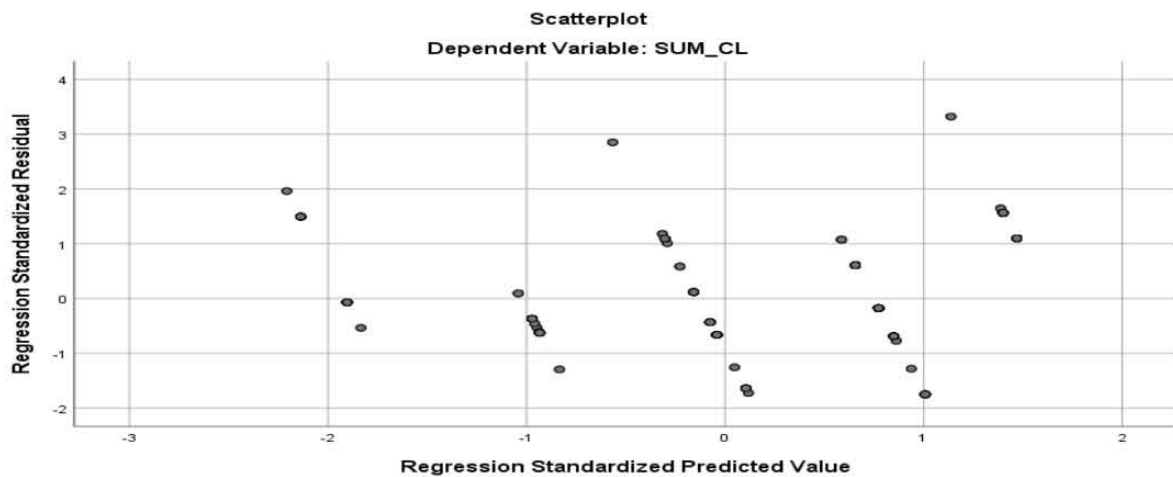
*Sources: Own Survey, computed in SPSS, 2023*

The normal probability plot also shows up deviations from normality. The straight line in this plot represents a normal distribution, and the points represent the observed residuals. Therefore, in a perfectly normally distributed data set, all points will lie on the line (Field, 2009). Likewise, as we seen in the above figure (figure 4.2), the dots are closely plotted to the straight line, which indicate a small or no deviation from normality and there are no extreme cases observed.

#### 4.5.2 Test for Homoscedasticity

The other assumption of multiple linear regressions is homoscedasticity; Homoscedasticity refers to equal variance of errors across all the independent variables (Osborne & Waters, 2002). This means that researchers assume that errors are spread out consistently between the variables (Keith, 2006). Statistical software scatter plots of residuals with independent variables are the method for examining this assumption (Keith, 2006). Therefore, the homoscedasticity of the study is tested using scatter plots.

**Figure 4. 3: Scatter Plots for test of Homoscedasticity**



*Sources: Own Survey, computed in SPSS, 2023*

Our plot of standardized regression residuals and standardized predicted values showed some observable signs of funnelling; suggesting the assumption of homoscedasticity, somehow has been met.

#### 4.5.3 Test for Autocorrelation

Regression analysis is based on uncorrelated error/residual terms for any two or more observations (Kothari, 2004). This assumption is tested for each regression procedure with the Durbin-Watson test, which test for correlation between variables residuals. The test statistic can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated (Field, 2009). A value greater than 2 indicates a negative correlation between adjacent residuals, whereas a value below 2 indicates a positive correlation. As a general rule, the residuals are independent (not correlated) if the Durbin-Watson statistic is approximately 2 see below table, and an acceptable range is 1.50 - 2.50 (Muluadam, 2015). In this study the Durbin-Watson value was 2.093, which is very close to 2, therefore it can be confirmed that the assumption of independent error has almost certainly been met.

Table 4. 15 Durbin-Watson Autocorrelation Test

Model	R	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change	Durbin-Watson
					F Change	df1	df2		
1	.990 <sup>a</sup>	.979	.03308	.979	2809.789	5	297	.000	<b>2.093</b>

Sources Own Survey, computed in SPSS, 2023

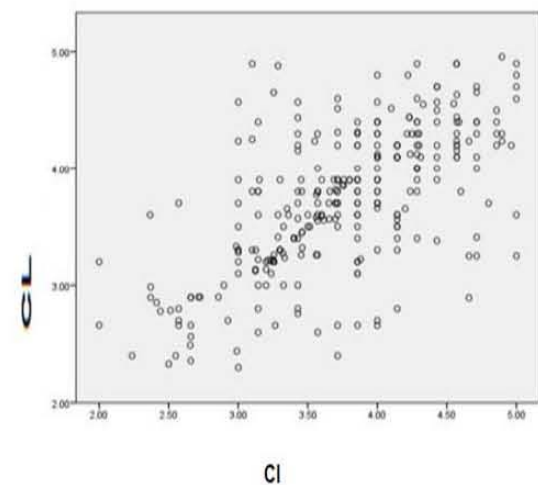
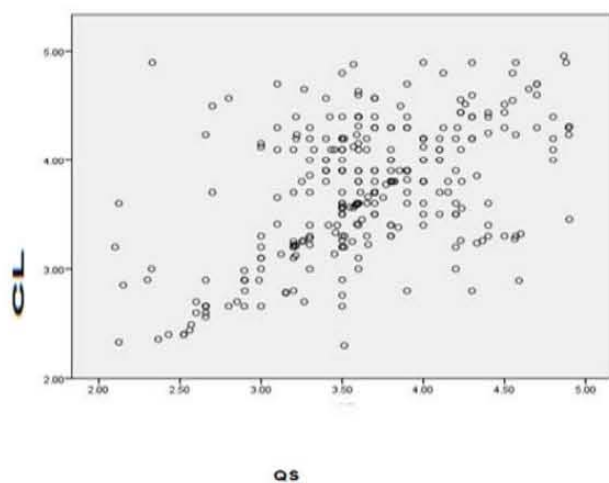
#### 4.5.4 Linearity

Since general linear model assume linearity, it is necessary testing for non-linearity. In this regard as Garson (2012) pointed out, simple inspection of scatter plots is a common method for determining if nonlinearity exists in a relationship. Consequently, the researcher run simple scatter plot to see if there is a linear relationship exists between the dependent and independent variables. Linearity test was conducted for each of the independent variable with the dependent variable and the scatter plots are indicated in figure 4.4. Looking at the scatter plot produced by SPSS, we can see that the relationship between the IV and the DV could be modelled by a straight line suggesting that the relationship between these variables is linear.

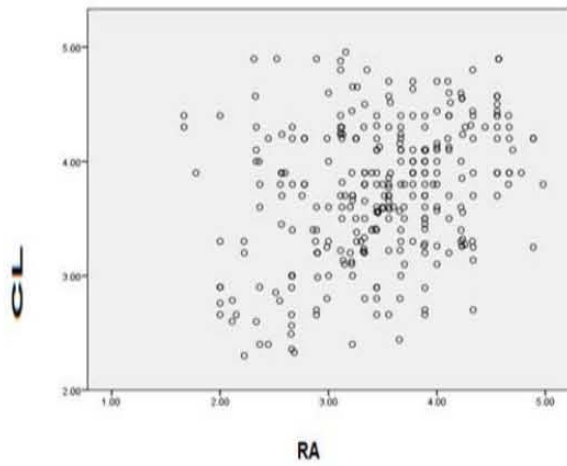
Figure 4. 4 Linearity Test Plots

1. Customers loyalty vs. Quality service

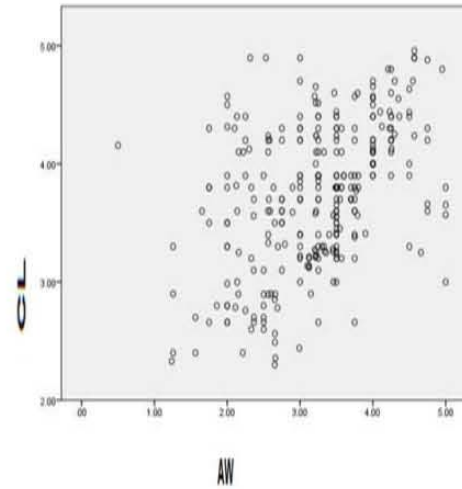
2. Customers loyalty vs. Customer Involvement



