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**THE EFFECT OF E-BANKING SERVICE ON CUSTOMER
SATISFACTION: IN THE CASE OF ABAY BANK S.C, ADDIS
ABABA BRANCHES**

BY

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ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

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ADDIS ABABA, ETHIOPIA

**THE EFFECT OF E-BANKING SERVICE ON CUSTOMER
SATISFACTION: IN THE CASE OF ABAY BANK S.C, ADDIS
ABABA BRANCHES**

**A THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY COLLEGE OF
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FOR DEGREE OF MASTERS IN INTERNATIONAL BUSINESS**

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JANUARY, 2023

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DECLARATION

I, Genet Daba, hereby declare that the thesis work entitled “the effect of e- banking service on customer satisfaction in a case of Abay Bank S.C particularly Addis Ababa city branches” submitted by me for the award of degree of Masters in international business of Addis Ababa University at Addis Ababa, Ethiopia, is my original work and it has never been presented in any university. All sources and materials used for this thesis have been duly acknowledged.

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CERTIFICATION
ADDIS ABABA UNIVERSITY
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This is to certify that the thesis prepared by Genet Daba entitles: the effect of e- banking service on customer satisfaction in a case of Abay Bank S.C particularly Addis Ababa city branches and submitted in partial fulfillment of the requirements for the degree of masters of international business compiles with the regulations of the university and meets the accepted standards with respect to originality and quality.

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Chair of Department or Graduate Program Coordinator

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LIST OF ACRONYMS AND ABBREVIATIONS

ACC-Accessibility

ATM- Automated Teller Machine

CS -Customer Satisfaction

ETU- Ease to use

FC-Fees and charges

ICT-Information and Communication Technology

OLS-Ordinary least squares

PC- Personal Computer

PDA- Personal Digital Assistant

PIN- Personal Identification Number

POS- Point of Sale

RLBTY -Reliability

RPSN- Responsiveness

SA- System availability

SC- Service content

SERVQUAL - Service of Quality

SP- Security and privacy

SPSS- Statistical package for social science

TE-Transaction efficiency

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ABSTRACT

The purpose of this study was to examine the effect of e-banking service on customer satisfaction in a case of Abay Bank S.C particularly Addis Ababa city branches. The study focused on nine independent variables i.e, ease to use, reliability, accessibility, fees and charges, transaction efficiency, responsiveness, security and privacy, service content and system availability and customer satisfaction as dependent variable. The study used quantitative research approach to have a better insight and gain a richer understanding about the effect of those factors on customer satisfaction. The researcher has employed explanatory research design to objectively answer the hypothesis. Simple random and cluster sampling methods were employed in order to select relevant respondents from e- banking service's customers. For achieving the study objective, the study distributed 400 structured questionnaires, but collected 380 questionnaires. In line with this, 5 point Likert scale questionnaire were applied with closer assistance of the researcher. Then, the data were analyzed through SPSS software by stating descriptive and inferential statistics using linear regression model. By the findings, regression model indicates that reliability, accessibility, Transaction efficiency, system availability, security and privacy and service content have significant effect on customer's satisfaction. However, ease to use, responsiveness, fees and charges have no significant effect on customer's satisfaction. Finally, on the basis of the research findings, Abay Bank S.C has to be reliable and responsive in terms of speed and accuracy while providing e- banking services products to customers.

Key Words: Abay Bank S.C, Reliability, Accessibility, Transaction Efficiency, System Availability, Security and Privacy, Service Content, Ease to use, Responsiveness, Fees and Charge and customer's satisfaction

CHAPTER ONE

INTRODUCTION

1.1 BAGROUND OF THE STUDY

Banking services are important in human being's life. Due to the constantly evolving technology and client expectations, banks have recently been experiencing operational issues. As a result, banks have utilized technology as a tool to supply financial services in order to provide effective consumer services. The banking industries are becoming more competitive, and client expectations of financial services have risen as well. It is challenging to differentiate products in the banking industry because most banks provide identical services. Therefore, it becomes crucial for banks to set themselves apart from other banks through the quality of their services (Stamenkov and Dika, 2015).

The financial services sector is becoming more competitive, necessitating the creation and use of alternate delivery channels. Online banking is the most recent delivery channel to be used. Additionally, the advancement of information and communication technologies has greatly influenced human behavior and resulted in many successes for human society. The capacity to access a vast variety of information is a significant development that has raised society's consciousness (Fathian, Shafiea and Shahrستاني, 2009).

The majority of businesses are being considerably changed by information and communication technology (ICT) to become more technologically friendly. We are currently in the fourth stage of the technology revolution, which sees the automation of the majority of business, educational, economic, etc. operations as well as the emergence of new technologies like the Internet of Things (IoT), self-driving cars, etc. The banking industry is not an exception, as its processes are also going through significant change. Globally, banking has moved toward electronic banking, which has been made possible by technological improvements that have varied from country to country. Some institutions switched entirely from traditional banking to digital banking, while others did so while still offering traditional banking as a backup (Mohammad and Naser, 2019).

Customer satisfaction is an instrument of how well a company's goods and services meet or surpass client expectations. Another definition of customer satisfaction is the proportion of all customers (or the number of customers) whose ratings of a company's products or services are higher than predetermined levels of satisfaction (Farris, 2010). The association between consumer satisfaction and e-banking services was supported by numerous more studies. Asiyanbi and Ishola (2018), for instance, demonstrated that the use of e-banking services raises customers' level of satisfaction in the banking industry. Bei and Chiao (2006) confirmed the idea that service quality is substantially correlated with the level of customer satisfaction, while Ranaweera and Neely (2003) indicated that e-service quality is the initial step of customer satisfaction.

In Ethiopia there are over 18 million mobile phone users, providing more opportunities for financial institutions to reach unbanked areas. The numbers of mobile holders are near to fold of the number of bank account holders in the country. The number of ATMs available in the country had fallen to 194 by the end of 2011, significantly lower than the 1,979 ATMs operated by commercial banks in Kenya at the same time (Worku and Tafa, 2016).

Abay Bank S.C. kept growing its service outlets to improve public accessibility and satisfy the diverse needs of its clients. The Bank launched 31 new branches this year as part of this endeavor, bringing the total to 223 by June 30, 2020. Additionally, initiatives to strengthen digital banking channels are still being made through the implementation of an upgraded Internet Banking system, mobile banking solutions, and expansion of Card and Agent Banking. In order to do this, 16 more Abay-Bedeje agents were hired, bringing the total to 298. As of June 30, 2020, the bank had 3,964, 164,177, and 167,674 users of its card and internet banking services, respectively. Partly due to the improved availability of the digital banking platforms, and the aggressive resource mobilization campaign conducted during the year, the bank's customer base has reached 824,890 demonstrating a trajectory of 32% from the previous year level (Abay Bank S.C Annual report, 2020).

