



**SCHOOL OF COMMERCE
COLLEGE OF BUSINESS AND ECONOMICS
MARKETING MANAGEMENT**

**CUSTOMERS' PERCEPTION TOWARDS
ELECTRONIC BANKING SERVICE:
THE CASE OF COMMERCIAL BANK OF ETHIOPIA**

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**JUNE, 2018
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**Customers' Perception towards Electronic Banking
Service:
The Case of Commercial Bank of Ethiopia**

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**By
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DECLARATION

I, the undersigned, declare that this research project is my own work and effort and it has not been submitted anywhere for any award. Where other sources of information have been used, they have been duly acknowledged.

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CERTIFICATION

This is to certify that Selamawit Zewde Tessema has carried out her research work on the topic entitled “Customers Perception towards Electronic Banking Service”: The Case of Commercial Bank of Ethiopia. The study is an original work and is suitable for the submission for the reward of the degree of Master of Marketing Management.

Advisor: Getie Adualem (PhD): _____

DEDICATION

I dedicate this work to my father

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LIST OF ACRONYMS / ABBREVIATIONS

ANOVA	- Analysis Of Variance
ATM	- Automatic Tellers Machine
CBE	- Commercial Bank Of Ethiopia
E-BANKING	- Electronic Banking
EPSP	- E- Payment Services Department
GTP	- Growth And Transformation Plan
ICT	- Information Communication Technology
PC	- Personal Computer
PEOU	- Perceived Ease Of Use
POS	- Point Of Sale
PU	- Perceived Usefulness
SAAD	- South Addis Ababa District
SPSS	- Statistical Package For Social Science
TAM	- Technology Acceptance Model
TPB	- Theory Of Planned Behavior
TRA	- Theory Of Reasoned Action

ABSTRACT

This research aimed at finding out the current customers' perception towards electronic banking service of Commercial Bank of Ethiopia as a case study. The study used customers' benefit perception and risk perception as independent variables to identify the actual usage of e-banking service. The study examined customers' perception regarding with benefits and risks associated within the context of CBE E-banking services using a Technology Acceptance Model (TAM) with some modification to guide the research. The study followed survey method and samples of 400 respondents were taken from CBE customers using purposive sampling technique. The data was analyzed and tested using linear regression to show the effects of perceived benefit and perceived risk on usage of E-banking service. Based on the statistical analysis, perceived benefit was found to have a significant positive effect on usage of E-banking services, this was the reason why customers' perception on risks associated with E-banking service could not totally restrict customers from using E-banking products.

The findings of the study were all consistent with prior researches except on the findings of risk perceptions such as e-banking transaction handling fees is costly and the service do not provide up to date information which were agreed by the respondents in the study is found to be contrary with the prior researchers.

The study revealed areas of improvement with possible solutions that mitigate the identified major challenges, which includes continuous reviewing and up grading of the existing security system, emphasis on improving network stability, provide a cheaper customer service charges and quality service expansion throughout the country with appropriate teaching based promotion. Furthermore, the study suggests that future researches may embark on comprehensive investigation by incorporating customers' perceptions of all Ethiopian Private Banks.

Keywords: *Commercial Bank of Ethiopia, Customer Perception, E-banking, Usage,*

CHAPTER-ONE

INTRODUCTION

This chapter begins by presenting brief background of the study which is followed by the statement of the problem. Under the statement of the problem, the study states the reasons to carry out this study. Following the statement of the problem, the research question(s), the general and specific objectives of the study are presented. And significance of the study, scope and limitation of the study including organization of the paper are also presented.

1.1 BACKGROUND OF THE STUDY

Financial services industry over time has opened to historic transformation that can be termed as e-developments which is advancing rapidly in all areas of financial intermediation and financial markets such as e-finance, e-money, e-banking (electronic banking), e-broking, e-insurance, e-exchanges, and even e-supervision. The new information technology (IT) is turning into the most important factor in the future development of banking, influencing banks' marketing and business strategies. In recent years, the adoption of e-banking began to occur quite extensively as a channel of distribution for financial services due to rapid advances in IT and intensive competitive banking markets (Mahdi and Mehrdad, 2010).

E-banking is the term used for new age banking system. It is also called online banking and it is an outgrowth of PC banking (personal computer). Electronic banking has changed the traditional way of banking transactions. Through the e-banking customer do not visit to the bank office in order to carry out banking transaction. For instance, customers are using automated teller machines (ATM) in place of cashier tellers, and credit cards and electronic cash in place of bank transactions. It also allows customers to submit their applications for different services, make queries on their account balances and submit instructions to the bank and also electronically transfer funds to their accounts, pay bill, and conduct other banking transaction online. It relies greatly on information and communication technology (ICT) to attain its promise for 24 hours' availability and faster delivery of financial services (Grui Anton, 2010).

E-banking in Ethiopia point of view, The Commercial Bank of Ethiopia (CBE), which plays a catalytic role in the economic progress and development of the country, is the first bank to bring home the e-banking technology and successfully implement the Card Banking Project to provide modern banking services for its customers. And currently CBE defines e-banking

service as a service conveyed through the support of technologies namely Automated Teller Machen (ATM), Point of Sale (POS), Mobile Banking and Internet Banking.

The strategic goal of the Commercial Bank of Ethiopia (CBE) for e-banking service is to “create cashless society in the country”. The E-banking strategy of the bank is in consensus with the country’s Growth and Transformation Plan (GTP), which plans to “mobilize funds through increasing financial sector accessibility and developing the service”, and also to “bring improved banking service and modern payment system such as cards and mobiles with its impact on reducing transaction costs” (The revised strategy of E-payment service of CBE, 2016).

However, despite the general increase in implementation and availability of e-banking service, the targets of creating cashless society are not achieved as expected. Electronic Banking has been widely used in developed countries and is rapidly expanding in developing countries. But, In Ethiopia cash is still the most dominant medium of exchange, and electronic banking systems are at an embryonic stage (Garedachew. 2010).

Due to this, the current study investigated the customers’ perception towards the e-banking service, since consumers’ perception of technological innovations such as e-banking may influence their actual usage of the technology.

1.2 E-BANKING IN ETHIOPIA

The appearance of e-banking in Ethiopia goes back to the late 2002, when the largest state owned, commercial bank of Ethiopia (CBE) introduced ATM to deliver service to the local users. Despite being the pioneer in introducing ATM based payment system, CBE lagged behind Dashen Bank, which worked aggressively to maintain its lead in e-payment system. As CBE continued to move at a snail’s pace in its turnkey solution for card based payment system, Dashen Bank remained so far sole player in the field of e-banking since 2006 (Gardachew, 2010).

By the end of 2008 Wegagen Bank has signed an agreement with Technology Associates, a Kenyan based information technology firm, for the development of the solutions for the payment system and installation of network of ATM. While Zemen Bank, the only Ethiopian bank anchored in the idea of single branch banking, by launching full-blown internet banking in 2010, which is new to Ethiopian banking industry (Gardachew, 2010).

United Bank being the first to introduce telephone and internet banking systems including text messages (SMS) by the end of the year 2008 which continued launching ATM and POS services in collaboration with Awash International Bank and Nib International Bank in the year 2012 later joined by Birhan International Bank, Addis International bank and Cooperative Bank of Oromia. The three banks planned to install over 140 ATM machines and over 340 POS across Ethiopia. And there will be one ATM at every branch of the consortium banks, all domestic airports and shopping complexes. This agreement is the first significant cooperation between competing banks in Ethiopia, which others should be encouraged to follow as there is no single bank in Ethiopia that can afford to provide extensive geographical coverage and access (Binyam, 2009, cited in Gardachew,2010).

1.3 ELECTRONIC BANKING

Electronic banking, also known as e-banking, virtual banking and online banking, is a service that allows customers to access their bank information, conduct financial transactions, make deposits, withdrawals and pay bills through the Internet without having to physically visit their bank. It provides the convenience of accessing banking facilities from the comfort of their home or office (Gilani, 2013).

Electronic banking has different types of delivery channels: telephone, PC, mobile and the Internet. Moreover, Personal Computer allow customer to use all e-banking facility at home without go to the bank. It gives consumers a variety of services so they can move money between accounts, pay bills, check balances, and buy goods and also submit electronic different applications through PC Banking. A mobile banking service is the newest service in electronic banking Customers can check their balance and make adjustments between accounts, account transactions, payments etc. Internet is the interconnection of computer communication networks which enable the customer to perform all the banking activities over the internet. It is the latest wave in the information technology, from the way of conduct commerce and the way of distribution of information. Currently the most common electronic delivery channels in Ethiopian banking industry are:

1.3.1 AUTOMATED TELLER MACHINE (ATM)

Rose lynGakure and Patrick Ngumi (1999) describes ATMs as follows: “an ATM combines a computer terminal, record keeping system and cash vault in one unit, permitting customers to enter the bank’s book keeping system with a plastic card containing a Personal Identification Number (PIN) or by punching a special code number into the computer terminal linked to the bank’s computerized records, ‘24 hours a day’. Once access is gained, it offers several retail banking services to customers.

Automated Teller Machines are mostly located outside of banks, and are also found at airports, malls, and places far away from the home bank of customers. At the outset they were function as cash dispensing machines. However, because of the advancement of technology, ATMs are able to provide a wide range of services, such as making deposits, funds transfer between two or more accounts and bill payments.

The primary advantages of ATMs are they save the customer’s time in service delivery and it is cost efficient way of yielding higher productivity per period of time than human tellers. Furthermore, as the ATMs continue when human tellers stop, therefore, there is continual productivity for the banks even after banking hours.

1.3.2 POINT OF SALE (POS)

The system allows consumers to pay for retail purchase with a check card, a new name for debit card. This card looks like a credit card but with a significant difference. The money for the purchase is transferred immediately from account of debit card holder to the store's account (Malak, 2007).

Electronic Fund Transfer at Point of Sale would provide service for customers to pay cheques and cash withdrawals for shopping without clerical duties. In addition, the system continues after banking hours and hence continual productivity for the bank even after bank working hours. In the same development it saves the customer time without going to bank branches and ATMs point.