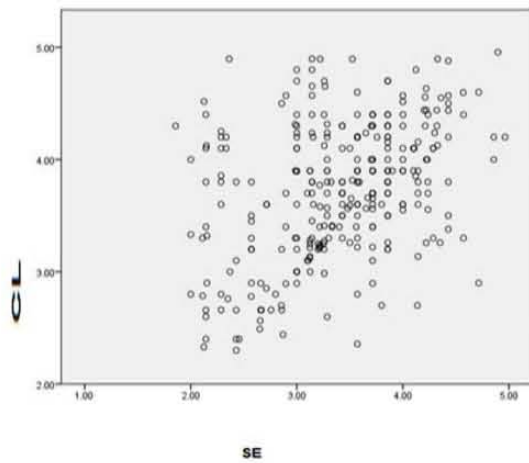
### 3. Customers loyalty vs. Relative Advantage



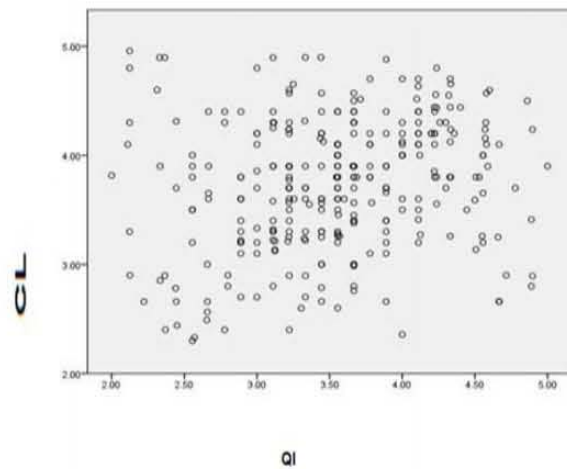
### 4. Customers loyalty vs. Awareness



### 5. Customers loyalty vs. Security



### 6. Customers loyalty vs. Quality Internet



Sources: Own Survey, computed in SPSS, 2023

#### 4.5.5 Tests for Multi-co linearity

In regression, multi co linearity occurs when independent variables in the regression model are highly correlated with each other than dependent variable. When the independent variables in the regression model are highly correlated with each other; they are basically measuring the same thing. One way to assess multi co linearity is to examine correlations among the independent variables. If a correlation matrix demonstrates correlation of 0.90 or

higher among the independent variables, they may be a problem with multi co linearity. Hair et al, (2006) argued that correlation coefficient below 0.90 may not cause serious multi co linearity problem, cited by Mohammed (2012). Multi-co linearity can also be detected using tolerance value and variance inflator factor (VIF) value. An insignificant tolerance value point to the variable under discussion is almost a perfect liner combination of the independent variables already in the equation and that it should be dropped out from to the equation.

**Table 4. 16 Test of Multi-co linearity**

SN	Variables	Co linearity Statistics	
		Tolerance	VIF
	(Constant)		
1	Quality Service	.422	2.368
2	Quality Internet	.208	4.818
3	Relative Advantage	.146	6.853
4	Awareness	.137	7.286
5	Security	.451	2.217

Source: Own Survey, computed in SPSS, 2023

Table 4.16 above shows that value of tolerance of each independent variable ranges from 0.137 to 0.451 and the value of variance inflation (VIF) factor ranges from 2.217 to 7.286, hence, the tolerance value in all independent variable were greater than 0.1 and the VIF values of all independent variables are less than 10, which indicate there is no multi-co linearity problem among the variables on this study.

#### 4.6 Regression Analysis

The model employed in this study is tested for assumptions of classical linear regression such as normality, multi co linearity, hetroscedasticity, autocorrelations, and the model satisfy the classical linear regression model assumptions that we are free to conduct the regression analysis and infer results for the population. Regression analysis is a statistical procedure used for estimating the relationships between one or more predictor variables and response variable. In order to test for the influence of each independent variable (High quality service, high quality internet, relative advantage, awareness and security) on dependent variable (Customers loyalty), multiple regression analysis was performed.

**Table 4. 17 Regression Analysis for Demographic Variables**

Model1		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
				Beta		
1	(Constant)	3.346	.114		29.285	.000
	AGE	-.032	.041	-.117	-.763	.446
	SEX	-.086	.070	-.172	-1.241	.216
	CITIZEN	.009	.065	.009	.142	.888
	EDU	-.003	.029	-.010	-.098	.922
	MON INCOME	.034	.027	.230	1.251	.212

a. Dependent Variable: SUM\_CL

b. Predictors: (Constant), MONINCOME, CITIZEN, EDU, SEX, AGE

Sources: Own Survey, computed in SPSS, 2023

The First regression was conducted for the possible effects of the demographic variables; as we can see from the above table demographic factors have a 0.8% ( $R^2=0.008$ ) variability over Customers loyalty and the only significant demographic variable was monthly income status ( $\beta = 0.230$ ,  $P < 0.05$ ). That is as the monthly income of customers is high or increases, it will carry statistically positive impact on the level of Customers loyalty.

**Table 4. 18: Regression Analysis for Independent Variable**

Model 2		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.746	.025		29.679	.000	.697	.796
	Quality service	.015	.004	.045	3.506	.001	-.023	-.006
	Quality Internet	.249	.014	.321	17.497	.000	.221	.277
	Relative Advantage	.068	.018	.083	3.805	.000	.033	.104
	Awareness	.408	.017	.546	24.220	.000	.375	.442
	Security	.114	.010	.146	11.749	.000	.095	.133

Dependent Variable: Customers loyalty

Sources: Own Survey, computed in SPSS, 2023

Note; \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

The result of regression analysis shows that quality service has a significant positive effect on Customers loyalty (sig.001). When quality service is increases by a single unit Customers loyalty will be increased by 0.045 (with the positive beta value of 0.045).

The result of regression analysis shows that quality internet has a significant positive effect on Customers loyalty (sig.000). When quality internet is increases by a single unit Customers loyalty will be increased by 0.321 (with the positive beta value of 0.321).

The result of regression analysis shows that relative advantage has a significant positive effect on Customers loyalty (sig.000). When relative advantage is increases by a single unit Customers loyalty will be increased by 0.083 (with the positive beta value of 0.083).

The result of regression analysis shows that awareness has a significant positive effect on Customers loyalty (sig.000). When awareness is increases by a single unit Customers loyalty will be increased by 0.546 (with the positive beta value of 0.546).

The result of regression analysis shows that security has a significant positive effect on Customers loyalty (sig.000). When security is increases by a single unit Customers loyalty will be increased by 0.146 (with the positive beta value of 0.146).

**Table 4. 19 Model 1 Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df1
1	.091 <sup>a</sup>	.008	-.008	.22892	.008	.501	5

a. Dependent Variable: SUM\_CL

b. Predictors: (Constant), MONINCOME, CITIZEN, EDU, SEX, AGE

Sources: Own Survey, computed in SPSS, 2023

The above (table 4.19) model 1 indicates, the demographic variables statistically predicting the overall level of Customers loyalty in Ethiopian Commercial banks. From the table the R value 0.091 indicate that the presence of weak correlation between the demographic variables and dependent variable. The value of R2 is 0.008 which indicate that the demographic variables explain 0.8% of the variations on the demographic variable.

**Table 4. 20: Model 2 Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df1
2	.989 <sup>a</sup>	.979	.978	.03368	.979	2707.768	5

a. Dependent Variable: SUM\_CL

b. Predictors: (Constant), SUM\_SE, SUM\_QI, SUM\_QS, SUM\_RA, SUM\_AW

*Source: Own Survey, computed in SPSS, 2023*

The above (table 4.20) indicates, the independent variables statistically predicting the overall level of Customers loyalty in Ethiopian Commercial banks. From the table the R value 0.989 indicate that the presence of strong correlation between the independent variables and dependent variable. The value of R2 0.979 which indicate that the independent variables explain 97.9% of the variations on the dependent variable with un explained factors of 3.1%. This indicate that 97.9% of the variance in Customers loyalty can be explained by the variance of the determinants of the aforementioned variable (high service quality, high quality internet, relative advantage, awareness and security) taking in to account the sample size and independent variables. Furthermore the standard error of the estimate is a measure of the variability of the multiple correlations. Therefore, as shown in the model summary for the regression analysis table 4.20 above the standard error estimate of this model summary is (.03368).