Therefore, this study designed to examine the effect of e-banking service on customers' satisfaction in case of Abay Bank S.C particularly Addis Ababa city branches since it is difficult to collect data from outline branches because of shortage of time and security issues.

1.2 STATEMENT OF THE PROBLEM

The use of numerous technological channels helps banks operate more efficiently and improves customer satisfaction (Omodele&Onyeiwu, 2019). According to Farris et al. (2010), the proportion of all customers whose reported experiences with a company, its products, or its services surpass predetermined satisfaction targets is known as customer satisfaction.

Therefore, gaining a competitive edge by quick and intelligent recognition of customer needs assures customer retention through the delivery of superior services and goods (Ogunlowore and Rotimi, 2014).

Globalization and information technology also bring new challenges to domestic business companies. Customers may now purchase in a global marketplace and get reliable access to price and quality information around-the-clock thanks to global communication and management systems. Companies require robust information and communication systems to be competitive players in global markets. ICT has made it possible to supply new goods and value-added services while still utilizing the same electronic infrastructure (Abor, 2004).

There is a broad uproar from the state controlled banks in Ethiopia despite the fact that they are utilizing technical developments and implementing automated teller machines, particularly near the end of the month. Due to the intense competition that banks face today, providing technology-based services along with high-quality service and a focus on client happiness are needed to succeed (Simon, 2016).

According to studies conducted by Raza et al (2015) and Mudassir (2016), empathy has no significant effect on customer satisfaction.

On the contrary, according to the findings of Simon (2016), Omodele and Onyeiwu (2019), and Maria (2020) studies, empathy has a positive and significant effect on customer satisfaction.

Furthermore, Ismail (2017) and Vetrivel et al (2020) discovered that security and privacy have no significant effect on customer satisfaction after examining the results of security and privacy variables.

However, according to research conducted by Mohammad and Naser (2019), AlHaliq (2016), Ahmad (2011), Bogati (2016), Neeraj et al (2020), Sadaf (2017), Jyotsna et al (2020), Richard (2012), Jamil and Ibrahim (2018), Abdelghani (2020), and Saravanan and Leelavathi (2020), they concluded that privacy and security have positive and significant effect on customer satisfaction. In line with this, as per empirical evidences generated from Vetrivel et al (2020), Sadaf (2017) and Saravanan and Leelavathi (2020), they mentioned that responsiveness has no significant effect on customers' satisfaction.

On the other hand, as per empirical result conclusion made by Raza et al. (2015), Omodele and Onyeiwu (2019), Maria (2020), Jyotsna et al (2020), Jamil and Ibrahim (2018) and Mudassir (2016), they stated that responsiveness has positive and significant effect on customer satisfaction. Moreover, rely on Maria (2020) and Mudassir (2016) result examination on tangibility, they revealed that tangibility has no significant effect on customers' satisfaction. In the contrary, based on Raza et al. (2015), Jyotsna et al (2020), Simon (2016) and Omodele and Onyeiwu (2019) study's conclusion tangibility has positive and significant effect on customers' satisfaction. Finally, study conducted by Jyotsna et al (2020), he concluded that reliability has no significant effect on customers' satisfaction, conversely as per Mohammad and Naser (2019), Simon (2016), AlHaliq (2016), Addai et al. (2015), Raza et al. (2015), Neeraj et al (2020), Maria (2020), Mekides (2019), Tesfaye (2019), Fikerselassie (2017), Richard (2012), Jamil and Ibrahim (2018) and Mudassir (2016) justifications, they concluded that reliability has positive and significant effect on customer satisfaction. In light of this, previous empirical results on a similar topic indicate different findings despite using the same variables to investigate the effect of e-banking service on customer satisfaction.

As a result, it suggests that additional empirical work is required to determine the reasons for the existence of various findings. According to the researcher's knowledge, most researchers conducted in Ethiopia did not include critical variables even though they studied the effect of e-banking service on customer satisfaction, for example, Simon (2016), Neeraj et al (2020), Maria (2020), Mekides (2019), Tesfaye (2019), Fikerselassie (2017), and Worku and Tafa (2016). According to customers' complains in Abay Bank S.C, most of the time messages didn't delivered on time to mobile banking users when transactions made by customers.

In addition to this, there is also frequent dispute issue on mobile banking service especially when the customers made transaction on top up air time and other banks transfer.

Moreover, internet banking didn't work efficiently due to this; the customers didn't prefer the internet banking service and also number of internet customers is less than from mobile banking customers and ATM card holders (Abay Bank Internal Memo, 2022). Thus, due to the severity of the issue and absence of sufficient empirical studies on these issues pertaining to this topic incorporating crucial variables is what motivated the researcher to examine the effect of e-banking service on customer satisfaction in case of Abay Bank S.C particularly Addis Ababa city branches.

1.3 HYPOTHESIS

H₁: Ease to use has significant effect on customer satisfaction

H₂: Reliability has significant effect on customer satisfaction

H₃: Accessibility has significant effect on customer satisfaction

H₄: Fees and charges have significant effect on customer satisfaction

H₅: Transaction efficiency has significant effect on customer satisfaction

H₆: Responsiveness has significant effect on customer satisfaction

H₇: Security and privacy have significant effect on customer satisfaction

H₈: Service content has significant effect on customer satisfaction

H₉: System availability has significant effect on customer satisfaction

1.4 OBJECTIVE OF THE STUDY

1.4.1 GENERAL OBJECTIVE

The main objective of this research is to examine the effect of e-banking service on customer satisfaction in case of Abay Bank S.C particularly Addis Ababa city branches.