1.3.3 MOBILE BANKING

Mobile banking involves the use of mobile phone for settlement of financial transactions; it supports person to person transfers with immediate availability of funds for the beneficiary.

Mobile payments use the card infrastructure for movement of payment instructions as well as secure SMS messaging for confirmation of receipt to the beneficiary. Mobile banking is meant for low value transactions where speed of completing the transaction is key. The services covered under this product include account enquiry, funds transfer, recharge phones, changing of passwords and bill payment which are offered by few institutions (Malak, 2007).

1.3.4 INTERNET BANKING

Internet banking allows customers of a financial institution to conduct financial transactions on a secure website operated by the institution, which can be a retail or virtual bank, credit union or society. It may include of any transactions related to online usage. Banks increasingly operate websites through which customers are able not only to inquire about account balances, interest and exchange rates but also to conduct a range of transactions (Ojokuku and Sajuyigbe, 2012).

1.4 CUSTOMERS PERCEPTION AND USAGE OF E-BANKING

Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment. A motivated person is ready to act. How the motivated person actually acts is influenced by his or her perception of the situation. Perception depends not only upon the physical stimuli, but also on the stimuli's relation to the surroundings field and on the condition within the individual. People's behavior is based on their perception of what reality is, not on reality itself. Perception is understood as the act of seeing what is there to be seen which is influenced by the individual, the object and the situation. Perception is the process by which an individual select, organizes, and interprets the information inputs to create a meaningful picture of the world. In simple terms, perception is why the same universe is viewed differently by different people.

Perception process consists of three stages: Selection, Organization and Interpretation. Selection is the first stage in the perception process in which the stimuli is selected through the senses: sight, sound, smell, taste and touch. Organization is the second stage in which the stimuli (information) are mentally arranged so that a sense can be formed of the stimuli or it can be understood. Interpretation is the third stage in the perception process in which the meaning is attached to the stimuli, and these sensory stimuli play a role in causing certain sensations which influence consumers in deciding whether to purchase or not. Interpretations

are subjective and are based on values, needs, beliefs, experiences, expectations, involvement, self-concept and other personal factors (Lamb et al, 2000).

customers' perception on benefits of e-banking according to Olalekan (2011) enjoyment is the perceived playfulness and intrinsic value consumers experience from the utilization of E-banking. The intention to use is described as the level of resistance to change, which is associated with consumers' intention to change from none e-banking to e-banking. E-banking avails customers with a full range of services including some services not offered at branches. The greatest benefit of e-banking is that it is cheap to customers or even free. However, in one of the past studies, price seemed a significant barrier to adoption or use of Internet banking.

Customers' perception on risks of e-banking according to Davidow, W.H (1986) e-banking is a technology-enabled channel and consumers' perceive the use of e-banking as a risky decision because technology-enabled services exhibit persistent technological, unfamiliar and indefinite stimuli. Therefore, when consumers decide to use E-banking, they are exposed to uncertainties such as the availability, the compatibility, and the performance of the complementary e-banking channels. Consumers perceive greater risks when buying services than tangible goods. E-banking Services are perceived as riskier than traditional banking products because it is more intangible, non-standardized, and regularly sold without guarantees or warranties. Consumers can hardly ever return a service to the service provider since they have already consumed it, and some services are so technical or specialized that consumers possess neither the knowledge nor the experience to evaluate whether they are satisfied, even after they have consumed the service.

Usage is also seen as a person's perceived relevance of the object based on their inherent needs, values, and interests. Actual Usage is the psychological outcome of motivation and is the perceived level of personal importance or interest evoked by a stimulus within a given situation (Davis, S. (1989).

Since according to Davis, F.D. (1993) depending on their level of involvement, individual consumers differ in the extent of their decision process and their search for information and use of product/service, consumers may be passive or active when they receive advertising communication depending on their involvement level. As a result, the concept of involvement has played an increasingly important role in explaining consumption and risk associated with

it. It may also affect the level of brand loyalty, brand discrimination, the amount of comparison between products for example non e-banking and e-banking products. In this study involvement is considered as usage of e-banking products by customers.

1.5 STATEMENT OF THE PROBLEM

In Ethiopia the evolution of E-banking started from the use of Automated Teller Machine (ATM) as commercial bank of Ethiopia introduce it in 2002. Today almost all private banks of the country are adopting electronic banking as a means of enhancing service quality of their banking service.

Though, E-banking is about using electronic techniques to create opportunities, create new markets, new processes and growth the creation of wealth using electronic mediums, the development of Ethiopian e-banking system has largely been affected by the dominance of cash. In Ethiopia, cash is a king since the bulk of personal consumption is done through the medium of cash. Cash remains as the main method of payment especially among individuals. For being companies in particular this has resulted in problems of cost and delay, arising from the counting bundling, transporting and depositing of large volumes of cash, as well as the risk and inconvenience of dealing with counterfeiting and the treatment of damaged notes (Worku , Tilahun, Tafa 2016).

Despite the general benefits of e-banking instruments, the awareness and rate of usage of electronic banking service in Ethiopia is still relatively low when compared to the rest of the developing countries. Currently Commercial Bank of Ethiopia, which is the largest state owned bank, has 16.6 million customers and out of this; only 3.2 million customers are ATM card holders and 1.4million customers registered to use mobile and internet banking servicei.e.72%of CBE customers are not e-banking users. And out of these registered e-banking users also on average 36 % of the users has inactive status i.e. they are not using the service rather they are using the traditional banking system, according to the information obtained from Electronic Payment Service Department of Commercial Bank of Ethiopia (EPSDCBE) as of June 30, 2017.

This shows there is a gap in awareness about the usage of e-banking service. And the possible reason for the low awareness about the usage of electronic banking service is customers' perception for the service since consumers' perceived benefit and perceived risk are the key

factors influencing the usage of e-services. Therefore, the purpose of this paper was to get a deeper understanding of the existing customers' perception towards the e-banking service.

1.6 RESEARCH QUESTIONS

Based on the above statement of the problem, the following research questions were answered:

1. What are the benefits associated with e-banking services as perceived by the customers?
2. What are the risks associated with e-banking services as perceived by the users?
3. What is the impact of customers' perceived benefit and perceived risk on the actual usage of the service?

1.7 OBJECTIVE OF THE STUDY

1.7.1 GENERAL OBJECTIVE

The main objective of the study was to assess and identify the customers' perception towards electronic banking service provided by Commercial Bank of Ethiopia.

1.7.2 SPECIFIC OBJECTIVES

The specific objectives of the study were:

1. To identify customers' perceptions on benefits of e-banking service.
2. To identify customers' perceptions on risks associated with e-banking service.
3. To examine the impact of customers perceived benefit and perceived risk on the actual usage of electronic banking service.

1.8 SIGNIFICANCE OF THE STUDY

The purpose of the study is to know the existing perception of customers towards electronic banking service in the Commercial Bank of Ethiopian and also to provide possible solutions to the concerned bodies to maximize opportunities that can improve the awareness and acceptance of using the e-banking services. The result of the study will help bankers and any relevant decision makers to be aware of what the existing customers' perception towards the e-banking technology and the impact it has on the actual usage of the service. It also provides an opportunity for decision-makers and managers of the Bank's to take appropriate corrective measures in the area to accelerate the positive perception factors for the advancement of e-banking usage. Moreover, the result of the study may provide additional research insight into

how customers' perception of benefits and risks regarding with e-banking service can affect the actual usage of the technology and inspires other researchers to conduct more researches in the area.

1.9 SCOPE OF THE STUDY

This study was confined only to know the customers' perception towards the e-banking service in Commercial Bank of Ethiopia. The study was conducted based on the South Addis Ababa District of the bank considering Mexico, Sengatera, Meshalekia and Balcha branches which were purposely selected; for they are a leader on an outstanding performance in the e-banking service delivery among the south district branches according to EPSDCBE annual report. It was also delimited to the CBE customers who have been using any one or more of e-banking service channel at least for one year by selecting purposely.

1.10 ORGANIZATION OF THE PAPER

The study consists of five chapters. Chapter one focuses on the background of the study, statement of the problem, research question, and objective of the study, significance of the study, scope of the study and organization of the research. The second chapter deals with review of related literatures regarding the topic of the study. The third chapter discussed the research methodology and methods employed by the current study. Chapter four contained data presentation, analysis and interpretation from the study supported with findings from other research works, chapter five focuses on conclusions and recommendations of the study.

CHAPTER-TWO

REVIEW OF RELATED LITERATURE

INTRODUCTION

This chapter presents the literature related with customers' perception towards the e-banking service. Accordingly, the review of the literature is divided into two parts. The first part discusses the theoretical foundation for the study, while the second part presents the empirical studies with the research hypothesis. This review of literature also establishes a framework, which can guide the study.

2.1 THEORETICAL REVIEW

There are numerous theoretical foundations that serve as basis to formulate a model to practice a research. To predict and explain user acceptance, organizations need to understand why people accept or reject using technologies by determining the customers' perception towards the technology service. For instance, in determining the accept and success of the bank service using high technology devices and machines for the e-banking service there are three significant theories: the theory of reasoned action (TRA), the technology acceptance model (TAM) and the theory of planned behavior (TPB). Thus, the theoretical literature helps the researcher to identify clearly the variables of the study; provides a general framework for data analysis; and helps in the selection of applicable research design.

2.1.1. THEORY OF REASONED ACTION (TRA)

Theory has been used by many researchers in the field of technology adoption. The theory of reasoned action (TRA) believes that there are two factors that will influence an individual in trying, and eventually adopting, an innovation. These are an individual's attitude towards the behavior and subjective norms. The attitude towards carrying out the behavior is the result of the person's beliefs. During his lifetime an individual accumulates beliefs which are formed from personal experiences and from information given by other people. However, not all of these beliefs will have an impact on attitude and only those beliefs which will influence the individual's performance matter. On the other hand, subjective norms are the beliefs of what other people will think about the behavior (Bagozzi 1992). Alternatively, subjective norms include the social pressure that an individual feel to perform or otherwise the behavior.