**Table 4. 21 : ANOVA result table**

		ANOVA <sup>a</sup>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.359	5	3.072	2707.768	.000 <sup>b</sup>
	Residual	.337	297	.001		
	Total	15.696	302			

Source: Own Survey, computed in SPSS, 2023

Note; \*  $p < 0.01$ , \*\*\* $p < 0.001$

a. Dependent Variable: SUM\_CL

b. Predictors: (Constant), SUM\_SE, SUM\_QI, SUM\_QS, SUM\_RA, SUM\_AW

The analysis of variance tells us whether the model overall results in a significantly good degree of prediction of the outcome variable. The regression Sum of squares is the difference between Total Sum of Squares and Residual Sum squares ( $TSS-RSS=15.696-0.337=15.359$ ). Here, each sum squares (i.e., Regression, residual and Total under the source column) has a corresponding degrees of freedom (df) associated with it. Total degree of freedom is  $n-1$  ( $df=303- 1=302$ ), one less than the number of observations. The regression degree of freedom for the above table is five (5), which is the number of independent variables (quality service, quality internet, relative advantage, awareness and security). The residual sum of squares (residual for left over) is sometimes known in the literatures as Error Sum of Squares is that part still cannot be accounted for after the regression model is fitted. It has 297 degrees of freedom ( $=302-5$ ) for this research paper. The mean squares are the sum of squares divided by the corresponding degrees of freedom. F-ratio is a measure of how much the model has improved the prediction of the dependent variable (Customers loyalty) compared to the level of in accuracy of the model (Field, 2009).

In general the above ANOVA (table 4.21) shows a strong relationship between the dependent and independent variables of the study with F-statistic or F- ratio of 27.07 for the overall analysis, and is worth-mentioning that the F- value is highly significant (as  $p=.000<.01$ )

The significant level in ANOVA table shows that the combination of the variables significantly predicts the dependent variable.

#### 4.6.1 Test of Significance

Coefficient table shows which variables are individually significant predictors of the dependent variable through the standardized Beta coefficient which show the contribution of individual variables. The Beta Weight is the average amount the dependent variable increases when the independent variable increase by one standard deviation (all other independent variables are being held constant).

**Table 4. 22 : Regression Coefficients of the Variables**

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.782	.023		33.759	.000
	QS	.011	.010	.015	1.138	.256
	QI	.237	.015	.305	15.495	.000
	RA	.063	.018	.077	3.439	.001
	AW	.397	.017	.530	23.622	.000
	SE	.105	.010	.135	10.360	.000

*Source: Own Survey, computed in SPSS, 2023*

- a. Dependent Variable: CL
- b. Predictors: (Constant), QS, QI, RA, AW, SE, CI

Note; \*  $p < 0.01$ , \*\*\* $p < 0.001$

The beta value in the coefficient table tells in what degree each independent variable affects the outcome if the effects of all other predictors are held constant. Each of the beta values has an associated standard error indicating to what extent these values would vary across different samples, and these standard errors are used to determine whether or not beta value differ significantly from zero.

The t-test associated with p-value is significance (p or sig value is less than 0.05) then the predictor is making significant contribution to the model the smaller the value of the sign (the larger the value of t) the greater the contribution of that predictor.

Table 4.22: indicated that the influence of the quality of service, quality internet, relative advantage, awareness and security on Customers loyalty in Ethiopian commercial banks.

QI (t = 15.459,  $P < 0.05$ ), RA (t = 3.439,  $P < 0.05$ ), AW (t = 23.622,  $P < 0.05$ ) and SE (t=10.36) found to be the strongest and statistically significant influence on Customers

loyalty. Although, QS ( $t = 1.138$ ,  $P > 0.00$ ) found to be insignificant in predicting Customers loyalty.

The regression coefficient  $\beta$  represents the change in the outcome resulting from a unit change in the predictor and that if a predictor is having a significant impact to predict the outcome then this  $\beta$  should be different from 0 (and big relative to its standard error).

The p-value is less than 0.05 for all the variables except QS hence, it indicates that the 4 independent variables are significant predictor of Customers loyalty (dependent variable) and QS found to be statistically insignificant in predicting Customers loyalty.

Therefore, the  $\beta$  is different from 0 and the researcher found that the predictor variables make a statistically significant contribution in predicting Customers loyalty, QI ( $\beta_1$ ) = .237, RA ( $\beta_2$ ) = .063, AW ( $\beta_4$ ) = .397, SE ( $\beta_6$ ) = .105 and are statistically significant variables in predicting Customers loyalty. Whereas QS ( $\beta_6$ ) = .011 statistically insignificant relationship with Customers loyalty since its p-value is greater than 0.05.

The above table (table 4.22) also shows each of these beta values has an associated standard error indicating to what extent these values would vary across different samples, and these standard errors are used to determine whether or not the  $\beta$  – value differs significantly from zero.

#### 4.7 Moderation analysis

To test for moderation we first construct a new variable defined as the product of scores on the predictor and moderator variable. This is called an interaction or product term. We then include this interaction term as a predictor in a regression model along with both predictors and the product terms as predictors. Therefore for the purpose of this study the hierarchical regression model was employed, in accordance with Cohen and Cohen (1983), to determine the moderation effect of customer involvement on the relationship between the independent variables and Customers loyalty.

Thus, first the predictor variables (separately) are entered into the regression equation to test their main effects. This is followed by the interaction term which is generated by multiplying each predictor by the moderator. This process is conducted using hierarchical regression method (Cohen & Cohen, 1983). Then if the change in the predicting capacity of the model ( $R^2$ ) for the interaction term is statistically significant, it is said to have a moderating effect, and the moderator hypothesis is supported (Aldwin, 1994; Baron & Kenny, 1986).

**Table 4. 23 : Hierarchical regression results for the interaction effect of quality service and customers involvement on Customers loyalty.**

Mod	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.879 <sup>a</sup>	.773	.771	.10908	.773	340.087	3	299	.000

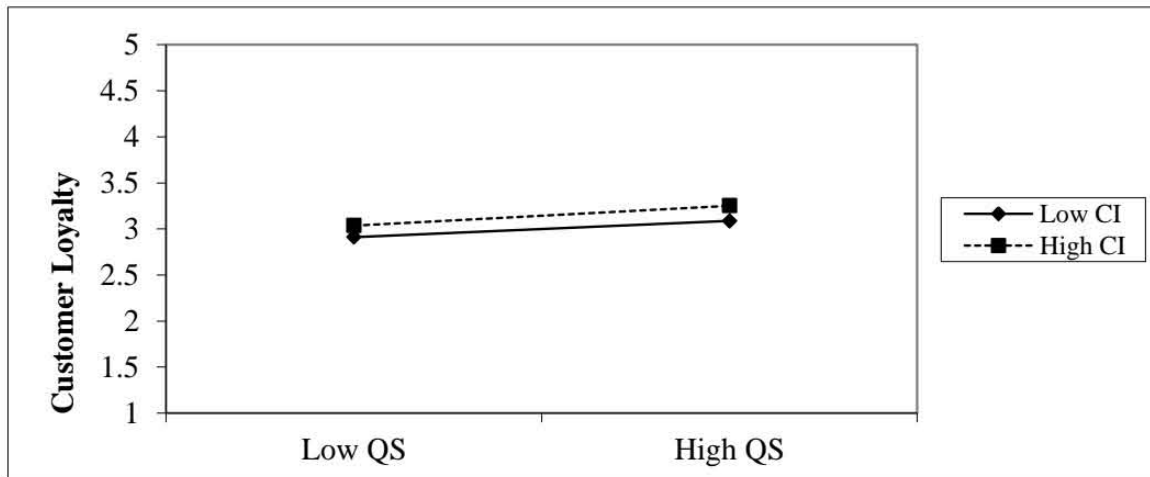
*Source: Own Survey, computed in SPSS, 2023*

Notes; Note; \*  $p < 0.05$ , \*\* $p < 0.01$ , \*\*\* $p < 0.001$

Given our hypothesize that customer involvement will moderate the relationship between quality service and Customers loyalty is also tested in the above table (table 4.23) As shown in the table the main effects model validate a Significant and positive regression for quality service ( $\beta = 0.384$ ,  $P < 0.05$ ) and customer involvement ( $\beta = 0.631$ ,  $P < 0.05$ ) which constitute a total variability of ( $R^2 = 0.437$ ,  $p, 0.001$ ). Therefore the model justifies existence of statistically direct significant relationship between predictors (quality service) and Customers loyalty.