1.4.2 SPECIFIC OBJECTIVE

- To examine the effect of ease to use on customer satisfaction in case of Abay Bank S.C
- To study the effect of reliability on customer satisfaction in case of Abay Bank S.C
- To scrutinize the effect of accessibility on customer satisfaction in case of Abay Bank S.C
- To identify the effect of fees and charges on customer satisfaction in case of Abay Bank S.C
- To examine the effect of transaction efficiency on customer satisfaction in case of Abay Bank S.C

- To scrutinize the effect of responsiveness on customer satisfaction in case of Abay Bank S.C
- To study the effect of security and privacy on customer satisfaction in case of Abay Bank S.C
- To identify the effect of service content on customer satisfaction in case of Abay Bank S.C
- To examine the effect of system availability on customer satisfaction in case of Abay Bank S.C

1.5 SIGNIFICANCE OF THE STUDY

This study will be very important in examining the effect of e-banking service on customer satisfaction in the case of Abay Bank S.C, specifically Addis Abeba city branches.

The findings that emerged from the study's findings will benefit many parties, including the following organs:

Government: The government may be interested in knowing which companies operate successfully or failed to take the necessary measures to avoid bankruptcy crises in these companies.

Academician: Academicians may learn about the impact of e-banking services on customer satisfaction, allowing students to become acquainted with it and find a solution to their teaching and learning processes.

Investors: Investors will be interested in such studies in order to protect and direct their investment to the best investment.

Customers: Customers may be interested in learning about Abay Bank S.C's ability to provide e-banking services.

Management will be interested in identifying success and failure indicators in order to take the necessary actions to improve e-banking service in the company and make the best decisions. Furthermore, this research will shed light on how to better understand what variables have an impact on customer satisfaction in Abay Bank and will be critical in providing a better foundation for the bank's sales managers, business professionals, business initiatives, and policymakers.

Moreover, the research will provide future researchers with an insight point as a starting place for further study in the area.

1.6 SCOPE OF THE STUDY

The study only focused on the effect of e-banking service on customers' satisfaction in case of Abay Bank S.C particularly Addis Ababa city branches to cover views of current e-banking service user customers. Next to this, the research was conducted using probability sampling method. For this probability sampling method, the study used cluster and simple random sampling technique.

And also, the researcher distributed four hundred (400) questioners to selected e-banking service customers. The researcher was able to get back three hundred eighty (380) out of 400 questionnaires administered which gives 95% response rate. In line with this, it provided a conceptual and theoretical appraisal on the effect of e-banking service using various dimensions which affect customers' satisfaction. The study used nine independent variables i.e., ease to use, reliability, accessibility, fees and charges, transaction efficiency, responsiveness, security and privacy, service content and system availability and customers' satisfaction as dependent variable. Finally the study collected data through questionnaire; the research only considered the responses to be gained from e-banking service user customers those who were willing to give the required information as base of analysis. To this end, the study only employed quantitative analysis approach.

1.7 DEFINITION OF TERMINOLOGIES

SERVQUAL- refers to dimension of service quality i.e tangibility, reliability, assurance, responsiveness and empathy.

E-services- services delivered over the internet and electronic devices.

E-Banking-is a form of banking service where funds are transferred through an exchange of electronic signal between financial institutions.

Automated Teller Machines (ATM) - is designed to perform the most important function of bank and operated by plastic card with its Special features.

Point-of-Sale Transfer Terminals (POS) -allows consumers to pay for retail purchase with a ATM card in different market places.

Mobile banking- is a term used for performing balance checks, account transactions, payments, credit applications and other banking transactions through a mobile device.

Internet banking- It is an electronic home banking system using web technology in which Bank customers are able to conduct their business transactions with the bank through personal computers.

1.8 LIMITATION OF STUDY

The study is conducted using primary data. The sample and data of study are shortened and may not be enough because of the security issues in the country in general Amahara region in particular which creates difficulty on the research to use primary data's such as questioners that are very relevant for the research work to give adequate recommendation. Besides, Questionnaires weren't fully returned and some of the respondents were not willing to fill the questionnaires properly and timely.

1.9 ORGANIZATION OF THE STUDY

The study organized in to five chapters. Chapter one is an introduction part where back ground of the study, statement of the problem, objectives of the study, hypothesis, scope, significance, limitation, definition of terminologies are presented. Chapter two is review of literature in which theories, empirical evidence and conceptual frame work are identified. Chapter three contained research methodology where research design, research approach, population, sampling method, sample size, sources of data, instruments, data analysis technique and model specification were covered. Chapter four focused on the results and discussion in which the findings results that are interpreted. Finally, chapter five presented the conclusions, summary of major findings, forwarded recommendations and directions for future researches.

CHAPTER TWO

RELATED LITERATURE REVIEW

2.1 THEORETICAL REVIEW

2.1.1 HISTORY OF E-BANKING

The early 1970s saw banks start to consider these services as alternatives to some of their traditional banking operations, and this is when the e-banking business began to develop.

First off, this decision was deemed wise since it guarantees lower expenses, as branches were quite expensive to establish and manage.

Second, banks exploited e-banking services and products like ATMs and electronic fund transfers as a key differentiator (Driga&Isac, 2014).

Before it was widely adopted in any other industrialized or developing country, the introduction of the first Automated Teller Machine (ATM) in Finland signaled the beginning of a new banking channel and elevated Finland to the position of leadership in E-Banking (Sharma, 2011).

2.1.2 DEFINITION OF E- BANKING

According to AL-Zahrani (2015), "Electronic Banking" or "e-banking" refers to remote banking services offered by recognized banks or their representatives through equipment run either directly under the supervision and management of the bank or in accordance with an outsourcing arrangement.

E-banking, according to Raza et al. (2015), enables users to access information and do the majority of banking tasks online, including bill payment, inter-account transfers, and account balance inquiries. Additionally, customers can conduct banking business online at anytime, anywhere, using a 24/7 service such as sending money, paying bills, and requesting a bank statement.

2.1.3 FORMS OF E-BANKING

A. AUTOMATED TELLER MACHINES (ATM)

The Automated Teller Machine (ATM) is a device that allows cash withdrawals without entering the banking area. It may be accessible 24/7 to check account balances and sell recharge cards and transfer payments. A computerized teller device known as an automated teller machine (ATM), also referred to as an automated banking machine (ABM), or Cash Machine, enables customers of a financial institution to conduct financial transactions in a public setting without the assistance of a cashier, human clerk, or bank teller. Inserting a plastic ATM card with a magnetic stripe or a plastic smart card with a chip that holds a specific card number identifies the user on the majority of modern ATMs (Fenuga, 2010).