TRA also claims that all other factors which influence the behavior only do so in an indirect way by influencing the attitude or subjective norms. Fishbein and Ajzen (1975) refer to these factors as being external variables. These variables can be for example, the characteristics of the tasks, of the interface or of the user, the type of development implementation, the political influence, the organizational structure, etc. (Davis and Bagozzi, on 1998). A meta-analysis on the application of the theory of reasoned action showed that the model can produce good predictions of choice made by an individual when facing several alternatives

2.1.2 TECHNOLOGY ACCEPTANCE MODEL (TAM)

Technology acceptance model (TAM) was introduced as an extension to the theory of reasoned action (TRA), however with a higher emphasis on computer use and information technology. Thus the objective of the technology acceptance model is to determine the factors underlying the computer acceptance capabilities. Davis, (1993), state that TAM adapted the TRA model to the domain of user acceptance of information technology, replacing the TRA model's attitudinal determinants with two beliefs; perceived usefulness and perceived ease of use. As stated by these authors the two main elements in this theory are perceived ease of use (PEOU) and perceived usefulness (PU). The former is the extent to which an individual believes that adopting a particular system would be done without any effort, while the latter is the extent to which an individual believes that adopting a particular system will improve his or her performance. Various external variables depending on the particular context will influence the PEOU and the PU.

Notani, A.S. (1998) argues that researchers fail to distinguish between the two types of attitudes, where the potentially significant influence of cognition attitude gets offset by the insignificant influence of affect attitude. The originality of the TAM derives from two related beliefs, perceived usefulness (PU) and perceived ease of use (PEOU), which generalizes across different settings. TAM assumes that users engage in behaviors because they have evaluated the benefits and expect certain results. Fishbein and Ajzen (1975) find that users do not use a system for its own sake but instead use it because of its attributes that drive value, according to the utility provided by the combination of attributes, less the disutility represented by any sacrifices required to use the system.

PEOU affects attitude either directly or indirectly through its effect on PU “even if potential users believe that a given application is useful, they may at the same time believe that the

systems are too hard to use and that performance benefits of usage are outweighed by the effort of using the application” (Davis 1993). Both PEOU and PU are influenced by external stimuli, such as information richness, web quality, and experience.

2.1.3 THEORY OF PLANNED BEHAVIOR (TPB)

Just like technology acceptance model (TAM), theory of planned behavior (TPB) is an adaption of the theory of reasoned action (TRA) which explains further computer use behavior. TPB is an attitude–intention–behavior model, which posits that an individual’s behavior is determined by perceived behavioral control and intention. Thus behavioral intention is usually said to be shaped by a person’s attitude together with subjective norm as well as their perceived behavioral control (PBC), showing the limitations on behavior, though its exact nature is still debatable (Bagozzi 1992).

The theory of planned behavior (TPB) started as the theory of reasoned actions in 1980 to predict an individual’s intention to engage in a behavior at a specific time and place. The theory was intended to explain all behaviors over which people have the ability to exert self-control. The key component to this model is behavioral intent; behavioral intentions are influenced by the attitude about the likelihood that the behavior will have the expected outcome and the subjective evaluation of the risks and benefits of that outcome. However, the theory is ill-equipped to predict situations where people possess low volitional control. The common limitations of the theory are it assumed regardless of intention the person with opportunities and resources can easily acquire the desired behavior. This assumption set aside several variables such as fear, threat, mood or past experience. Further, the theory assumes that the behavior is the direct result of linear decision making process disregarding the change over time. Very further, it does not say anything about actual control over behavior nor the time frame between ‘intent’ and ‘behavioral action’ were not addressed. In the theory of planned behavior (TPB), Fishbein and Ajzen (1975) incorporates perceived behavioral control (PBC) as an antecedent of behavioral intentions to overcome the limitations. Therefore, in the TPB, a person’s performance of certain behavior depends on his or her intention toward that behavior; intention in turn relies on attitudes, subjective norms. Fishbein and Ajzen (1975) defines PBC as “people’s perceptions of their ability to perform a given behavior”, and empirical evidence suggests that it improves predictions of intentions. Subjective norms refer to perceived pressures to perform a behavior; according to what important others say or do.

Hence, to achieve the research objective and to test the research hypotheses, the study used a Technology Acceptance Model (TMA) with some modifications, by defining two main independent variables which are perceived benefit and perceived risk, i.e. for customers' perceptions on benefits of e-banking is considered in terms of perceived usefulness and ease of use and the perceptions of customers towards risk is sought in line with perceived low usefulness of e-banking service.

The research model developed here below theorized that perceived benefits and perceived risk factors have influence on usage of e-banking service in CBE.

2.2 REVIEW OF EMPIRICAL STUDIES

2.2.1 CUSTOMERS' PERCEPTIONS ON BENEFITS ASSOCIATED WITH USAGE OF E-BANKING

Worku G. et.al.(2016), investigated the impact of electronic banking on customer satisfaction in Ethiopian banking industry (the case of Dashen and Wogagen banks in Gonder city). The findings revealed that electronic banking has improved convenience, enhance customer satisfaction, reduced frequency of bank hall for banking service, and reduce waiting time for customers.

According to (Mattewos,2016), in the study of Challenges and Prospect of E-Banking in Ethiopia, the findings revealed that: balance inquiry, cash withdrawal, funds transfer within same bank and statement printings are some of the major customer preference of e-banking service in those banks that are providing the service to their customers.

Joseph, M., McClure, C. and Joseph, B. (1999), conducted a research on preference of customers out of traditional style of banking and online system of banking. He stated that queue management is very important factor which provides online system edge over traditional banking. One among the important dimensions of e-banking service quality customer prefer is queue management. This management of queue saves lot of time of customers and also makes banking system a lot easier for them.

A research undertaken by Beer (2006) on customers' preference on internet banking stated that the convenience of online banking is helping people gain greater control of their finances and contributing to changing patterns in cash withdrawal and day to day money management. He stated that internet banking saves lot of time as compared to traditional system of banking and also he said that internet banking is much convenient as compared to traditional system

of banking. Saving time is an importance factor which influences the customers prefers to use e-banking: The most popular online transaction through internet banking is funds transfer/bill payment.

A study conducted about e-banking in developing economy empirical evidence from Nigeria by (Elisha Menson 2007), shows that e-banking serves several advantages to Nigerian banking sector. The customers (respondents) perception is that e-banking provides convenience and flexible advantages. It also provides transaction related benefits like easy transfer, speedy transaction, less cost and time saving.

A study conducted by Ms.Fozia (2016) on Customer Perception toward e-banking Services Provided by Selected Private & Public Sector Banks in India, the result of the study clearly shows that different age group of customer and different occupation group of customers have different perception toward the e-banking services. The results also propose that demographic factors impact significantly internet banking behavior, specifically, occupation and age. And e-banking users also say that convenience is the most important factor, e-banking lets them access their accounts from anywhere and at any time.

According to (Davis, F. D, (1989), in their study identified time factor as one of the prime factor that in e-banking service quality feature for the customers. The customers (respondents) perception is that saving time is an importance factor which influences them to prefer to use e-banking.

Karjaluoto (2002), investigated the Consumer Beliefs and Reactions to a New Delivery Channel in Finland, stated that ease of use of innovative product or service as one of the three important characteristics for adoption from the customer's perspective. The user friendliness of domain names as well as the navigation tools available in the web-sites is an important determinant for ease of use. In his study he concludes that customer preferring the internet banking for ease of use and it is the most important determinant factor among others.

According to Gupta, P.K (2008) in the study of Consumer Concern and Bank Strategies in India, the findings revealed that: factors which influence customers to choose to use e-banking are to view account balances, transaction history and updates get e-statements, credit card and debit card transaction history and updates, checking the status of their credit card accounts, viewing information regarding their account, information on their fixed deposits on line.

According to Williamson (2006) in the study of Enhanced Authentication in Online Banking, states that online banking is a highly profitable channel for financial institutions. And it provides customers convenience and flexibility and can be provided at a lower cost than traditional branch banking.

Maholtra and Singh (2007), conducted a study on determinants of internet banking adoption by banks in India, online banking users say that convenience is the most important factor; online banking lets them access their accounts from anywhere and at any time.

Therefore, the following hypothesis formed in order to discover the positive relationship between perceived benefit of CBE customers with the actual usage of the e-banking services of the bank.

H1: Perceived benefit has significant positive relationship with usage of e-banking services.

2.2.2 CUSTOMERS' PERCEPTIONS ON RISKS ASSOCIATED WITH USAGE OF E-BANKING

Mohammed Arif Shaikh (2014), conducted an empirical investigation on Ethiopian Banker's Perception of Electronic Banking -A Case of Adama City, and the study attempts to understand and identify banker's perception of benefits and risks associated with electronic banking facilities. The study identified that Bankers of all demographic categories consider electronic banking needs expertise and training, Electronic banking has many legal and security issues and has the chance of fraud as very serious concerns, where as electronic banking has the chance of data loss and also it has the chance of government access are also given about average consideration by the respondents.

A research undertaken by Ayana (2014) on factors affecting adoption of electronic banking system in Ethiopian banking industry and the result of the study indicated that, the major barriers Ethiopian banking industry faces in the adoption of electronic banking are: security risk, lack of trust, lack of legal and regulatory frame work, lack of information communication technology (ICT) infrastructure and absence of competition between local and foreign banks.

A study undertaken by Wondwossen and Tsegai (2005) on the challenges and opportunities of E-payments in Ethiopia; their objective was studying of e-payment practices in developing countries, Africa and Ethiopia and found that, the main obstacles to the development of e-payments are, lack of customers trust in the initiatives, unavailability of payment laws and

regulations particularly for e-payment, lack of skilled manpower and frequent power disruption.

Donna Pace (2016), in the study of Customers' Perceptions towards Online Banking Services in Malta, indicated that the percentage of internet banking users in Malta is very high, however there are still those that believe that the traditional way of doing banking is more appropriate for their needs and the obtained results suggest that the main factors that both users and nonusers of internet banking would like to change or add include: the fees and/or the transfer charges between one bank and the other, a more user friendly system and/or more knowledge about the service, and increased safety and security.