The above hierarchical model tests the moderating effect of customer involvement on the relationship between quality service and Customers loyalty. As shown in model (Table 4.23), there is significant interaction between customer involvement and quality service to predict Customers loyalty ( $\beta = .125$ ,  $p > 0.05$ ) which can also be explained by the change in the variability of the model beyond that due to the main effects ( $R^2$  Change = 0.773,  $p > 0.912$ ). Which illustrate the interaction having significant  $R^2$  change, therefore it can be inferred that customer involvement moderate the relationship between quality service and Customers loyalty.

**Figure 4. 5. Conditional effect of interaction variables**



Gradient of slope for Low CI	<b>0.088</b>
t-value of slope for Low CI	<b>1.968</b>
p-value of slope for Low CI	<b>0.050</b>
Gradient of slope for High CI	<b>0.108</b>
t-value of slope for High CI	<b>0.986</b>
p-value of slope for High CI	<b>0.325</b>

Source; Hayes process model 1 version 3.3, two way linear interaction (2023)

The above figure (figure 4.5) indicates that quality service does not have significant contribution on Customers loyalty with low and high level of customer involvement. With high level of customer’s involvement the moderation effect become insignificant. That means providing quality service for customers with high level of customer involvement will not bring a significant effect on the level of loyalty.

**Table 4. 24: Hierarchical regression results for the interaction effect of quality internet and customers involvement on Customers loyalty**

Mod	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.945 <sup>a</sup>	.893	.892	.07482	.893	834.907	3	299	.000

a. Dependent Variable: SUM\_CL

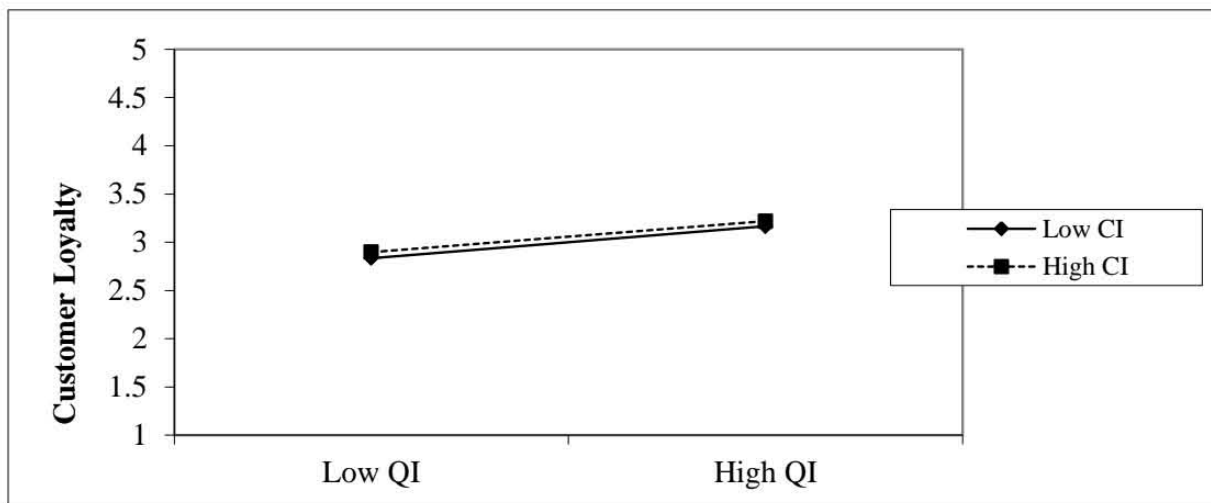
b. Predictors: (Constant), intersectQICI, Zscore(SUM\_QI), Zscore(SUM\_CI)

**Source:** Own Survey, computed in SPSS, 2023

Note; \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

The above regression table (table 4.24) illustrate that the model testing a main effects of quality internet and customers involvement is statistically insignificant, quality internet ( $\beta = 0.722, P > 0.05$ ) and customer involvement ( $B = 0.256, P < 0.05$ ) which constitute a total variability of ( $R^2 = 0.945, p < 0.001$ ). However, the direct effect of predictor variables (Quality internet and customer involvement) is not positively significant in predicting Customers loyalty. The hierarchical model which test the interaction effect (QI \* CI) in predicting Customers loyalty shows there is insignificant interaction between quality internet and customer involvement ( $\beta = -0.024, P > 0.05$ ) which can also be explained by the change in the variability of the model beyond that due to the main effects ( $R^2 \text{ Change} = 0.893, P > 0.244$ ). Which shows the change in the variability of the model is statistically insignificant, therefore it can be stated that customer involvement does not moderate the relationship between quality internet and Customers loyalty.

**Figure 4. 6. Conditional effect of interaction variables**



Gradient of slope for Low CI	<b>0.165</b>
t-value of slope for Low CI	<b>3.690</b>
p-value of slope for Low CI	<b>0.000</b>
Gradient of slope for High CI	<b>0.160</b>
t-value of slope for High CI	<b>1.461</b>
p-value of slope for High CI	<b>0.145</b>

Source; Hayes process model 1 version 3.3, two way linear interaction (2023)

Here also as we can read from the figure that quality internet does not have a significant contribution on Customers loyalty with low and high level of customer involvement. With

high level of customer involvement the moderation effect become insignificant, that means providing quality internet sachem with high level of customer involvement will not have a significant effect on the level of Customers loyalty.

**Table 4. 25: Hierarchical regression results for the interaction effect of relative advantage and customer involvement on Customers loyalty.**

Mod	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.934 <sup>a</sup>	.873	.872	.08170	.873	684.242	3	299	.856

a. Dependent Variable: SUM\_CL

b. Predictors: (Constant), intersectRACl, Zscore(SUM\_RA), Zscore(SUM\_CI)

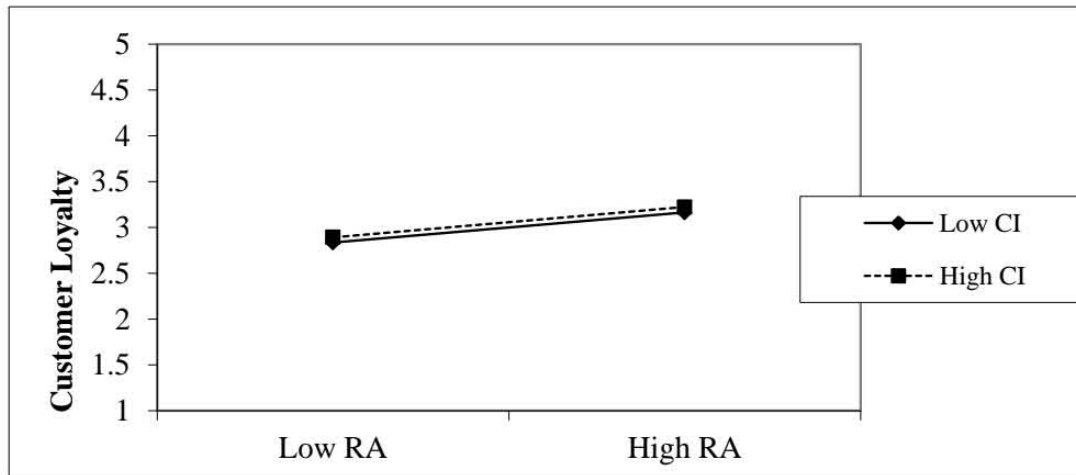
**Source:** Own Survey, computed in two-way liner interaction, 2023

Notes; Note; \*  $p < 0.05$ , \*\* $p < 0.01$ , \*\*\* $p < 0.001$

We also hypothesize that customer involvement would moderate the relationship relative advantage and Customers loyalty. As shown in (Table 4. 25) which is testing a main effects yielding statistically significant and positive regression result for relative advantage ( $B=0.718$ ,  $P < 0.05$ ) and customer involvement ( $B = 0.253$ ,  $p < 0.05$ ) which constitute a total variability of ( $R^2 = 0.934$ ,  $p=000$ ). Therefore the model which tests the direct effects of relative advantage and customer involvement is significant.