B. INTERNET BANKING

The Internet enabled access to a wide range of self-service technologies (like e-banking, Internet banking, E-shopping, Online auctions, etc..). As these technological aspects spread, companies are also interested in utilizing these technological dimensions because of potential cost savings and delivering the products in an effective manner will make a significant difference in increasing sales growth, winning the competition, and making the customer satisfied with the offerings. In today's business environment, information and communication applications are paramount concerns for banks, and the internet has become a major platform for all financial, banking, and commercial services to their customers with advanced software technology, but they are plagued by security issues. E-banking is done via a public, unattended electronic device. An unattended electronic device in a public setting that is activated by a bank customer and connected to a data system and related equipment allows for cash withdrawals and other banking services (Simon, 2016).

According to Al-Otaibi (2018), online banking enables users to conduct financial transactions over mobile networks and access banking services at anytime, anywhere. The adoption of (M-banking) by consumers is supported by the development of the Smartphone and its widespread use and growth over the past 20 years.

According to Timothy (2012), electronic banking involves the use of the Internet as a distant supply channel for services including opening a deposit account, transferring money between accounts, and presenting electronic bills.

Internet banking is an electronic payment system that allows customers of a financial institution, such as a retail bank, virtual bank, credit union, or building society, to conduct financial transactions on the institution's website. Online banking is also known as Internet banking, e-banking, virtual banking, and other names. This new channel has expanded the concept of customer satisfaction and how it can be positively influenced. All organizations exist and strive to become an integral part of their customers' lives, so they must always work harder to keep satisfying their customers through better channels of delivery (Sadaf, 2017).

According to Raza et al. (2015), E-banking enables customers to obtain information and conduct transactions.

Customers of a financial institution can use internet banking 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 are increasingly offering websites where customers can not only inquire about account balances, interest rates, and exchange rates, but also conduct a variety of transactions.

Unfortunately, data on Internet banking are limited, and definitional differences make cross-country comparisons difficult (Timothy, 2012).

C. POINT-OF-SALE TRANSFER TERMINALS (POS)

The point of sale (POS), also known as the point of purchase (POP) or the checkout, is the location where a transaction takes place. A 'checkout' refers to a POS terminal or, more broadly, the hardware and software used for checkouts, the electronic cash register equivalent. The selling process is managed by a POS terminal via a salesperson-accessible interface. The same system allows the creation and printing of the receipt. Because of the costs associated with a POS system. POS systems track sales for accounting and tax purposes. Illegal software known as 'zappers' is increasingly being used on them to falsify these records in order to avoid paying taxes (Olorunsegun, 2010).

D. MOBILE BANKING

According to Clotey (2008), mobile banking is a system or platform that keeps users informed of any changes to their accounts automatically. These modifications could take the form of charges to the account, debits to the account, or both. The only requirement for mobile banking is a smart phone with a reliable text messaging system. This category includes SMS banking.

Furthermore, M-banking, or "mobile banking," is the word for carrying out balance checks, account transactions, payments, credit applications, and other banking transactions through a mobile device such a cell phone or Personal Digital Assistant.

According to Tiwari (2007), (PDA) SMS banking is a term used to describe the initial mobile banking services, which were provided by SMS. Many places in the world, especially in isolated and rural areas, where there is little to no infrastructure, employ mobile banking. In nations where the majority of the population lacks access to banking, this component of mobile commerce is also well-liked. The majority of these locations only have large cities with banks, thus customers must travel hundreds of miles to the closest bank. The range of services provided may include tools for managing accounts, conducting bank and stock market transactions, and accessing personalized information.

2.1.4 CHALLENGES AND OPPORTUNITIES OF E-BANKING IN ETHIOPIA BANKING INDUSTRY

New difficulties have emerged for bank management as well as regulatory and supervisory bodies as a result of the shifting financial landscape. The main causes include a growth in cross-border transactions brought on by dramatically reduced transaction costs, easier banking operations, and a dependence on technology to provide the required security for banking services. While there are many advantages for customers using electronic banking and new business prospects for banks, it also increases the hazards associated with traditional banking. Even though some nations have made significant progress in modifying their banking and supervisory laws, ongoing scrutiny and adjustments will be necessary as e-banking expands. More harmonization and coordination, in particular, still need to be established at the global level. Furthermore, the ease with which capital in an electronic environment can potentially be moved between banks and across borders creates a greater sensitivity to economic policy management (Nsouli,2002).

Banks' primary challenge is to provide consistent service to customers regardless of the channel they use. The greater a bank's reliance on electronic delivery channels, the greater the risk to its reputation. International e-banking has some serious consequences. It is a common argument that low transaction costs make cross-border banking much easier to conduct electronically. Cross-border operations provide many banks with the opportunity to reap economies of scale. However, cross-border finance necessitates a higher level of cross-border supervision. Similar supervisory rules and disclosure requirements (for efficiency and to avoid regulatory arbitrage) may be required, as well as some harmonization of legal, accounting, and taxation arrangements (Nitsure, 2003).

When we look at the challenges and opportunities of e-banking in Ethiopia, we see that only 20% of Ethiopian households are connected to an IT network, and a large number of people are served by a single bank branch, even when compared to other African countries. The most important opportunities in Ethiopia are an underserved market, a stable and secure political environment, rapidly expanding mobile infrastructure, the availability of delivery channels (outlets), and a safe and sound financial sector. In line with this, some of the challenges confronting the country are the public's low level of financial literacy, the level of readiness and capacity of financial institutions to provide service, infrastructure, insufficient cash flow in rural areas, limited potential agents, and the presence of a few branches in rural areas. Legal and related issues, as well as the importance of investigating the role of newly emerging third-party technical providers, reconsidering pre-paid balance requirements, and broadening the scope of mobile banking services, are critical (Birutu, 2012).

According to Abraham (2012), a few of the known common problems associated with electronic banking are listed in Ethiopian, namely a lack of banking services via the web or other electronic means such as using a mobile phone, data and network security and privacy, a lack and limitation of government policies, regulations, and e-commerce laws, as well as legislation to protect workers and make the Internet secure, weak telecommunications, and broken analogue systems. However, in recent years, the Ethiopian government has developed a grand plan to improve ICT infrastructures in order for Ethiopia to leapfrog into the information age. Banking in Ethiopia faces numerous challenges in fully adopting and implementing e-banking applications and capitalizing on the opportunities presented.

The following are the primary challenges for e-banking applications:

Low internet penetration and underdeveloped telecommunication infrastructure, as well as a lack of infrastructure for telecommunications, internet, and online payments, impede Ethiopia's smooth development and improvement of e-commerce. Inadequate legal and regulatory framework for e-commerce and e-payment: Current Ethiopian laws do not allow for electronic contracts and signatures (Abraham, 2012).