Okeke (2013), made a study on Perceived Risk/Security and Consumer Involvement with Electronic Payments in Nigeria. The study presents a classification of e-payment customers in Nigeria on the basis of high and low involvement and to find out the perceived risk/security factors that are dominant in the classification. The study found that time-loss risk and security are the most dominant perceived risks.

Elisha Menson (2007), in his study of "E-banking in developing economy": empirical evidence from Nigeria, the results of this study shows that the Nigerian customers have problems of security, access, and no enough knowledge regarding e-banking services rendering by banking sector in Nigeria.

Ian Ndlovu and MlungisiSigola (2013), in their study of benefits and risks of e-banking in the case of Commercial Banking in Zimbabwe, the perceived risks of e-banking were revealed to be low levels of computer literacy, low security levels, lack of access to the internet for the majority of the population and operational problems associated with computer systems for most banks.

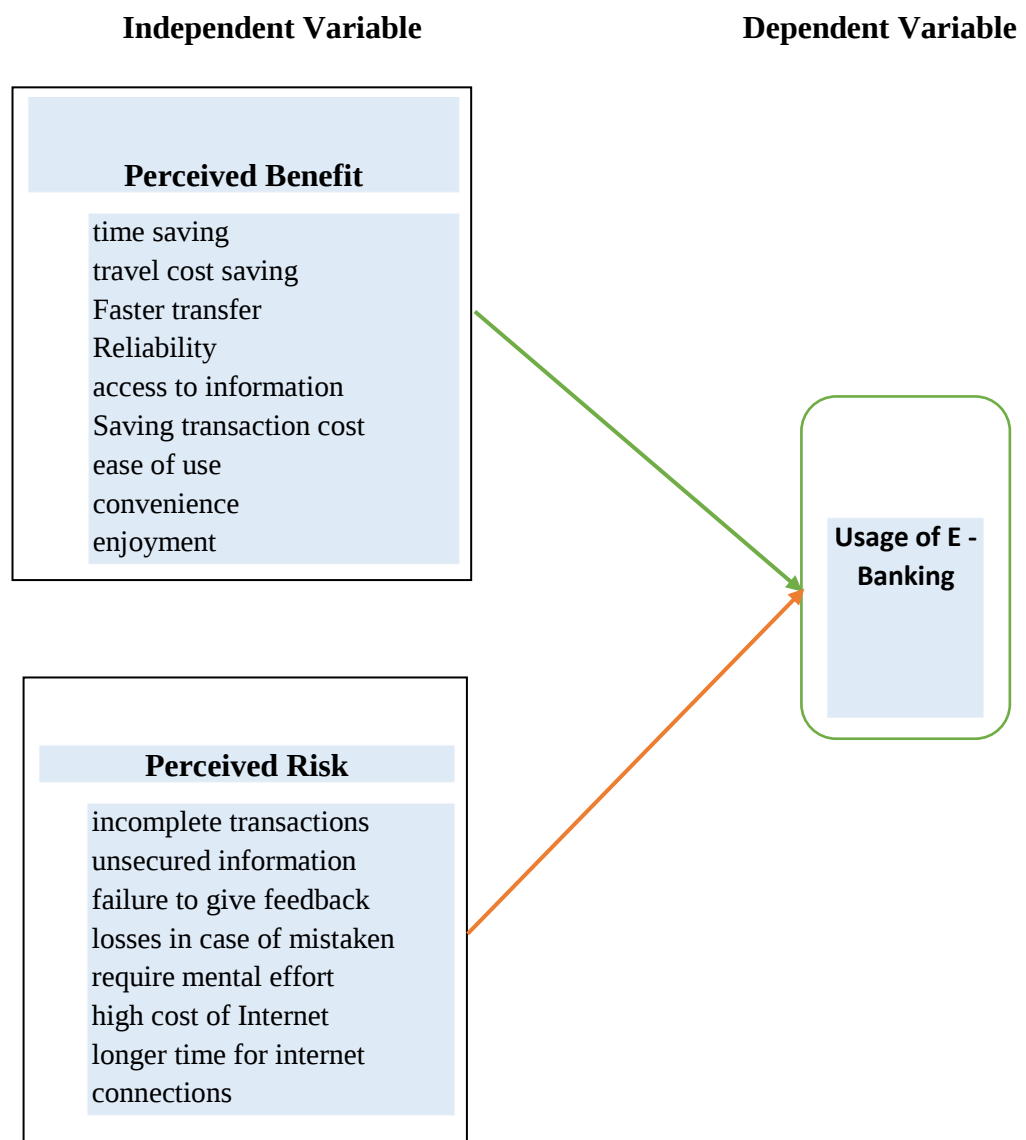
Hence, the following is hypothesized: -

H2: Perceived risk has significant negative relationship with usage of e-banking services.

2.3 CONCEPTUAL FRAMEWORK

From the theoretical and empirical literature reviews, the following conceptual framework of the study is developed by the researcher.

Figure 2.1 The conceptual framework of the study



Source: - Compiled by the researcher

2.3.1 VARIABLE CLARIFICATION

The independent variables (perceived benefit and perceived risk) affects the dependent variable (usage of e-banking). The more optimistic (due to perceived benefit) customers are towards e-banking and the more customers will use e-banking services. And the more pessimistic (due to perceived risk) the more customers despise the use of e-banking.

2.3.2 VARIABLE DEFINITION

2.3.2.1 INDEPENDENT VARIABLE

Perceived Benefit

Under this study the perceived benefit refers to customer perceptions towards both potential and actual benefits customers are likely to find when using e-banking services other than using traditional methods of banking such as using passbooks and different vouchers for making cash deposits, cash withdrawals and for making different payments. More precisely, perceived benefits including time saving, travel cost saving, reliability, ease of use, ease of access, faster transfer, access to information, saving transaction cost, convenience and enjoyment with e-banking, which believes that these may cultivate positive perception towards e-banking products which will increase the usage of e-banking service.

Perceived Risk

Under this study the perceived risk refers to customer perceptions towards uncertainties that a customer may come across when dealing with e-banking services. perceived risks including occurrence of incomplete transactions, third party intervention of personal information, failure to give feedback, require mental effort, high cost of internet, losses in case of mistaken e-payments and longer time for internet connections may cultivate negative perception towards e-banking which discourages the usage of e-banking services.

2.3.2.2 DEPENDENT VARIABLE

Usage of E-Banking

Under this study usage of e-banking means customer involvement with e-banking services. This includes the use of ATM machines, Mobile banking, Internet banking and POS.

CHAPTER-THREE

RESEARCH DESIGN AND METHODOLOGY

INTRODUCTION

This chapter deals with research design and methodology used to carry out the research. The chapter is organized in the following subsection; Research approach, Research design, sampling design, sources of data, data collection methodology and collection instrument, data analysis methods and validity and reliability.

3.1 RESEARCH APPROACH

The research is designed to follow a quantitative Method. Data were collected for both perceived benefits and perceived risks associated with E-banking where; a Likert scale was used to quantify them so that frequency and mean score analysis were used to arrive at understanding of the findings.

3.2 RESEARCH DESIGN

This study adopted a descriptive design. Descriptive research is used to obtain information concerning the current status of the phenomena and to describe "what exists" with respect to variables or conditions in a situation. Creswell (2003) stated that the descriptive method of research is used to gather information about the present or existing condition. This study was focused to obtain the current situation concerning the customers' perception on the e-banking service and also focused to identify their perceptions negative or positive impact on the usage of e-banking service in CBE.

3.3 SAMPLING DESIGN

3.3.1 TARGET POPULATION

Commercial Bank of Ethiopia has four districts in Addis Ababa namely North, South, East and West Addis Ababa District. And the populations of this study are customers of CBE from the South Addis Ababa District (SAAD) of the bank which has majority e-banking users as per the annual report EPSDCBE as of June 30, 2017. And from this district the study only confined on the purposely selected four branches namely Mexico, Sengatera, Balcha and Meshalekia branches. The study focused only on the four branches is by considering their

relative high e-banking service performance per the annual report of EPSDCBE. According to the information obtained from EPSDCBE, account holders of the four branches were 63,975 as of June 30, 2017. And the population of e-banking users deployed under these four branches was 11,702 ATM card holders and 6,194 internet and mobile banking users, which were 28% of the total account holders of the four branches.

Due to relative high e-banking service performance, to save costs and to make it easily manageable this study confined only on the purposively selected four branches of SAAD.

3.3.2 SAMPLING TECHNIQUE AND SAMPLE SIZE

The sampling design for this population was purposive sampling in selecting the respondents from the purposively selected four branches of the South Addis Ababa District. And only those customers who had a bank account from the selected branches and who uses any one or more of the e-banking service channel of the bank for at least one year were chosen to represent others as a sample.

And the total study population was 17,896 as per the annual report of EPSDCBE as of June 30, 2017, in the four selected branches. And Sample sizes of 400 respondents were taken.

This sample size was determined using Taro Yamane (1967) formula for sample size determination when the population size is known.

$$n = \frac{N}{1 + N(e)^2}$$

Where, n= number of sample size,

N= total number of the study population,

e = level of confidence to have in the data of degree of freedom assumed 95%

$$n = \frac{17,896}{1 + 17,896(0.05)^2}$$

$$n = 400$$

3.4 SOURCE OF DATA

The study used both primary and secondary source of data. Regarding the primary data, the researcher distributed structured questionnaires to relevant participants. And in order to strength the result and findings of the study the researcher examined different articles, academic journals, useful academic books and the bank reports as secondary data.

3.5 DATA COLLECTION METHODOLOGY

This study employed the use of both primary and secondary data. Questionnaires were used to collect the primary data. The questionnaires were structured in close-ended questions by which the respondents were asked to indicate their level of agreement using a five Likert rating scale measurement.

Questionnaires were distributed to CBE customers who use any one or more of the e-banking service channels for at least one year at purposely selected four branches of the bank. Those respondents were selected as respondents because they are deemed to be aware and knowledgeable about the existing benefits and risks associated with the usage of e-banking services of the bank.