The model tells us there is insignificant interaction between customer involvement and relative advantage in predicting Customers loyalty ( $B = 0.004$ ,  $p > 0.05$ ) that explained variance in the model beyond that due to the main effects ( $R^2$  change =  $0.873$ ,  $p > 0.011$ ). Therefore when the relative advantage is moderated by customer involvement its variability in predicting Customers loyalty increase by  $0.873\%$  ( $R^2$  change =  $0.873$ ,  $p > 0.011$ ).

**Figure 4. 7: Conditional effect of interaction variables**



Gradient of slope for Low CI	<b>0.164</b>
t-value of slope for Low CI	<b>3.667</b>
p-value of slope for Low CI	<b>0.000</b>
Gradient of slope for High CI	<b>0.165</b>
t-value of slope for High CI	<b>1.506</b>
p-value of slope for High CI	<b>0.133</b>

Source; Hayes process model 1 version 3.3, two way linear interaction (2023)

The above figure (figure 4.6) clearly indicates that relative advantage will have a significant contribution on Customers loyalty with low and medium level of customer involvement. With high level of customer involvement the moderation effect become insignificant. That means providing advantage for customers with high level of customer involvement will not bring a significant effect on the level of Customers loyalty.

**Table 4. 26: Hierarchical regression results for the interaction effect of awareness and customer involvement on Customers loyalty**

Mod	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.980 <sup>a</sup>	.960	.959	.04597	.960	2375.837	3	299	.000

a. Dependent Variable: SUM\_CL

b. Predictors: (Constant), intersectAWCI, Zscore(SUM\_AW), Zscore(SUM\_CI)

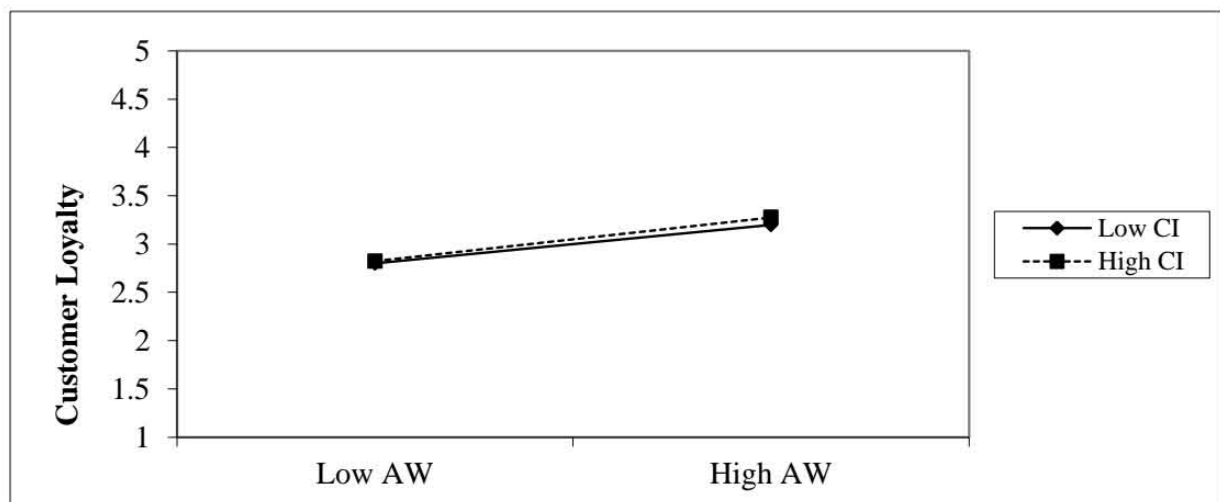
**Source:** Own Survey, computed in SPSS, 2023

Note; \* p<0.05, \*\*p < 0.01, \*\*\*p < 0.001

The above regression table (table 4.26) illustrate that the model testing a main effects of awareness and customer involvement is statistically significant, awareness ( $\beta = 0.873$ ,  $P < 0.05$ ) and customer involvement ( $B = 0.214$ ,  $p < 0.05$ ) which constitute a total variability of ( $R^2 = 0.96$ ,  $p < 0.001$ ). Thus the direct effect of predictor variables (awareness, customer involvement) is positively significant in predicting Customers loyalty.

The hierarchical model which test the interaction effect (awareness \* customer involvement) in predicting Customers loyalty shows there is strictly significant interaction between customer involvement and awareness ( $\beta = 0.149$ ,  $p < 0.05$ ) which can also be explained by the change in the variability of the model beyond that due to the main effects ( $R^2$  Change = 0.96). Which shows the change in the variability of the model is statistically significant, therefore it can be stated that customer involvement moderate the relationship between awareness and Customers loyalty.

**Figure 4. 8. Conditional effect of interaction variables**



Gradient of slope for Low CI	<b>0.199</b>
t-value of slope for Low CI	<b>4.450</b>
p-value of slope for Low CI	<b>0.000</b>
Gradient of slope for High CI	<b>0.226</b>
t-value of slope for High CI	<b>2.063</b>
p-value of slope for High CI	<b>0.040</b>

Source; Hayes process model 1 version 3.3, two way linear interaction (2023)

Here also as we can read from the figure that awareness will have a significant contribution on Customers loyalty with low and high level of customer involvement. With high level of customer involvement the moderation effect become significant, that is providing awareness

sachem for customers with high level of customer involvement will have a significant effect on the level of Customers loyalty.

**Table 4. 27: Hierarchical regression results for the interaction effect of security and customer involvement on Customers loyalty**

Mod	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.939 <sup>a</sup>	.882	.881	.07877	.882	743.556	3	299	.000

a. Dependent Variable: SUM\_CL

b. Predictors: (Constant), intersectSECI, Zscore(SUM\_CI), Zscore(SUM\_SE)

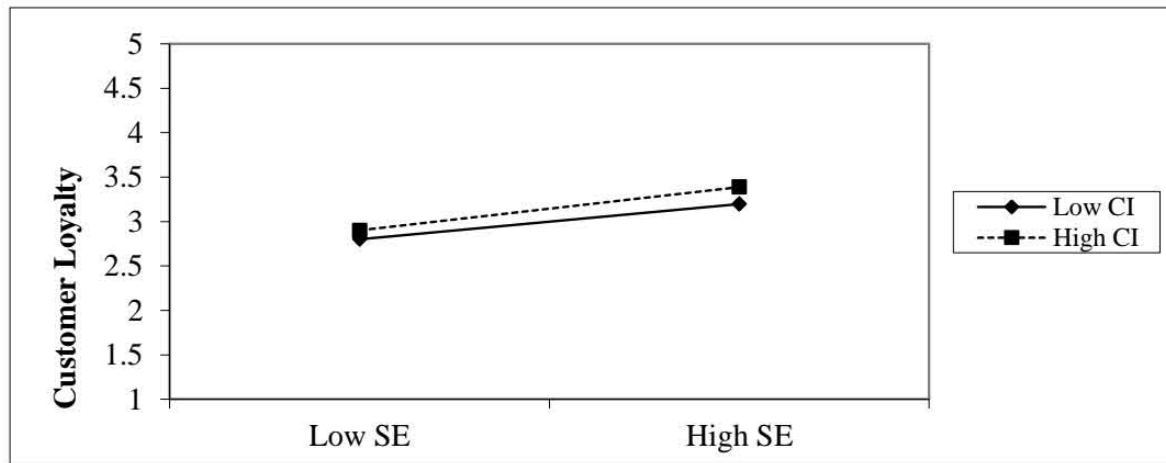
**Source:** Own Survey, computed in SPSS, 2023

Note; \* p<0.05, \*\*p < 0.01, \*\*\*p < 0.001

Given our hypothesize that customer involvement will moderate the relationship between security and customers loyalty is also tested in the above table (table 4.27) As shown in the table the main effects model 1 validate a significant and positive regression for security ( $\beta = 0.52$ ,  $P < 0.05$ ) and customer involvement ( $\beta = 0.638$ ,  $P < 0.05$ ) which constitute a total variability of ( $R^2 = 0.939$ ,  $P < 0.001$ ). Therefore the model justifies existence of statistically direct significant relationship between predictors (security and customer involvement) and customers' loyalty.