Ethiopia has yet to pass legislation addressing e-commerce issues such as the enforceability of the validity of electronic contracts, digital signatures, and the use of encryption technologies.

High illiteracy rate: A low literacy rate is a significant impediment to the adoption of e-banking in Ethiopia because it limits access to banking services. For citizens to fully enjoy the benefits of E-banking, they should not know only how to read and write but also possess basic ICT literacy.

High cost of internet: the cost of internet access relatively for per capita income is a critical factor. Compared to the developed countries, there is higher cost of entry in to e-commerce market in Ethiopia. These include high start-up investment costs of computers and telecommunication and licensing requirements. Absences of financial networks that link different banks, frequent power interruption: lack of reliable power supply is a key challenge for smoothly running e-banking in Ethiopia. Resistance to changes in technology among customers and staff due to lack of awareness the benefits of new technologies, fear of risk, lack of trained personnel in key areas, tendency to be content with the existing structures and people may be resistance to new payment systems (Sisay, 2011).

2.1.5 DETERMINANTS OF E-BANKING SERVICE

According to Parasuraman et al. (1988), who are mentioned in Simon (2016), service quality may be broken down into five categories: dependability, tangibles, responsiveness, assurance, and empathy. Each of these categories is described below. The dimensions of service excellence that apply to the e-banking service are as follows

Reliability:

It is the capacity to deliver the committed service consistently and correctly.

This relates to the ability to deliver a service in accordance with customer expectations for speed (how quickly the transaction is performed), accuracy (how accurately the transaction reflects the amount of money withdrawn), and equipment availability (whether the equipment is available around-the-clock).

Reliability is one feature of the e-banking operations of state-owned banks that causes a lot of customer outrage. Due to faulty connectivity, there are times when e-banking is unavailable, which causes long lines. When a lot of civil servant customers need to access their accounts at the end of the month, the e-banking occasionally runs out of funds. Additionally, the delayed reaction time of service providers in fixing broken e-banking also contributes to unreliable service. However, other times e-banking performs as expected and even better.

Tangibles

It is the way that communication tools, staff, equipment, and physical facilities all look. This has to do with how the e-banking looks on the outside. It should be visually appealing to customers and well-lit at night. By providing trash cans for receipt-related trash, banks can help keep the environment clean. The staff members who assist customer should also be well-groomed.

Responsiveness

It is the readiness to assist clients and render timely service. It may refer to the assistance given to customers who file E-banking complaints about things like accounts being debited at the same time that no money has been dispensed , cards being captured with insufficient funds, the absence of specific currency denominations, the failure to issue receipts, and instances where the e-banking system is down for several hours or even days.

Customers believe the service falls short of their expectations, thus this is another area that need adjustment.

Assurance

Employees' expertise, civility, and capacity to inspire confidence are key factors.

In order to inspire confidence in the customer even when things are bad, the service provider should have staff members who are knowledgeable about how to use e-banking. For example, if there is a serious technical issue with e-banking that could take days to fix, the bank needs to be able to communicate with its customers in a way that inspires confidence.

Making ensuring that e-banking functions properly the majority of the time, especially at peak times when civil servants receive their salaries from state-owned banks on weekends, public holidays, and festive occasions, is another approach to foster confidence.

Empathy

Giving customer personalized and extra mile service is what it is all about.

This raises the question of whether banks give e-banking users the attention they deserve.

Customers are sometimes left stranded when e-banking is fully down, which leads to allegations that the banks don't care.

However, there have been times where the bank has decided to keep its doors open to customers far past the regular opening hours in order to meet their needs. This occurs when the customer's e-banking is unable to deliver a service, and the decision to do so is up to the bank.

Efficiency

It is the ease and speed of accessing and using the site.

Fulfillment

It is the extent to which the site's promises about order delivery and item availability are fulfilled.

System availability

It is the correct technical functioning of the site.

Privacy

It is the degree to which the site is safe and protects customer information.

Responsiveness

It is effective handling of problems and returns through the site.

Website design

It is the degree of ease of navigating through and using the website. Which the site compensates customers for problems.

Contact

It is the availability of assistance through telephone or online representatives.

Ease of Use

It refers that the degree to which a person believes that using a particular service would be free of effort. Also it indicated that in choosing between different options of service delivery, customers take into account the effort involved in using the service (Richard, 2012).

Enjoyment

Enjoyment refers to the extent to which the activity of using technology is perceived to provide reinforcement in its own right, apart from any performance consequences that may be anticipated (Richard, 2012).

Security

This is made up of the guarantee that the record showing banking activities and security of account information is not shared. Security is another essential determinant in the decision of consumers to use Internet banking. Strong issues on security are a common concern to individuals hence their unwillingness to use internet banking (Richard, 2012).

Control

Control is defined as the amount of leverage that a customer feels he/she has over the process or outcome. Additionally, it discovered that control is important to individuals or customers who use self-service technologies such as internet banking (Richard, 2012).

Trust

Public and Private Key cryptographic systems can be used to secure information and authenticate parties in transactions in cyberspace. A trusted third party is a necessary part of the process. That third party is the certification authority (Alan, 2021).

Non-repudiation

It is the undeniable proof of participation by both the sender and receiver in a transaction. It is the reason public key encryption was developed, i.e. to authenticate electronic messages and prevent denial or repudiation by the sender or receiver (Alan, 2021).

Availability

It is the bank should maintain their service at every moment. The customers of online banking are time conscious and time is much more important to them. So the service should be available all the time (Alan, 2021).

Accessibility

According to Fikerselassie (2017), as cited by Timothy (2012), it deals with having access to ATMs, phones, e-mail, and account access while abroad. It entails accessibility and accountability.

2.1.6 CUSTOMER SATISFACTION

When it comes to the fulfillment of a need, aim, or desire, Worku et al. (2016), citing Hansemark and Albinsson (2004), define satisfaction as an overall customer attitude toward a service provider or an emotional response to the discrepancy between what customers expect and what they receive. According to its definition, satisfaction refers to a consumer's assessment of whether a product has supplied (or is providing) a pleasurable level of consumption-related fulfillment.

According to Kotler (2000), satisfaction refers to a person's emotions of joy or disappointment as a result of evaluating how well (or poorly) a product performed in comparison to his or her expectations. The emotions of acceptance, happiness, relief, excitement, and delight are all connected to satisfaction. The majority of research demonstrates that pre-consumption predictions can be confirmed or disproven. This indicates that consumers have a specific expectation of how the product will function before using it. Customers evaluate a product's performance while using it and contrast it with what they anticipate from it. Based on this comparison, assessments of satisfaction are subsequently made. If the performance is better than predicted, it is classified as a positive disconfirmation; if it is worse than expected, it is classified as a disconfirmed; and if it is as expected, it is classified as a simple confirmation.