3.6 DATA COLLECTION INSTRUMENT

The researcher adopts survey instrument used by Abebe Zeleke (2016), with some modification to fit the study under investigation and the questionnaire were translated in to Amharic language in order to make it simple for the respondents.

The questionnaires had two parts; the first part was aimed to collect general information of the participants. The second part were structured in close-ended questions by which the respondents were asked to indicate their level of agreement using a five Likert rating scale measurement where: Strongly Disagree (SDA)=1; Disagree(D)=2; Neutral (N)=3; Agree (A) = 4; and Strongly Agree (SA) = 5. The use of Likert scale is to make it easier for respondents to answer questions in a simple way, which assists in identifying the perception of the customers towards the e-banking service of the bank.

3.7 DATA ANALYSIS METHODS

This study used descriptive statistics. The data collected via the questionnaire was analyzed by Statistical Package for Social Sciences (SPSS version 16, 2007). In this study, the descriptive statistics such as percentages and frequency distribution were used to analyze the general profile of the participants. And the study used Mean values to interpret data on the key research questions.

In order to further test the research hypothesis, the research used linear Regression analysis. Linear Regression applied to examine the relationship between the dependent and independent variables and the linear regression analysis was also applied to evaluate the level

of impact of the independent variables on the dependent variable. And the analysis was done according to the respective objectives, and research questions. The following Mean ranges were used to arrive at relevant interpretation of responses:

Table 3.1: Interpretation of Responses

Rating scale		
Mean Range	Interpretation	Response Made
1.0 - 1.7	strongly disagree	Very low
1.8 - 2.5	Disagree	Low
2.6 - 3.3	Not Sure	Neutral
3.4 - 4.1	Agree	High
4.2 - 5.0	Strongly Agree	Very High

Source: Andrich, David (1978)

3.8 VALIDITY AND RELIABILITY

According to Hair Jr. JF, Bush RP, Ortinau DJ. (2003), validity and reliability of the measures need be assessed for the instrument.

Table 3.2 Reliability Statistics

variable	Cronbach's Alpha	N of Items
Perceived Benefit	.879	10
Perceived Risk	.884	10

Source: Primary data 2018

As indicated in the Table above, the Cronbach Alpha is 0.879 for perceived benefit and .884 for perceived risk, both of which are very high and showing a very strong internal consistency among the measurement items. According to George & Mallery (2003), the value of alpha should be greater than 0.7 so as to accept the instrument. And the closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale.

And to secure the content validity of the instrument, the researcher also referred previous researcher's questionnaires that fit the purpose and let different staff of CBE in the work place to review the instrument before distributing to the respondents and they had critically

examined and forwarded some modifications on the instrument; therefore, their expertise feedback has been incorporated.

Reliability was also improved by ensuring that the representative of the sample qualified for selection, whereby judgmental technique was used by the researcher. For example, only those who were account holders of the four purposively selected branch customers were taken as a respondent and also who were using any one or more of the e-banking service channel for not less than one year was involved as the sampling technique suggested.

CHAPTER-FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

INTRODUCTION

This chapter covers the presentation, analysis and interpretation of data collected from primary sources. Questionnaires were successfully delivered to 400 purposively selected customers at the purposely sampled four branches of the Commercial Bank of Ethiopia with in a period of twenty days. The questionnaires were personally handed to the respondents with close follow up and guide in filing the questioners.

The data collected are presented by frequency tables and to analyze the results Statistical Package for the Social Science (SPSS) is used. Linear regression analysis was used to test the hypothesis and appropriate analysis and interpretations were made there on in accordance with the results of the testing.

Hence, the research results that were collected through the survey questionnaires were analyzed using descriptive statistics and linear regression statistics with the help of SPSS software and the results are presented and discussed in the following sections.

4.1 GENERAL INFORMATION

The general information is organized in the following areas: gender, age, level of education, type of account, time of holding the account, customer usage of the e-banking products, time of using the e-banking service, frequency of using the e-banking service and purpose of using the e-banking service.

The purpose of the general information was to find out the characteristics of the respondents and to show the distribution of the population in the study.

Table 4.1 Respondents General Profile

VARIABLE	CATEGORY	FREQUENCY	PERCENT
Gender	Male	231	57.8
	Female	169	42.3
	Total	400	100.0
Age	18-35	150	37.5
	36-45	126	31.4
	46-55	97	24.3
	>55	27	6.8
	Total	400	100.0
Educational Level	Primary	60	15.0
	High School	143	35.75
	University Degree	197	49.25
	Total	400	100.0
Account Type Of Respondents	Saving Account	323	80.8
	Current Account	77	19.3
	Total	400	100.0
Total Years Of Holding The Bank Account	1-2 Years	107	26.8
	3-5 Years	128	32.0
	>5 Years	165	41.3
	Total	400	100.0
Customer Usage of E-Banking Products	ATM	392	98
	Mobil Banking	264	66
	Internet Banking	22	5.5
	POS	292	73
Time Of Using Any E-Banking Products	1-2 Years	75	18.75
	3-5 Years	197	49.25
	>5 Years	128	32
	Total	400	100.0
Frequency With Which Customers Operate With Their Accounts Using E-Banking	Daily	58	14.5
	Once In A Week	90	22.5
	Once In A Month	208	52
	Once In 6 Months	44	11
	Total	400	100.0
Purpose of Accessing Internet Banking	Making Different Payments	92	
	Making Money Transfers	152	
	Cash Out	392	
	Buy Goods	292	
	Statements Of Account Analysis And Information Retrieval	216	

Source: Primary data, 2018

As is shown in table 4.1.1, 231 of the respondents were male which represent 57.8% of the total respondents, while 169 respondents were females which are 42.3% of the total respondents. Thus, the majority of the respondents were male. And the finding indicate that it exists gender based differences in usage of e-banking service, this implies that perceived risk

on e-banking technology usage is high among female customers compared to male customers.

The study intended to determine the age of the target respondents involved in the study. The findings in table illustrates that 37.5% of the respondents were under 18-35 years, 31.4 % were between 36 to 45 years, 24.3% were between 46 to 55 years and 6.8% were above 55 years. Thus, the findings indicate that majority of the respondents were between 18-35 years old. And the finding implies that, younger age groups are not scared to technologies and they are more risk lovers. And above 55 years of age were involved in e-banking service was only 7% of the respondents and this shows that old aged people are risk averse and they are more fearful for technologies compared to younger age groups.

The finding in the above table illustrates, 15% of the respondents had Primary education level. 35.75% had High school education and 49.25% had University degree. The finding implies that involvement in e-banking service was associated with level of education, in that respondents who had higher education were more involved in e-banking compared to other respondents. And primary level of education respondents who were using the service was only 15% of the total respondent and this implies that customers consider that usage of e-banking service requires mental ability.

Table 4.1.1 also intended to find out the respondents banking status in terms of type of account they had. And from the table, 80.8% of respondents had saving accounts in terms of different saving products like in the form of women's account, special saving account, normal saving account and so on. And only 19.3% of the respondents had current account. The findings imply that customers' preferences in holding current accounts was less compared to saving accounts, which in turn indicates that customers had more preferences on using traditional banking system which is mainly operated by the bank tellers using pass book method and different deposit and withdrawal voucher systems than modern banking products.

From the table above, 26.8% of the respondents were 1-2 years' experience of holding the bank account, 32% were between 3-5 years, and the majority 41.3% were hold the account for more than 5 years. Thus, the findings indicate that majority of the respondents had a good experience of holding and operating of bank accounts and it also indicates that they had the ability to compare the traditional banking system with that of the e-banking system of the bank.

From the table above, 98 % of respondents use ATM, 66 % uses Mobile banking, 73% use Point of Sale (POS) and 5.5% only use internet banking. This shows that each customer uses more than one kind of e-banking product. And mostly used e-banking product by the respondent were Automated Teller machine (ATM), this was due to the fact that the majority of the respondents had saving account. The second product was Mobile banking, the third was Point of Sale (POS) and the fourth was internet banking. And from the table above, 18.75% of the respondents were 1-2 years' experience of operating with at least one of the e-banking product, 49.25% were between 3-5 years of experience and 32% were using the e-banking product for more than 5 years. Thus, the findings indicate that majority of the respondents had a good experience of using the e-banking products. And this implies that customers who responded to this research questions had relatively good exposure on the benefits and risks associated with e-banking products. The finding also intended to determine the frequency of using the e-banking products by the target respondents and the findings on table illustrated that 14.5% of the respondents used e-banking daily, 22.5% used it once in a week, the majorities of 52% of the respondents used the e-banking once in a month and 11% of the respondents use e-banking once in 6 months. Thus, the findings indicated that majority of the respondents used the e-banking service in less time which is once in a month. And 11% of the respondent were using the service once in six months, which means according to EPSPDCBE, their using status of the service is inactive or it generally mean that they stopped using the service and remains in using the old banking system.

The finding as well intended to determine the purpose of using e-banking service from the target respondents involved in the study. And this illustrates that 92 respondents accessed e-banking for making different payments, 152 respondents use e-banking for making money transfers, 392 use the e-banking for cash out, 292 use the e-banking to buy goods and 216 respondents accessed e-banking for statements of account analysis and information retrieval. Thus, the findings indicate that majority of the respondents used e-banking for cash out and for buying goods. And the least used service were making different payments and making money transfer using the e-banking system. This indicated that customers mainly prefer the regular banking system for these kinds of transactions in order to get invoices as an evidence to be sure for the completion of the transaction correctly, since they may not be certain about the completion of these kind of transactions as of cash out or buying goods using the e-banking system.