The hierarchical regression Table 4.27 also illustrate existence of statistically significant interaction between customer involvement and security in predicting customers loyalty ( $\beta = 0.203$ ,  $P < 0.05$ ) that explained variance in the model beyond that due to the main effects ( $R^2$  change = 0.882,  $P < 0.05$ ). This explains the predictability of independent variables (security and customer involvement) will increase due to their interaction to predict customers' loyalty.

**Figure 4. 9: Conditional effect of interaction variables**



Gradient of slope for Low CI	<b>0.199</b>
t-value of slope for Low CI	<b>4.450</b>
p-value of slope for Low CI	<b>0.000</b>
Gradient of slope for High CI	<b>0.244</b>
t-value of slope for High CI	<b>2.227</b>
p-value of slope for High CI	<b>0.027</b>

Source; Hayes process model 1 version 3.3, two way linear interaction (2023)

Here also as we can read from the figure that security will have a significant contribution on customers' loyalty with low and high level of customer involvement. With high level of customer involvement the moderation effect become significant, that is providing security sachem for customers with high level of involvement will have a significant effect on the level of customers' loyalty.

Generally the moderation analysis (hierarchical moderation analysis) tells us customer involvement significantly moderate the relationship between the predictors (security and awareness) and customer's loyalty. The result also shows customer involvement has no significant effect in moderating the relationship between the predictors (quality service, quality internet and relative advantage) and Customers loyalty.

#### **4.8 Summary of Findings and Discussion**

This part of the study presents the summary and discussion of the findings of the results. We have presented the findings of the study regarding influence of quality service, quality internet, relative advantage, awareness, security and customer involvement on the level of customers' loyalty. Additional inferential statistics such as correlation, multiple regressions and hierarchical regression were conducted to have clear perception to measure the degree of

differences in the relationship between the independent variables and the dependent variable. So to retreat findings the summary and discussion part is accordance of the objective of the study and in light of the study in this filed in order to successfully address the research objectives that this study initiated, therefore All hypotheses (*H1, H2, H3, H4, and H5*) were tested using multiple regressions to find out whether those hypothesis proposed in this study are acceptable or not. Meanwhile the last hypothesis (*H6*) were tested using hierarchical regression (moderation) analysis and Hayes process model 1 version 3.3 in order to find the moderation role of customer involvement.

The study result showed that quality service, quality internet , relative advantage, awareness, and security are significant joint predictors of customers loyalty with  $R^2 = 0.979$ ;  $F(6, 82) = 2707.768$ ,  $P < 0.01$ ). The variability of the dependent variable jointly 97.9% explained by predictor variables, while the remaining 2.1% could be due to the effect of extraneous variables.

Therefore, the above findings and discussions address to the objectives pertaining to what the factors are affecting customers loyalty in commercial banks of Ethiopia. As stated already, mostly the factors driving customer loyalty regardless with is e-banking service are quality service, quality internet, relative advantage, awareness and security This study also revealed that, the variable with the strongest influence in affecting customers loyalty is a person's level of customers involvement and the products and services of the individuals use. Therefore based on the above findings and discussion the following hypothesis result summary is presented.

Regarding the moderation analysis (hierarchical moderation analysis) the finding show us that customer involvement partially moderate the relationship between the predictors and Customers loyalty. Customer involvement significantly moderates the relationship between the predictors (security and awareness) and Customers loyalty. The result also shows customer involvement has no significant effect in moderating the relationship between the predictors (quality service, quality internet and relative advantage) and Customers loyalty.

**Table 4. 28: Hypotheses Testing and Result**

S.N	Hypotheses	Result	Reason
1	<p><i>H0</i>: A quality service has no significant positive effect on Customers loyalty in Ethiopian commercial banks.</p> <p><i>H1</i>: A quality service has significant positive effect on Customers loyalty in Ethiopian commercial banks.</p>	<p>H0:Rejected</p> <p>H1:Fail to reject</p>	sig=0.045,P<0.05
2	<p><i>H0</i>: A quality internet has no significant positive effect on Customers loyalty in Ethiopian commercial banks.</p> <p><i>H1</i>: A quality internet has significant positive effect on Customers loyalty in Ethiopian commercial banks.</p>	<p>H0:Rejected</p> <p>H1:Fail to reject</p>	sig=0.321,P<0.05
3	<p><i>H0</i>: Relative advantage has no significant positive effect on Customers loyalty in Ethiopian commercial banks.</p> <p><i>H1</i>: Relative advantage has significant positive effect on Customers loyalty in Ethiopian commercial banks.</p>	<p>H0:Rejected</p> <p>H1:Fail to reject</p>	sig=0.083,P<0.05
4	<p><i>H0</i>: Awareness has no significant positive effect on Customers loyalty in Ethiopian commercial banks.</p> <p><i>H1</i>: Awareness has significant positive effect on Customers loyalty in Ethiopian commercial banks.</p>	<p>H0:Rejected</p> <p>H1:Fail to reject</p>	sig=0.546,P<0.05
5	<p><i>H0</i>: Security has no significant positive effect on Customers loyalty in Ethiopian commercial banks.</p> <p><i>H1</i>: Security has significant positive effect on Customers loyalty in Ethiopian commercial banks.</p>	<p>H0:Rejected</p> <p>H1:Fall to reject</p>	sig=0.146,P<0.05

6	Customer involvement moderates the relationship between the antecedents and Customers loyalty.	-	-
	customer involvement*quality service	Fall to reject	Sig =0.325, P>0.05
	customer involvement*quality internet	Fall to reject	sig=0.145,P>0.05
	customer involvement*relative advantage	Fall to reject	sig=0.133,P>0.05
	customer involvement*awareness	Rejected	sig= 0.040 ,P <0.05
	customer involvement*security	Rejected	sig=0.027,P<0.05

Source: own analysis

## Discussion

**H1:** There is positive relationship between **quality service and** Customers loyalty

According to Aryani and Rosinta (2010), expanding customer-based, it is hoped that customers will not be vulnerable to changes in interest rates and that banks can still get the right margin. Amin (2016) that indicates internet banking service quality and its implication on e-customer satisfaction and e-Customers loyalty. In this study as shown from the result of table 4.17 shows that standardized coefficient beta and p value of **quality service** was significant (beta=.045,p<0.05).Therefore,H1is fail to reject.

**H2:** There is positive relationship between **quality internet and** Customers loyalty

Agreed with the findings of Amin(2016) ,as shown from the result of table 4.17 shows that standardized coefficient beta and p value of quality internet was significant (beta=.321,p<0.05).Therefore, H1is fail to reject.

**H3:** There is positive relationship between **awareness and** Customers loyalty

Awareness is measured by Sathye (1999) cited on awareness of electronic banking and the customer's level of satisfaction. As shown from the result of table 4.17 shows that standardized coefficient beta and p value of **awareness** was significant (beta=.546, p<0.05).Therefore, H1is fail to reject.

**H4:** There is positive relationship between **relative advantage and** Customers loyalty

Agreed with the findings of Lurn and Len (2005) toward an understanding of the behavioural intention to use e-banking, this study shows from the result of table 4.17 that

standardized coefficient beta and p value of **relative advantage** was significant(beta=.083,p<0.05). Therefore, H1 is fail to reject.

**H5:** There is positive relationship between **security and** Customers loyalty

Security is adopted from the dimension of service quality and its impact on customer satisfaction, trust, and loyalty by Lee and Moghavvemi (2015). Agreed with the findings of Hamad(2010), this study shows from the result of table 4.17 that standardized coefficient beta and p value of **security** was significant (beta=.146, p<0.05).Therefore, H1 is fail to reject.

**H6:** customer involvement moderates the positive relationship between electronic banking service measured by service dimensions and Customers loyalty.

The findings of this study revealed that customer involvement partially moderate in the relationship between e-banking service dimensions and Customers loyalty.