Simply put, consumers assess the performance of a product by contrasting what they believed they had received with what they had anticipated. Customer happiness, according to Zeinhaml et al. (2000), is a vague and amorphous idea. The way that state satisfaction actually manifests itself will differ from person to person, product to product, and service to service.

The degree of satisfaction is influenced by a number of elements, which come together to form psychological, economic, and physical elements. One of the key factors affecting customer happiness is the service quality, and many studies and experts have noted that employing cutting-edge information and communication technology can improve service quality.

According to Kumbhar (2011), practically all banks are now utilizing ICT to improve the caliber of their services. Customers can access e-banking, internet banking, online banking, and other ICT-based e-services from them. It increases customer satisfaction with banking services while bringing convenience, customer centric, improved service quality, and cost effectiveness. Customers are currently reviewing their banks in the context of the e-service era.

2.1.7 E-BANKING SERVICE AND CUSTOMER SATISFACTION

As banks are a service providing organization, the satisfaction of their customers' should be their utmost concern.

According to Adewuyi (2013), banks can decrease customer complaints, grievances, and discontent by using appropriate service delivery and evaluation mechanisms.

The degree to which a bank's customers are happy with the level of service they receive has an impact on the performance of the bank as a whole.

In terms of transactional convenience, time savings, immediate transaction alerts, cost savings, and long-term client happiness, e-banking is anticipated to increase banks' service delivery.

This study aims to evaluate the relationship between e-banking and customer satisfaction to the extent that it is relevant to customer satisfaction. Numerous other research confirmed the link between customer satisfaction and e-banking services. For instance, Asiyanbi and Ishola's (2018) recent study demonstrated that using e-banking services boosts customers' level of satisfaction in the banking industry.

Bei and Chiao (2006) confirmed the idea that service quality is substantially correlated with the level of customer satisfaction, whereas Ranaweera and Neely (2003) revealed that e-service quality is the first step of customer satisfaction.

The reliability and degree of customer satisfaction were also found to be highly correlated with the quality of the e-banking services.

According to Simon (2016) citing Siddiq (2011), service quality is crucial for any organization's success in today's fiercely competitive business market. Consequently, banks should “develop new strategy” to satisfy their customer and should provide quality service to distinguish themselves from rivalries.

2.2 EMPIRICAL REVIEW

The effect of e-banking service on customer satisfaction

According to Simon (2016), the study sought to determine the impact of consumer satisfaction with state-owned banks in Debre Markos town on the quality of the e-banking services provided. Data from a sample of 190 bank customers were gathered using a questionnaire to fulfill the study's objectives. Users of Woreda and zonal level E-Banking were used to pick these respondents using a straightforward stratified sample technique. With the aid of SPSS version 20, the survey data were examined utilizing statistical methods like mean, standard deviation, correlation, and multiple regression analysis. According to the study's findings, aside from assurance, customer happiness is positively and significantly impacted by the four service quality aspects of tangibility, reliability, responsiveness, and empathy. The finding of this study also indicates that customers were most satisfied with the responsiveness dimensions of E-Banking service quality.

Mohammad and Naser (2019) conducted research on electronic banking strategies and their impact on customer satisfaction: empirical evidence from Palestine, using variables such as ease of use, reliability, information security, cost and fees, and availability, and the study discovered several interesting findings, including a significant positive correlation between electronic banking strategies and customer satisfaction using these services. As a result, the study's null hypothesis was rejected, and the alternative hypothesis, that all variables have a positive and significant impact on customer satisfaction, was accepted. This discovery will help Palestinian banks develop long-term strategies centered on electronic banking services in order to achieve one of their top goals of attracting and retaining customers.

AlHaliq (2016) investigated customer satisfaction with electronic banking services in Saudi Arabia in the AlQassim region. The study examined electronic banking adoption and customer satisfaction based on three main pillars: ease of use, information security, and the ability to control these services. The study concludes that banks should focus on raising customer awareness of electronic banking services and how to use them. Banks must also improve the efficiency of the electronic banking core system by doing more problem-solving to build customer trust, and banks must enhance security for customers to use electronic banking. In general, with complete customer security and trust in electronic banking services, customer satisfaction will improve.

Addai et al. (2015) examined the effect of electronic banking services provided for customers in Ghana. The study aims are to evaluate the e-banking availability, convenience, and reliability and to find out the effect of e-banking services on customer satisfaction in the Ghanaian banking sector. The study analyzed the relationship between E-banking and customer satisfaction considering the three main dimensions, availability, reliability, and convenience. The SPSS analysis showed a strong positive correlation between customer satisfaction and E-banking availability, convenience, and reliability.

Raza et al. (2015) examined the relationship between the internet banking and customer satisfaction in Pakistan by using the service quality dimensions (SERVQUAL) model. The primary data collected from 400 users from the questionnaire included 30 items. The five factors were Assurance, Empathy, Reliability, Responsiveness, and Tangibility, all to measure customer satisfaction. Based on the regression analysis the results show that tangibility, reliability, responsiveness, and assurance had a significant positive impact on customer satisfaction but empathy had a positive impact but not significant. The study recommended to enhance the internet banking platform and to improve the security to online banks usage, in additions of including more services in this channel and continuous improvements. This will increase the customers' comfort and confidence, also improve quality.

Ahmad (2011) looked into how e-banking affected customer satisfaction results in Jordanian commercial banks. Accessibility, convenience, security, privacy, content, design, speed, fees, and costs that may have an impact on consumer satisfaction were all taken into account in the study. 179 correctly completed surveys were used as the primary source of data for a multiple regression model. Customer satisfaction was a dependent variable in the model, whereas the other nine components were all treated as independent variables. The findings indicate that every element has a favorable, significant impact on customer satisfaction, which leads to a positive impact of the electronic banking functionality factors on customer satisfaction in Jordanian commercial banks bolster customer confidence and comfort while raising quality.