4.2 CUSTOMERS' PERCEPTIONS ON BENEFITS OF E-BANKING

Table 4.2 shows the result that obtained from CBE customers regarding their perception towards the benefits associated with the existing e-banking service. This is the first research objective of the study. And the findings, using descriptive statistics are depicted below:

Table 4.2: Customers' Perceptions On Benefits of E-Banking

Perceived Benefits	N	Mean	Std. Deviation
Electronic banking minimizes the risk of carrying cash	400	4.45	.995
E-banking is queue free	400	4.43	1.016
E-banking saves travel cost in performing banking transaction to bank branches	400	4.30	.877
Using E-banking would enable to accomplish tasks more quickly and save time	400	4.21	1.091
E-banking is customer centered	400	4.18	.881
E-banking offer a wider range of banking products and services	400	4.10	.863
It is easy to access E-banking to perform banking tasks	400	3.86	.990
Existing E-banking withdrawal and fund transfer limit is encouraging to use the service	400	3.60	.956
It is easy to use E-banking to accomplish banking tasks	400	3.39	.867
E-banking serves 24 hours of a day	400	3.13	.796
Valid N (list wise)	400	3.96 High	

Source: Primary data 2018

Rating scale

Mean Range	Interpretation	Response Made
1.0 - 1.7	strongly disagree	Very low
1.8 - 2.5	Disagree	Low
2.6 - 3.3	Not Sure	Neutral
3.4 - 4.1	Agree	High
4.2 - 5.0	Strongly Agree	Very High

Table 4.2 shows the mean scores of customers' perceptions on each benefits of e-banking and these were added and divided to the total number of perceived benefits to come up with the total mean (3.96), which stands for a high consideration and is represented by agree according to the Likert scale.

The results show that the statements, “Electronic banking minimizes the risk of carrying cash” “E-banking is queue free”, “E-banking saves travel cost in performing banking transaction to bank branches” and “Using E-banking would enable to accomplish tasks more quickly and save time” appear with the highest mean scores of 4.45, 4.43 and 4.30 and 4.21 respectively; all of which stand for very high consideration and is represented by strongly agree according to the Likert scale.

The perceptions of “E-banking is customer centered”, “E-banking offer a wider range of banking products and services “, “It is easy to access E-banking to perform banking tasks” and “Existing E-banking withdrawal and fund transfer limit is encouraging to use the service” appear with the mean scores of 4.18, 4.10, 3.86 and 3.60 respectively; all of which stand for high consideration and is represented by agree according to the Likert scale.

The perceptions that “It is easy to use E-banking to accomplish banking tasks” and “E-banking serves 24 hours of a day” appear with the mean scores of 3.39 and 3.13 respectively; all of which stand for neutral consideration and is represented by moderate agreement according to the Likert scale.

The perceptions that, “Electronic banking minimizes the risk of carrying cash” and “E-banking is queue free” are in line with Worku G. et al. (2016) who revealed that electronic banking has improved convenience, reduced frequency of bank hall for banking service and reduce waiting time for customers. The findings are also in support of Joseph et al. (1999) who stated that queue management is very important factor which provides online system edge over traditional banking. And one among the important dimensions of e-banking service quality customer prefer is queue management. This management of queue saves lot of time of customers and also makes banking system a lot easier for them.

Perceptions of “E-banking saves travel cost in performing banking transaction to bank branches” is consistent with the findings of Malhotra and Singh (2007), who found that online banking users say that convenience is the most important factor and online banking lets them access their accounts from anywhere and at any time.

On the other hand, the perceptions that “Using E-banking would enable to accomplish tasks more quickly and save time” and “It is easy to access E-banking to perform banking tasks” are in support of Davis, F. D (1989), Beer (2006) and that of Ms.Fozia (2016), who found that e-banking is beneficial to customers because of easy transfer, speedy transaction, time saving and can access accounts from anywhere and at any time.

4.3 CUSTOMERS' PERCEPTIONS ON RISKS OF E-BANKING

Table 4.3 presents the respondents perception of the risks associated with the e-banking. This is the second research objective in which the respondents were provided with a five point Likert scale statements on the risks associated with e-banking.

Table 4.3: Customers' Perceptions on Risks Associated with E-Banking

Perceived Risk	N	Mean	Std. Deviation
Incomplete transactions may occur due to network problems	400	4.49	.833
E-banking is prone to third party accessing of personal information	400	4.34	.840
E-banking may leads to losses and waste of time when fixing payment errors	400	4.23	.738
When transaction errors occur, it is difficult to get compensation from the bank	400	4.22	.839
Completion of E-banking transactions may take long time due to low network connection	400	4.19	.722
E-banking servers and other facilities may not perform well and may process payments incorrectly	400	3.46	.691
E-banking do not facilitates quick response and causes dilemma	400	3.45	.711
The transaction handling fees in performing E-banking transaction is costly	400	3.43	.956
Interaction with E-banking does require a lot of mental effort	400	3.42	.736
Electronic banking does not provide up to date information	400	3.40	.809
Valid N (list wise)	400	3.86 High	

Source: Primary data 2018

Rating scale

Mean Range

1.0 - 1.7

1.8 - 2.5

2.6 - 3.3

3.4 - 4.1

Interpretation

strongly disagree

Disagree

Not Sure

Agree

Response Made

Very low

Low

Neutral

High

Table 4.3 shows the mean scores of CBE customers' perceptions on the risks of e-banking service and these were added and divided to the total number of perceived risks to come up

with the total mean (3.86), which stands for a high consideration and is represented by agree according to the Likert scale.

The results show the following facts, “incomplete transactions may occur due to network problems”, “E-banking is prone to third party accessing of personal information”, “E-banking may leads to losses and waste of time when fixing payment errors”, “When transaction errors occur, it is difficult to get compensation from the bank” and “Completion of E-banking transactions may take long time due to low network connection” appear with the highest mean scores of 4.49, 4.34, 4.23, 4.22 and 4.19 respectively; all of which stand for very high consideration and is represented by strongly agree according to the Likert scale.

The perceptions of “E-banking servers and other facilities may not perform well and may process payments incorrectly”, “E-banking do not facilitate quick response and causes dilemma”, “The transaction handling fees in performing E-banking transaction is costly”, “Interaction with E-banking does require a lot of mental effort” and “Electronic banking does not provide up to date information” appear with the mean scores of 3.46, 3.45, 3.43, 3.42 and 3.40 respectively; all of which stand for high consideration and is represented by agree according to the Likert scale.

A perception of “E-banking is prone to third party accessing of personal information” result also supported by Ayana (2014) and Mohammed Arif Shaikh (2014) who found that electronic banking has many legal and security issues and has the chance of fraud as very serious concerns of customers and electronic banking has the chance of data loss and also has the chance of government access.

The findings regarding time and network connection risks such as “incomplete transactions may occur due to network problems”, “E-banking may lead to losses and waste of time when fixing payment errors” and “Completion of E-banking transactions may take long time due to low network connection” are in line with the results of Okeke (2013) and Wondwossen and Tsegai (2005) who found that the time-loss risk, frequent power disruption, network interruption and security are the most dominant perceived risks.

Customers perception that “The transaction handling fees in performing E-banking transaction is costly” which was agreed by the respondents of the study was contrary to Williamson (2006) and Elisha Menson (2007) who found that e-banking provides customers convenience and flexibility at a lower cost than traditional branch banking.

“Interaction with E-banking does require a lot of mental effort” is in similar with Ian Ndlovu and Mlungisi Sigola (2013) who, in case of Zimbabwe, found that the perceived risks of e-banking were revealed to be low levels of computer literacy. And the result also supported by Elisha Menson (2007) who, in case of Nigeria, customers have problems of no enough knowledge regarding e-banking services rendering by banking sector.

The findings which focused on information risk as “E-banking do not facilitate quick response and causes dilemma” and “Electronic banking does not provide up to date information” which were agreed by the respondents of the study were contrary to Gupta (2008) who, in case of India, identified factors which influence customers to choose e-banking service more than traditional banking are to view account balances, transaction history and updates get e-statements, credit card and debit card transaction history and updates, checking the status of their credit card accounts, viewing information regarding their account, information on their fixed deposits on line.

4.4 CUSTOMERS’ USAGE OF E-BANKING

This is the third research objective in which customers were provided with a five point Likert scale statements in order to identify the impact of perceived benefits and perceived risks on the customers’ actual usage of e-banking service. The findings were presented in the table 4.4 below:

Table 4.4: Customers’ Usage of E-Banking

Customers’ Usage Consideration	N	Mean	Std. Deviation
Usage of E-banking is very much relevant to our future	400	4.01	.827
I will not lose interest using E-banking products in the future	400	3.90	.853
I want to use more kinds of E-banking products in the future	400	3.11	.525
Usage of E -banking service changes my life style and make me more productive and be able to manage my financial situation in a better way	400	3.01	.669
I recommend to a friend or family to use E -baking services	400	2.68	.681
I always use the E-banking service for all my banking requirements	400	2.43	.573
I always prefer using E-banking service than traditional banking service	400	2.41	.590
I am strongly satisfied with the usage of the E-banking services	400	2.37	.556
Valid N (list wise)	400	2.99 Moderate	

Source: Primary data 2018

Rating scale		
Mean Range	Interpretation	Response Made
1.0 - 1.7	strongly disagree	Very low
1.8 - 2.5	Disagree	Low
2.6 - 3.3	Not Sure	Neutral
3.4 - 4.1	Agree	High
4.2 - 5.0	Strongly Agree	Very High

Table 4.4 shows the mean scores of customer usage of e-banking perceptions and these were added and divided to the total number of customers' usage considerations to come up with the total mean (2.99), which stands for a moderate consideration and is represented by neutral according to the Likert scale.

The results show the following facts, "Usage of E-banking is very much relevant to our future" and "I will not lose interest using E-banking products in the future appear with the mean scores of 4.01 and 3.09 respectively; both of which stand for high consideration and is represented by agree according to the Likert scale.

And "I want to use more kinds of E-banking products in the future", "Usage of E -banking service changes my life style and make me more productive and be able to manage my financial situation in a better way" and "I recommend to a friend or family to use E -baking services" appear with the mean scores of 3.11, 3.01 and 2.68 respectively; all of which stand for moderate consideration and is represented by neutral according to the Likert scale.

It is also observed that the statements, "I always use the E-banking service for all my banking requirements", "I always prefer using E-banking service than traditional banking service" and "I am strongly satisfied with the usage of the E-banking services" appear with the low mean scores of 2.43, 2.41 and 2.37 respectively; all of which stand for low consideration and is represented by disagree according to the Likert scale.