In this study customer involvement is adopted from the influence of e-banking service quality on Customers loyalty by Amit (2018), unlike from this measurement customer involvement moderates only relationship between relative advantage and Customers loyalty. As shown from the result of table 4.17 shows that standardized coefficient beta and p value of relative advantage and customer involvement together was significant (beta=.856,p<0.05).Therefore, This hypothesis is failed to reject.

## Chapter Five

### 5 Conclusion and Recommendations

In the chapter, a discussion about conclusion taken as the result from analysis and some possible recommendations that can be helpful for practitioners and future researchers are presented as follows.

#### 5.1 Conclusions

The sight of this research was to explore factors affecting Customers loyalty on commercial banks in Ethiopia I sort out five variables as dimension to navigate Customers loyalty and a variable (customer involvement) as a moderator. For that reason based on my model, I conducted the analysis by using different statistical techniques like descriptive, correlation, regression, and hierarchical regression and Hayes model 1.

The following conclusions were drawn from the analysis made

In accordance with to the total mean value customers show their agreement towards the determinants of Customers loyalty, and scored a minimum score for quality internet to the maximum score for customer involvement.

Customers loyalty were positively correlated with all the variables under this study and among Customers loyalty determinatives considered in the research, the dependent variable Customers loyalty was the most correlated variable with customer involvement followed by quality service versus Customers loyalty. It happened to be a moderate positive relationship between independent variables (relative advantage and security) with Customers loyalty and the correlation between quality internet and Customers loyalty is relatively the lowest correlation.

From the result we come to the conclusion that, there must be prime concern among determinatives of Customers loyalty to consider in the research while in need of implementing loyalty strategies in the banking industries.

Besides, the potentiality of the independent variables in describing overall Customers loyalty level of Ethiopian commercial banks has found that the dependent variable was positively described by the 6(six) determinatives namely quality service, quality internet, relative

advantage, awareness, security and customer involvement which are found as significant joint predictors of Customers loyalty.

The independent variable in the research has positive correlations with Customers loyalty which exhibit the independent variables have positive relationship with Customers loyalty.

Concerning to the objective of this study analyzed results referring to what are the factors affecting Customers loyalty in commercial banks of Ethiopia indicates mostly the factors affecting Customers loyalty are four these are quality service, customer involvement, awareness and security. The variables which are found to be insignificant in affecting the level of Customers loyalty are two Quality internet and relative advantages. The study also give away that, the variables with the strongest impact in affecting Customers loyalty is a individual's level of customer involvement and the features/attributes of the e-banking product/service individuals uses.

With respect to the moderation analysis this research criticize that customer involvement partially moderate the relationship between the variables and Customers loyalty, However customer involvement significantly moderates the outcome of relative advantage, security and quality internet on Customers loyalty, therefore its concluded that the level of customer involvement on customers circumscribe will show how an individual's respond to those predictors.

## 5.2 Recommendations

The findings/discoveries of this study have confidence to have some practical implications. These shows areas of arbitration to enhance for gaining the most desirable Customers loyalty level in commercial banks of Ethiopia. In accordance with this, based on the research findings and the conclusion the following recommendations are made.

- To remain competitive through loyal customer's top managers must examine and consider digitalization redesign and enrichment with possible insertion of the fundamental products and services (i.e., ATM infrastructure, mobile banking and internet banking platform, and other payment HUB)
- The results indicate that relative advantage has no impact on Customers loyalty when individuals hasn't favored with customer involvement. So the extent customer involvement they possess on the banking industry can indicate top managers' to

decide to whether they should come up with advantage to affect loyalty or not. Thus relative advantage may have different impression in developing loyalty with different level of customer involvement. As a result authorized managers should add/ modify unique advantage to the customers and simultaneously developing individual's involvement that would result Customers loyalty.

- In the circumstance with this study, it would come into sight that the security associated with privacy program creates a sense of responsibility on the part of customers who do the same (in return) with higher levels of usage of the products and service of e-banking. Thus, bank that desire to enhance Customers loyalty should focus on improving customer's understanding of security and confidentiality they gain from their bank.
- Manual banking is mostly used by some Electronic banking customers. Hence, the authorized body should persuade to create awareness and to resolve ATM frequent breakdown problems as a means to build consumer trust on electronic banking adoption.
- Banks should assess which type of resources and benefits are more preferred by their customers and to create a sense of ownership that is hand backed with higher levels of loyalty. Authorized persons and or all staff members also need to create opportunities for awareness, involvement and betterment programs to develop customer confidence that will trainee them to try and use the resource effectively.
- Managers in digital banking department for the purpose of Customers loyalty need to consider technological changes, because technology is dynamic and customers updated themselves. Make drivers of Customers loyalty and customer involvement given the features of e-banking customers.
- In general results shown from this research give support for employ each variable studied in development of different customer relationship management practice around loyalty and carry out involvement that increase Customers loyalty and impact institutional outcome variables.
- Similar to most service providing sectors, the banking industry also need large number of customers which are loyal that creates a need to look over their loyalty level of the banks.
- As we can see from the study, that majority of the bank electronic banking customers or the respondents are males. That is unjust, in Ethiopia where feminist groups are

nowadays fighting for women empowerment. Therefore, suggested that the higher officials take notice of this situation create some gender balance in future services.

- Continuous research activities must involve by the banks and the stakeholders to assess the customer's needs and wants for further enhancement of the electronic banking services.
- Like awareness, disturbance of electronic banking equipment, trust issues of the system and bank has its own factors positively affect customer comfort on electronic banking so the banking industry should put consideration to these dimensions in order to increase their customers' confidence level.

Furthermore, the implementation of Customers loyalty must be seriously examined in achieving strategic goals.

### **5.3 Limitation of the Study**

Study cannot be without limitations, there are various limitations which we noticed as opportunities for future research. First, we focused on six determinants. Including other resources such as organizational culture, personality and human resources management practices could enrich the model. As we have indicated in chapter three the data in this study was obtained using self-report measures, and the results may be contaminated by the variance of the common method. It would be appropriate to complement these measurements with others obtained with different methods. The other limitation would be our use of a sample consisting of a range of companies. Even if the study tested for all assumptions for making inference, caution should be used when generalizing the current study result. Considering the predictors for organizational and job engagement as identical, which may have a significant differences.

### **5.4 Future Research Direction**

While studying factors affecting Customers loyalty, I addressed the stated objective by using statistical methods and following the research methodology. Hence, this study addressed the research problems, draws conclusion and give insight recommendations. The study may give a better result if some of the limitations won't be there. For example, the research used questionnaire method among many survey data collection techniques in cross sectional time horizon which is less time consuming. However, there would have been better size of collected data if we have long time to convince some of target respondents. Additionally, I believed that, there are topics left over in this study due to the scope limitation and other

factors to add broad view in to the subject. Thus, limitations of this study and future research directions are listed in the following points.

- ❖ To explore other capable independent variable of Customers loyalty such as responsiveness, web aesthetic, and assurance by which the extent of the study can be elaborated and supplemented by adding more variables under theoretical framework.
- ❖ To explore moderating role of other personal traits such us customer trust in analyzing factors affecting Customers loyalty.
- ❖ The study employed only quantitative research method and observes only e-banking product/service customers, however, future researchers may apply mixed approach in their data type; to include interviews, and document review and put in to consideration institutional unit of analysis.
- ❖ The level and factors affecting Customers loyalty in different industries might be carried out for a possible remarkable difference.

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## Questioners

Dear Study Participants,

This study is designed to gather information on “The Moderating Role of Customer Involvement in the Relationship between Electronic Banking Service Dimensions and Customer Loyalty: in case of Commercial Banks in Ethiopia” in the completion of my Master’s Degree in Business Administration (MBA) at Addis Ababa University. Your genuine voluntary response has significant value for the completion of this thesis and the information you provide will only be used for academic purpose and will be kept strictly confidential. You do not need to write your name or personal issues. I would like to thank you for your cooperation.

With best regards!