Bogati (2016) identified the factors influencing the customer satisfaction and customer loyalty in the e-banking of the commercial banks in Thailand, considering seven factors which are core service quality, social benefits, special treatment benefits, confidence benefits, physical benefits, banking preferences, and Accessibility. A regression analysis applied to the collected primary data. The study revealed that 4 out of 9 variables which include (core service quality, social benefit, confidence benefits, and physical environment) have a significant positive contribution on the customer satisfaction, and up to 72% of the variance in customer satisfaction could be explained by these four independent variables.

Ismail (2017) analyzed the impact of online banking as one of the electronic banking services on customer satisfaction in Jordan. The data analysis considered six main factors throughout this study (account access, account control, account use, cost and time effectiveness, easy to use and privacy & security) were affected positively on satisfaction level of customer, when it comes to the Jordanian commercial banks, except for the privacy and security. As the client has some concerns regarding the security level while using online banking. Accordingly, contributing in a better quality of service and enhancing the awareness level of customers will increase the user of online banking, thus increasing online banking transactions, comparing to the traditional transactions an where the services are available and provided anywhere and anytime.

Vetrivel et al (2020) conducted on influence of internet banking service quality on customer satisfaction an Indian experience, the findings of factor analysis revealed five dimensions of internet bank service quality, namely responsiveness, trust, convenience, efficiency of website and security. Among the internet bank service quality dimensions, trust and efficiency of a website found to be positively affecting customer satisfaction.

Omodele and Onyeiwu (2019) examined on the impact of electronic banking service on customer satisfaction in Nigeria. The study used service quality dimensions (SERVQUAL) model and the findings revealed that there is a significant relationship between customer satisfaction and the various electronic banking service quality dimensions and electronic banking service quality has significant impact on customer satisfaction.

Neeraj et al (2020) investigated on the impact of e-banking services on customer satisfaction: the case of commercial bank of Ethiopia in Nekemte. The seven service quality dimensions namely reliability, transaction efficiency, customer support, service security, ease of use, performance, service content have been established. The finding revealed that all of variables had positive and significant impact on customer satisfaction.

Sadaf (2017) conducted study on the impact of internet banking service quality on customer satisfaction in India. The result implicated that the internet banking service quality dimensions have a significant impact on the customer satisfaction of internet banking customers. Each of the dimension namely efficiency, system availability, fulfillment, privacy, contact, responsiveness and website design were used in the study. Finally, the findings shows that efficiency, privacy and website design have only significant and positive impact on customer satisfaction

Maria (2020) indentified on the effect of electronic banking service quality on customer satisfaction and loyalty case of Dashen bank, the finding revealed that assurance, reliability, empathy and responsiveness were found to be significant for both customer satisfaction and loyalty. The positive coefficients of assurance, reliability, empathy and responsiveness showed that improvement in the customer satisfaction and loyalty. However, tangibility has not significant effect on customer satisfaction and loyalty.

Mekides (2019) examined on the effect of e-banking attributes on customer satisfaction in commercial bank of Ethiopia in Addis Ababa. The study used independent variables namely reliability, transaction efficiency, service security, ease of use and service performance. The empirical result shows that service quality dimensions; reliability, service security and ease of use have strong influence on e-banking user's satisfaction level. However, transaction efficiency and service performance have no significant effect on customer satisfaction.

Tesfaye (2019) investigated on the effect of e-banking services on customer satisfaction, in commercial bank of Ethiopia in Bahir Dar city. And the findings shows that ease to use, transaction efficiency, reliability, service security and service content have strong influence on e-banking user's satisfaction level. However, customer support has no effect on customer satisfaction. Thus, management bodies of commercial banks should strive to scale up these service dimensions. There was also a relationship between satisfaction in e-banking and age and educational level of users of e-banking.

Fikerselassie (2017) identified on the effect of e-banking service quality on customer satisfaction in the banking sector of Ethiopia (case study: five selected grade four branch customers of CBE). The study used independent variables namely, access, security, service quality, ease of use, time of delivery and reliability. The major findings of this study were service quality and privacy of e-banking has been significant factor on customer satisfaction.

Worku and Tafa (2016) examined the impact of electronic banking on customers' satisfaction in Ethiopian banking industry (the case of customers of Dashen and Wegagen banks in Gondar city). The results of the study implied that majority of users of e-banking are the young, the educated, salaried and students, business men and women are not actively using the service of e-banking and there is also a relationship between e-banking and demographic characteristics, e-banking currently provided for saving and current accounts holders only, e-banking has improved customer satisfaction, reduced frequency of bank hall for banking service, reduced waiting time for customers, there are customers who don't know the fee charged for being e-banking users, the bank customers' satisfaction increased after being e-banking users, enabled customers to control their account movements and there is high opportunity to expand e-banking service in the city.

Jyotsna et al (2020) study conducted on the impact of e-banking service quality on customer satisfaction. The study used the following variables, i.e credibility, understanding, responsiveness, tangibility, security, competence, communication, access, and reliability. As per the finding showed that tangibility, credibility, security, responsiveness had positive and significant effect on customer satisfaction. Nevertheless, communication had negative and significant effect while the remaining variables didn't have any significant effect on customer satisfaction.

Richard (2012) examined on the impact of internet banking service quality on customer satisfaction in the banking sector of Ghana. The study draws on customer satisfaction using the service quality dimension or the SERVQUAL and SERVPERF models. The findings indicated that speed of delivery, ease of use, reliability, pleasure, control and privacy were all positively correlated and significant at 1% level. Additionally the regression analysis also indicated that with the exception of pleasure and control all the variables were significant at 5% levels.

Jamil and Ibrahim (2018) indicated on the impact of e-banking service quality on customer satisfaction: evidence from the Lebanese banking sector. The findings show that reliability, efficiency, and ease of use; responsiveness and communication; and security and privacy all have a significant impact on customer satisfaction, with reliability being the dimension with the strongest impact. E-Banking has become one of the essential banking services that can, if properly implemented, increase customer satisfaction, and give banks a competitive advantage.

Mudassir (2016) identified on the impact of e-banking on customer satisfaction: evidence from banking sector of Pakistan. Five service quality dimensions; reliability, responsiveness, assurance, tangibles and empathy, derived from the SERVQUAL model with support of literature review have been selected as forecasters of customer satisfaction in E-banking. The findings disclosed that reliability, responsiveness, assurance have positive and significant effect on customer satisfaction, where as tangibles and empathy have not significant effect on customer satisfaction.

Abdelghani (2020) conducted study on the influence of electronic banking service quality on customer satisfaction of banks in Tripoli city, Libya. The study used ease of use, saving time, security and confidentiality. Based on the findings obtained, the quality of electronic-banking services' dimensions namely, eases of use, time saving, security and confidentiality, significantly influenced customer satisfaction.