From the finding above it can be concluded that customers are not using all the e-banking services frequently and they feel hesitation in using e-banking services. And the respondents generally had less level of satisfaction with the Services.

But from the above finding summery (table 4.2 and 4.3), it can be seen that customers perceived benefit have a very high consideration than perceived risk, this is why customers

did not totally stop using the service even if they are not strongly satisfied. And the respondents perceived benefit and perceived risk impact can be seen from the result that is revealed in table 4.4, that respondents had a moderate consideration of using the service.

4.5 REGRESSION ANALYSIS

In this section the researcher tests whether the perceived benefit and risk has a relationship with usage of e- banking or not. In doing the hypothesis test, the researcher uses liner regression analysis.

4.5.1 DIAGNOSIS TEST

Before applying regression analysis, some tests were conducted in order to ensure the appropriateness of data to assumptions regression analysis as follows:

4.5.1.1 NORMALITY TEST

One approach to diagnose normality includes Skewness and Kurtosis. The skewness portrays the symmetry of distribution whereas the kurtosis refers to the measure of the heaviness of the tails in a distribution (also known as peakedness or flatness of the distribution) compared with the normal distribution. In normal distribution, the scores of skewness and kurtosis are zero. Garson (2006) point out that, skewness scores outside the -2 to +2 range demonstrate substantially skewed distribution. However, Grahama (2008) suggest that values of the skew index greater than three (3.0) are indicated as extremely skewed and score of the kurtosis index from about 8.0 to over 20.0 describe extreme kurtosis. In this study, the researcher set the maximum acceptable limit of observation values up to ± 2 for the skewness and up to ± 3 for the kurtosis. Thereafter, from the table below, both the skewness and kurtosis columns of the descriptive statistics are within the acceptable limit and this indicates that the residuals are normality distributed.

Table 4.5 Normality Test

	Descriptive Statistics				
	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
customers perceived benefit	400	-.924	.122	.071	.243
customers perceived risk	400	-1.166	.122	.535	.243
Valid N (listwise)	400				

Source: Primary data 2018

4.5.1.2 MULTICOLLINEARITY TEST BETWEEN STUDY VARIABLES

The finding in the above table shows the result of multicollinearity. Tolerance should be > 0.1 (or VIF < 10) for all variables (Garson, 2012). Looking at the collinearity statistics below, the finding reveals that there is multicollinearity between the variables.

Table 4.6 Multicollinearity Test

Coefficients ^a		Collinearity Statistics	
Model		Tolerance	VIF
1	(Constant)		
	customers perceived benefit	.252	3.961
	customers perceived risk	.252	3.961

a. Dependent Variable: customers actual usage of E-banking

Source: Primary data 2018

4.5.1.3 LINEARITY TEST

Linearity refers to the relationships between the predictors and the outcome variable which should be linear.

Table 4.7 Linearity test

Residuals Statistics ^a					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	.64	3.24	2.39	.590	400
Residual	-1.738	1.598	.000	.741	400
Std. Predicted Value	-2.962	1.441	.000	1.000	400
Std. Residual	-2.341	2.152	.000	.997	400

a. Dependent Variable: customers actual usage of E-banking

Source: Primary data 2018

4.1.1 Hypothesis One: Perceived benefit has significant positive relationship with usage of e-banking services.

Here the researcher tests whether the perceived benefit has a relationship with usage of e-banking or not. In doing the hypothesis test, the researcher uses liner regression analysis. The results of the regression analysis using SPSS are summarized in tables as follows:

Dependent Variable: Usage of E-banking

Independent Variables: Perceived Benefit

Table 4.8. Linear regression results - Perceived Benefit**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.620 ^a	.384	.383	.744

a. Predictors: (Constant), customers perceived benefit

Source: survey result, 2018

The result summary table 4.5 shows that value of R=0.620 which is greater than 0.50 indicates that there is a strong correlation between the dependent variable (usage of e-banking) and the independent variable (Perceived benefit) with effect on the dependent variable 38.4% (R-Square=.384). The ANOVA table here below shows that there is a positive relationship between usage of e-banking and perceived benefit as the result of P value is less than 0.05.

Table 4.9. ANOVA - Perceived Benefit**ANOVA^a**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	137.431	1	137.431	248.226	.000 ^b
Residual	220.353	398	.554		
Total	357.784	399			

a. Dependent Variable: customers actual usage of E-banking

b. Predictors: (Constant), customers perceived benefit

Source: survey result, 2018

As per the result of the regression analysis above, the research hypothesis “**H1: Perceived benefit has significant positive relationship with usage of e-banking services**” is supported.

Table: 4.10 Linear Regression Model Summary**Coefficients^a**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.037	.154		.241	.810
	customers perceived benefit	.610	.039	.620	15.755	.000

a. Dependent Variable: customers actual usage of E-banking

Source: survey result, 2018

The above Coefficient table shows the simple linear regression model that expresses the impact of perceived benefit on customers' usage of e-banking. The model is shown mathematically as follows; $Y = a + bX$, where y is customers' actual usage of e-banking, X is customers perceived benefit, a is a constant factor and b is the value of coefficient.

From the above table, the model can be read as $Y = 0.037 + 0.61X$. This can be interpreted as; the perceived benefit of customers on e-banking service performance on increasing usage of e-banking service is about 61%. Based on this it can be conclude that the positive impact of customers perceived benefit on usage of e-banking in commercial bank of Ethiopia is very strong. And the Beta weights, which also express the relative importance of the independent variable, is 62% which revealed that perceived benefit has a strong influence on the actual usage of e-banking.

4.1.2 Hypothesis Two: Perceived risk has significant negative relationship with usage of e-banking services.

The researcher also tests whether the perceived risk has a relationship with usage of e-banking or not. In doing the hypothesis test, the researcher uses liner regression analysis. The results of the regression analysis using SPSS are summarized in tables as follows:

Dependent Variable: Usage of E-banking

Independent Variables: Perceived Risk

Table 4.11 Linear regression results- perceived Risk

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.503 ^a	.253	.251	.820

a. Predictors: (Constant), customers perceived risk

Source: survey result, 2018

The result summary table 4.8 shows that value of $R = 0.503$ which is greater than 0.50 indicates that there is correlation between the dependent variable (usage of e-banking) and the independent variable (Perceived risk) with effect on the dependent variable 25.3 % (R^2).

Square=.253). The ANOVA table here below shows that there is a positive relationship between usage of e-banking and perceived risk as the result of P value is less than 0.05.

Table 4.12 ANOVA - Perceived Risk

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	90.470	1	90.470	134.699	.000 ^b
	Residual	267.314	398	.672		
	Total	357.784	399			

a. Dependent Variable: customers actual usage of E-banking

b. Predictors: (Constant), customers perceived risk

Source: survey result, 2018

As per the result of the regression analysis above, the research hypothesis “**H2: Perceived risk has significant negative relationship with usage of e-banking services**” is supported.

Table: 4.13 linear Regression Model Summary

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.383	.178		2.156	.032
	customers perceived risk	.502	.043	.503	11.606	.000

a. Dependent Variable: customers actual usage of E-banking

Source: survey result, 2018

The above Coefficient table shows the simple linear regression model that expresses the impact of perceived risk on customers’ usage of e-banking. The model is shown mathematically as follows; $Y = a + bX$, where y is customers’ actual usage of e-banking, X is customers perceived risk, a is a constant factor and b is the value of coefficient.

From the above table, the model can be read as $Y = 0.38 + 0.502X$. This can be interpreted as; the perceived risk of customers on e-banking service performance on the reduction of usage

of e-banking service is about 50.2%. Based on this it can be conclude that the negative impact of customers perceived risk on usage of e-banking in commercial bank of Ethiopia is strong. And the Beta weights, which also express the relative importance of the independent variable, is 50% which revealed that perceived risk has an influence on the actual usage of e-banking.

In general, from this linear regression model summery it can be seen that perceived benefit was found to have a significant impact on usage of e-banking services than perceived risk, this was the reason why customer risk perceptions associated with e-banking could not totally restrict customers from using e-banking products.

CHAPTER-FIVE

CONCLUSIONS AND RECOMMENDATIONS

INTRODUCTION

This chapter presents conclusion in section 5.1. Next, the possible important recommendation and suggestion presented in section 5.2 and in section 5.3 limitations and farther research areas are presented.

5.1 CONCLUSION

Despite the numerous benefits that e-banking technology brings to the nation, peoples are reluctant and ignorant to use the e-banking technology. Since the year 2002 Commercial Bank of Ethiopia has been in business of e-banking service, but the rate at which the innovation is being diffused seems to be slow. As it is evidenced, only 28% of its customers enjoy the e-banking service according to EPSDCBE as of June 30, 2017 which shows that the e-banking services are still at infancy stage. And the possible reason for the low awareness and usage of electronic banking service is customers' perception for the service.

The purpose of this study was to identify benefit and risk perceptions of customers towards the usage of e-banking service technology in Commercial Bank of Ethiopia.

5.1.1 CUSTOMERS' PERCEPTIONS ON BENEFITS OF E-BANKING SERVICE

The researcher examined the level of the customers' benefit perceptions on the usage of e-banking service technology. The following conclusions are drawn based on the findings of the study:

From the descriptive statistics (table 4.3), it was found out that customers highly agreed on the perceptions that electronic banking minimizes the risk of carrying cash, e-banking is queue free, e-banking saves travel cost in performing banking transaction to bank branches and using e-banking would enable to accomplish tasks more quickly and save time appear with the very highest mean scores from other benefit factors which influence customers' usage of the e-banking service.

And the descriptive statistics (table 4.3), revealed that the perceptions of e-banking is customer centered, e-banking offer a wider range of banking products and services, it is easy to access e-banking to perform banking tasks and existing e-banking withdrawal and fund transfer limit is encouraging to use the service get a high consideration and the perceptions

that it is easy to use e-banking to accomplish banking tasks and e-banking serves 24 hours of a day are factors that had a neutral consideration among customers. And these have been the subsequent factors that customers agreed up on affecting customers' usage of e-banking.