Betelhem Molla

### Part 1. Demographic Characteristic

1. **Age:** 18-24  25-34  35 - 44  45 – 54  55-bove
2. **Gender:** Male  Female
3. **Citizen:** Ethiopian  Non Ethiopian
4. **Educational background:** Reading and Writing  ≤ 6  6-12  Diploma   
Degree  Master’s degree above
5. **Monthly income (In Birr):** ≤ 5,000  5,000-10,000  10,001-15,000   
15,001-20,000  20,001 and above

### Part 2. E-Banking Service dimensions

#### Instructions

Please put a tick (✓) mark that indicates your agreement or disagreement parallel to numbers from 1 to 5 using the scale below.

1 = strongly disagree

4 = agree

2 = disagree

5 = strongly agree

3 = Neutral

No	Item	Degree of Rank				
		1	2	3	4	5
<b>A.</b>	<b>Quality Service</b>					
1	I feel completely safe when doing transactions on the website of the bank.					
2	I feel that my personal/financial needs are met when using the website of the bank.					
3	The website of banks is user friendly					
4	Confidentiality of customer data on the website of banks is ensured.					
<b>B</b>	<b>Quality Internet/System Quality</b>					
1	The bank website is easy to use.					
2	The bank is well organized in e-banking infrastructure.					
3	It is easy to navigate on the bank website.					
4	I can do a transaction quickly on the bank website.					
<b>C</b>	<b>Relative Advantage</b>					
1	Electronic banking helped in better managing of personal finances.					
2	I perceive value in managing my finances electronically.					
3	I get enough advantages exist in electronic banking for consideration to use banking service.					
4	I perceive ease-of-use in the use of electronic banking services.					
<b>D</b>	<b>Awareness</b>					
1	The bank advertises and teaches the customers to use e-banking through mass media.					
2	I got informed about the service of e-banking outside the bank.					
3	I have been informed about the allowed transaction limit using e-banking channels.					
4	I have been informed about the risks I may face when using e-banking service.					

5	I have been informed about the service fees and charges when using e-banking service.					
<b>E</b>	<b>Security</b>					
1	My bank maintains error-free records (e.g. accurate bills and statements)					
2	My bank keeps confidentiality of account and privacy of customers.					
3	My bank delivers up to date record.					
4	Physical security at bank is adequate (e.g. security guards, Cameras).					
<b>F</b>	<b>Customer Involvement</b>					
1	I put much effort into evaluating the given information over e-banking website.					
2	I think deeply about the information available over e-banking website.					
3	I personally feel involved in e-banking transactions.					
<b>G</b>	<b>Customer Loyalty</b>					
1	I tell the positive options of e-services of this bank to other					
2	I prefer using e-services of this bank to other banks					
3	I intend to use e-services of this bank in the future					
4	I doubt to change this bank as long as providing e-services of this bank continues					
5	As long as I need banking services, e-services of this bank are my first choices					

**I'M GRATEFUL FOR YOUR SUPPORT!**

## መጠይቅ

ውድ የጥናቱ ተሳታፊዎች፡

የዚህ ጥናት ዓላማ በኢ.ዲ.ስ አበባ ዩኒቨርሲቲ እያጠናሁት ላለሁት የቢዝነስ አድሚኒስትሬሽን ማስተርስ ዲግሪ (ኤም.ቢ.ኤ) ማሟያ ፅሁፍ “በኢትዮጵያ ውስጥ ባለ-ንግድ ባንኮች ከኤሌክትሮኒክ ባንኪንግ አገልግሎት ዘርፍና የደንበኞች ታማኝነት ረገድ የደንበኞችን ተሳትፎ ባለዉ ድርሻ” ላይ መረጃ መሰብሰብ ነው። በፈቃድ ላይ የተመሰረተ የእርሶ ትክክለኛ ምላሽ ለዚህ ጥናት መሳካት ከፍተኛ ሚና ይኖረዋል። የሚሰጡት መረጃ ለትምህርት ዓላማ ብቻ ጥቅም ላይ የሚውል ሲሆን ሚስጥራዊነቱም የተጠበቀ ነው። ስምዎን ወይም የግል መለያዎች በዚህ ውስጥ መጻፍ አይጠበቅብዎትም። ለትብብርዎ ላመሰግንዎ እወዳለሁ።

ከከበረ ሰላምታ ጋር

ቤተሌሌም ሞላ

ክፍል 1: የግለሰብ መረጃዎች

1. ዕድሜ: 18-24  25-34  35-44  45-54  55-ከዛ በላይ
2. ፆታ: ወንድ  ሴት
3. ዜግነት: ኢትዮጵያዊ/ት  የውጭ ዜጋ
4. የትምህርት ደረጃ: ማንበብና መፃፍ  ≤6  6-12  ዲፕሎማ   
ዲግሪ  ማስተርስ ዲግሪና ከዚያ በላይ
5. ወርሃዊ ገቢ (ቡብር): ≤5,000  5,000-10,000  10,001-15,000   
15,001-20,000  20,001 እና ከዚያ በላይ



	የሚሰጠውን ጥቅም በበቂ ሁኔታ አገኛለሁ።					
4	የኤሌክትሮኒክ ባንኪንግ አገልግሎት ስጠቀም የአጠቃቀም ቀላልነቱና አስተማማኝነቱ ይገባኛል/ይታየኛል።					
<b>መ</b>	<b>ግንዛቤ</b>					
1	ባንኩ ለደንበኞቹ ኢ-ባንኪንግ እንዲጠቀሙ በመገናኛ ብዙሀን ያስተምራል/ያስተዋወቃል።					
2	ከባንኩ ወጭ ስለ ኢ-ባንኪንግ አገልግሎት መረጃን አገኛለሁ።					
3	የኢ-ባንኪንግ መሰረተ ልማት ስጠቀም የተፈቀደውን የግብይት ገደብ አውቄያለሁ።					
4	የኢ-ባንኪንግ አገልግሎቶችን ስጠቀም ሊያጋጥሙኝ የሚችሉትን አደጋዎች አውቄያለሁ።					
5	ኢ-ባንኪንግ ስጠቀም ስለሚከፈሉ የአገልግሎት ክፍያዎችን አውቄያለሁ።					
<b>ሠ</b>	<b>ጥበቃ</b>					
1	ባንኩ ከስህተት የፀዱ መዝገቦችን ይይዛል (ለምሳሌ ትክክለኛ የሂሳብ መግለጫዎች ይይዛል)።					
2	ባንኩ የደንበኞችን ሂሳብ እና ግላዊነት ሚስጥራዊነት ይጠብቃል።					
3	ባንኩ ወቅታዊ መረጃዎችን ያቀርባል ።					
4	በባንኩ ያለው አካላዊ ጥበቃ በቂ ነው (ለምሳሌ የጥበቃ ሰራተኞች፣ ካሜራዎች)።					
<b>ረ</b>	<b>የደንበኞች ተሳትፎ</b>					
1	በኢ-ባንኪንግ ድረ-ገጽ ላይ የተሰጠውን መረጃ ለመገምገም ብዙ ጥረት አደርጋለሁ።					
2	በኢ-ባንኪንግ ድረ-ገጽ ላይ ያለውን መረጃ በጥልቀት አስብበታለሁ።					
3	በግሌ በኢ-ባንኪንግ ግብይቶች/አገልግሎቶች ውስጥ ተሳትፎ እንደማድረግ ይሰማኛል።					

ሰ	የደንበኞች ታማኝነት					
1	የዚህን ባንክ የኤሌክትሮኒክስ አገልግሎት አወንታዊ መረጃዎች ለሌሎች አጋራለሁ/ እናገራለሁ።					
2	ከሌሎች ባንኮች ይልቅ የዚህን ባንክ ኤሌክትሮኒክ መጠቀምን እመርጣለሁ።					
3	ለወዲፈት የዚህን ባንክ ኤሌክትሮኒክ አገልግሎት መጠቀምን እፈልጋለሁ።					
4	የዚህ ባንክ የኤሌክትሮኒክ አገልግሎት በዚህ የሚቀጥል ከሆነ ይህን ባንክ የምቀይር አይመስለኝም።					
5	የባንኪንግ አገልግሎት በፈለኩ ጊዜ ሁሉ የዚህ ባንክ የኤሌክትሮኒክ አገልግሎት የመጀመሪያ ምርጫዬ ነው።					

**ስለ ድጋፍዎ ከልብ አመሰግናለሁ!**