The result revealed that convenience, time and cost saving advantages of the service is at the core of customers' choices to use e-banking service than traditional banking system.

5.1.2 CUSTOMERS' PERCEPTIONS ON RISKS ASSOCIATED WITH E-BANKING SERVICE

From the descriptive statistics (table 4.4), it was found out that customers highly agreed on the perceptions such as incomplete transactions may occur due to network problems, e-banking is prone to third party accessing of personal information, e-banking may leads to losses and waste of time when fixing payment errors, when transaction errors occur, it is difficult to get compensation from the bank and completion of e-banking transactions may take long time due to low network connection appear with the very highest mean scores and get a very high consideration from the customers which revealed that these risk factors greatly influence customers usage of the service comparing them from others listed risk perceptions.

And the descriptive statistics (table 4.4), revealed that the perceptions of e-banking servers and other facilities may not perform well and may process payments incorrectly, e-banking do not facilitate quick response and causes dilemma, the transaction handling fees in performing e-banking transaction is costly, interaction with e-banking does require a lot of mental effort and electronic banking does not provide up to date information get a high consideration and customers consider these factors as second most discourage factors to use the services.

The result revealed that perceived risk of e-banking revolves around security, network infrastructure, internet related issues and operational support service issues of the bank.

5.1.3 THE IMPACT OF CUSTOMERS PERCEIVED BENEFIT AND PERCEIVED RISK ON THE ACTUAL USAGE OF ELECTRONIC BANKING SERVICE

From the descriptive statistics (table 4.5), it can be concluded that customers highly agreed on the particulars such as usage of e-banking is very much relevant to our future and I will not

lose interest using e-banking products in the future appear with the very highest mean scores and both of which stand for high consideration.

From the descriptive statistics (table 4.5), it can also be concluded that the factors such as I want to use more kinds of e-banking products in the future, usage of e -banking service changes my life style and make me more productive and be able to manage my financial situation in a better way and I recommend to a friend or family to use e -baking services get a high consideration.

And from the table 4.5, it can be concluded that customers disagreed on issues such as I always use the e-banking service for all my banking requirements, I always prefer using e-banking service than traditional banking service and I am strongly satisfied with the usage of the e-banking services which appear with the low mean scores and all of which stand for low consideration.

In general, the result revealed that customers' usage of e-banking has moderate consideration which can be conclude that customers at the current time have less interest to use the service. But the finding revealed that they need to use the service in the future and they are certain that they will not loss interest to use the service when their risk perceptions associated with the day-to-day transactions performed through the e-banking devices be eliminated or reduced.

5.2 RECOMMENDATIONS

This study raised a number of research questions and developed hypotheses related to the study variables. The purpose of the study was to identify benefit and risk perceptions of customers towards the e-banking service of commercial bank of Ethiopia. The study applied a descriptive study on Commercial Bank of Ethiopia and tried to infer the findings through testing the hypotheses.

And based on the conclusions drawn above the following recommendations are forwarded for the concerned bodies:

- The bank should continuously review and upgrade the existing system of security by establishing suitable legal and regulatory framework for e-banking service. And the bank should minimize the risk perception regarding with security issues that the customers have and let them be confident in their decision for using the technology by providing them information regarding to how the e-banking service of the bank is safe

and secured and provide information on how to deal with problems if any by letting them know the established legal and regulatory frameworks using all forms of medias.

- To retain the existing e- banking customers and also to attract new users and to improve e- banking service quality, the bank should continuously avoid transaction errors which predominantly occurred due to frequent network failure by installing its own wireless technology in order to decrease the down time of the network at all levels. The bank should also work to free or minimize internet service charges while accessing the bank's internet, banking and mobile banking services.
- To motivate customers to use e-banking technology and to increase easy access to the service, the bank should try to increase the level of service expansion periodically as it should offer versatility in its offerings. It should improve provision of ATM, internet banking and POS services to satisfy all customers in standard and functional manner throughout the country. And should follow-up and ensure full functioning of ATM and POS machines, Mobile and Internet banking network connection in order to improve and ensure sustainable services throughout the year by undertaking timely maintenance during service failure.
- In order to increase customers' awareness, to avoid their fear of using the technology and to avoid their believes that the service requires a special mental effort, the bank should give continues education to its customers on how to accesses and operate the services mainly at branch level demonstration and also through extensive promotion that address the general public using mass medias, sponsorship for programs that have mass audience, and using different promotional materials that can be easily understand by all customers.
- The bank should have well trained personnel's in terms of their technical, managerial and implementation skills of e-banking service by providing special training program to upgrade the capability of existing personnel and also by searching and welcoming experienced personnel in this field since it ultimately has an effect in the increasing of customers' usage of the service.

5.3 LIMITATIONS AND FURTHER RESEARCH AREAS

The study relied much on the responses of the questionnaire that were filled out and answered by the customers of the selected four branches of the bank. Hence, the number of participants included in the sample may not be good representative of the population. And the purposive sampling procedure may decrease the generalizability of findings and this study might not be generalizable to all CBE customers. Future research is, therefore, recommended to address the above stated limitations.

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APPENDIX

Addis Ababa University
School of Commerce
College of Business and Economics
Marketing Management
A Questionnaire On
Customers Perception towards E-Banking Service

Dear respondents,

This questionnaire is prepared for research purpose entitled “**Customers Perception Towards E-Banking Service**”. You are expected to give accurate data to make proper analysis. Your participation is completely voluntary. I would be indebted if you co-operate with me in filling the questionnaire.

This questionnaire contains two sections and three (3) pages that will be expected to take approximately 15 to 20 minutes to complete. You are kindly requested to respond to the questions based on the instructions under each section. No need to write your name in the questionnaire. Since the questionnaire is being used for academic purpose, the information gathered will remain strictly confidential.

If you have any enquiry you can reach the student researcher via the following address:

Section I: General information.

Direction: Please select the appropriate response category by marking the number in front of each response options.

1. Gender: Male ☐ Female ☐
2. Age: 18-35 ☐ 36-45 ☐ 46-55 ☐ Above 55 years ☐
3. Level of Education: Primary ☐ High school ☐ University degree ☐
4. Which type of account you have with the bank? Saving ☐ Current account ☐
5. For how long have you been holding the account? 1-2 years ☐ 3-5 years ☐ above 5 years ☐
6. which type of E-banking products do you use mostly, rank them from 1=4?
 1. Automated teller machine (ATM) ☐
 2. Mobile banking ☐
 3. Internet banking ☐
 4. POS (Point of Sale) ☐
7. For how long you have been using the e-banking service? 1-2 years ☐ 3-5 years ☐ more than 5 years ☐
8. How often do you use the E-banking service? Daily ☐ Once in week ☐ Once in month ☐ Once in 6 months ☐
9. What do you access through e-banking for? Rank the most important priorities of e-banking service from the selection below. Ranking them from 1=5 and write the numbers in the box

Making different payments	☐	Cash out	☐
Making Money Transfers	☐	Buy goods	☐
statement of account analysis and other information retrieval	☐		

Section II: Customers Perception on Benefits of E-Banking

Direction: Please indicate your degree of agreement/disagreement with the following statements by circling the appropriate number. (1-Strongly disagree; 2-Disagree; 3-Neutral; 4-Agree; and 5-Strongly agree)

NB. E-Banking includes ATM, POS, Internet and Mobile Banking.

Benefits Associated With E-Banking		SD	D	N	A	SA
		1	2	3	4	5
1	Electronic banking minimizes the risk of carrying cash	1	2	3	4	5
2	E-banking is queue free	1	2	3	4	5
3	E-banking saves travel cost in performing banking transaction to bank branches	1	2	3	4	5
4	Using E-banking would enable to accomplish tasks more quickly and save time	1	2	3	4	5
5	E-banking is customer centered	1	2	3	4	5
6	E-banking offer a wider range of banking products and services	1	2	3	4	5
7	It is easy to access E-banking to perform banking tasks	1	2	3	4	5
8	Existing E-banking withdrawal and fund transfer limit is encouraging to use the service	1	2	3	4	5
9	It is easy to use E-banking to accomplish banking tasks	1	2	3	4	5
10	E-banking serves 24 hours of a day	1	2	3	4	5
Risks Associated with E-Banking		SD	D	N	A	SA
		1	2	3	4	5
1	Incomplete transactions may occur due to network problems	1	2	3	4	5
2	E-banking is prone to third party accessing of personal information	1	2	3	4	5
3	E-banking may leads to losses and waste of time when fixing payment errors	1	2	3	4	5
4	When transaction errors occur, it is difficult to get compensation from the bank	1	2	3	4	5
5	Completion of E-banking transactions may take long time due to low network connection	1	2	3	4	5
6	E-banking servers and other facilities may not perform well and may process payments incorrectly	1	2	3	4	5
7	E-banking do not facilitates quick response and causes dilemma	1	2	3	4	5
8	The transaction handling fees in performing E-banking transaction is costly	1	2	3	4	5
9	Interaction with E-banking does require a lot of mental effort	1	2	3	4	5
10	Electronic banking does not provide up to date information	1	2	3	4	5

Part III: Usage of E -Banking

Direction: Please indicate your degree of agreement/disagreement with the following statements by circling the appropriate number. (1-Strongly disagree; 2-Disagree; 3-Neutral; 4-Agree; and 5-Strongly agree)

Usage of E-banking		SD	D	N	A	SA
		1	2	3	4	5
1	I always use the E-banking service for all my banking requirements.	1	2	3	4	5
2	I am strongly satisfied with the usage of the E-banking services	1	2	3	4	5
3	I recommend to a friend or family to use E -banking services.	1	2	3	4	5
4	I always prefer using E-banking service than traditional banking service.	1	2	3	4	5
5	Usage of E -banking service changes my life style and make me more productive and be able to manage my financial situation in a better way.	1	2	3	4	5
6	Usage of E-banking is very much relevant to our future.	1	2	3	4	5
7	I will not lose interest using E-banking products in the future.	1	2	3	4	5
8	I want to use more kinds of E-banking products.	1	2	3	4	5

THANK YOU VERY MUCH!