Josia (2012) examined on effect of electronic banking on customer satisfaction a case study of Stanbic bank (Uganda) limited (SBU) KampalaUganda. The major instrument for the data collection was a questionnaire and interview questions so as to be able to collect good quantitative data. The study established that there was a significantly positive relationship between electronic banking and customer satisfaction.

Saravanan and Leelavathi (2020) investigated impact of e- banking services with customer attitude and satisfaction with special reference to Chennai district. The result implicated that the internet banking service quality dimensions have a significant impact on the customer satisfaction of internet banking customers. Each of the dimension namely efficiency, system availability, fulfillment, privacy, contact, responsiveness and website design were used in the study. Finally, the findings shows that efficiency, privacy and website design have only significant and positive impact on customer satisfaction

2.2.1 EMPIRICAL LITERATURES GAP

Based on studies conducted by Raza et al (2015) and Mudassir (2016), they find out that empathy has no significant effect on customers' satisfaction. In the contrary, as per Simon (2016), Omodele and Onyeiwu (2019) and Maria (2020) study's conclusion empathy has positive and significant effect on customers' satisfaction. In addition to this, according to Ismail (2017) and Vetrivel et al (2020) examination on the result of security and privacy variable, they figure out security and privacy has no significant effect on customers' satisfaction. However, study made by Mohammad and Naser (2019), AlHaliq (2016), Ahmad (2011), Bogati (2016), Neeraj et al (2020), Sadaf (2017), Jyotsna et al (2020), Richard (2012), Jamil and Ibrahim (2018), Abdelghani (2020) and Saravanan and Leelavathi (2020), they concluded that privacy and security have positive and significant effect on customer satisfaction. In line with this, as per empirical evidences generated from Vetrivel et al (2020), Sadaf (2017) and Saravanan and Leelavathi (2020), they mentioned that responsiveness has no significant effect on customers' satisfaction. On the other hand, as per empirical result conclusion made by Raza et al. (2015), Omodele and Onyeiwu (2019), Maria (2020), Jyotsna et al (2020), Jamil and Ibrahim (2018) and Mudassir (2016), they stated that responsiveness has positive and significant effect on customer satisfaction.

Moreover, rely on Maria (2020) and Mudassir (2016) result examination on tangibility, they revealed that tangibility has no significant effect on customers' satisfaction. In the contrary, based on Raza et al. (2015), Jyotsna et al (2020), Simon (2016) and Omodele and Onyeiwu (2019) study's conclusion tangibility has positive and significant effect on customers' satisfaction. Finally, study conducted by Jyotsna et al (2020), he concluded that reliability has no significant effect on customers' satisfaction, conversely as per Mohammad and Naser (2019), Simon (2016), AlHaliq (2016), Addai et al. (2015), Raza et al. (2015), Neeraj et al (2020), Maria (2020), Mekides (2019), Tesfaye (2019), Fikerselassie (2017), Richard (2012), Jamil and Ibrahim (2018) and Mudassir (2016) justifications, they concluded that reliability has positive and significant effect on customer satisfaction. Hence, these previous empirical results conducted on similar topic; however the results indicate different findings even though using the same variables to examine the effect e- banking service on customer satisfaction. Thus, it indicates that additional empirical works have to be done so as to figure out reasons for existence of different findings.

2.3 VARIABLES DEFINITION AND HYPOTHESIS DETERMINATION

DEPENDENT VARIABLE

Customer Satisfaction

According to Kotler (2000) customer satisfaction can be associated with feelings of acceptance, happiness, relief, excitement, and delight. Most research confirms that the confirmation or disconfirmation of pre-consumption expectations is the essential determinant of satisfaction. This means that customers have a certain predicted product performance in mind prior to consumption. During consumption, customers experience the product performance and compare it to their expected product performance level. Satisfaction judgments are then formed based on this comparison. In line with it there are number of empirical evidences for the use this dependent variables, for instance study conducted by Simon (2016), Mohammad and Naser (2019), AlHaliq (2016), Addai et al. (2015), Raza et al. (2015), Vetrivel et al (2020), Maria (2020), Mekides (2019) and Jyotsna et al (2020). Hence, the study used customers' satisfaction as dependent variables.

INDEPENDENT VARIABLES

Ease to use

It refers that the degree to which a person believes that using a particular service would be free of effort. Also it indicated that in choosing between different options of service delivery, customers take into account the effort involved in using the service (Richard, 2012). There are empirical evidences that used this variable, for instance study made by Mohammad and Naser (2019), AlHaliq (2016), Ismail (2017), Neeraj et al (2020), Mekides (2019), Tesfaye (2019), Fikerselassie (2017), Richard (2012), Jamil and Ibrahim (2018) and Abdelghani (2020). As the result they concluded that ease to use has positive and significant effect on customer satisfaction. Hence, the study stated the hypothesis as significant effect.

H₁: Ease to use has significant effect on customer satisfaction

Reliability

It is the ability to perform the promised service dependably and accurately. This relates to the ability to provide a service as expected by customers in terms of speed (how quick the transaction is performed), accuracy (how correct the transaction is in terms of money withdrawn) and if the equipment is operational 24 hours as expected (Simon, 2016). There are empirical evidences that used this variable, for instance study made by Mohammad and Naser (2019), Simon (2016), AlHaliq (2016), Addai et al. (2015), Raza et al. (2015), Neeraj et al (2020), Maria (2020), Mekides (2019), Tesfaye (2019), Fikerselassie (2017), Richard (2012), Jamil and Ibrahim (2018) and Mudassir (2016). Hence, they concluded that reliability has positive and significant effect on customer satisfaction. Hence, the study stated the hypothesis as significant effect.

H₂: Reliability has significant effect on customer satisfaction

Accessibility

According to Fikerselassie (2017) cited from Timothy, (2012) it deals with getting Availability to help ATM, Phone access, E-mail access, and account access when abroad. It involves approachability and ease of contact. There are empirical evidences that used this variable, for instance study made by Ahmad (2011), Bogati (2016), Fikerselassie (2017) and Jyotsna et al (2020). Hence, they concluded that accessibility has positive and significant effect on customer satisfaction. Hence, the study stated the hypothesis as significant effect.

H₃: Accessibility has significant effect on customer satisfaction

Fees and charges

It is fees and charges that issued by the bank which is collected from the users for the purpose of providing e- banking services. By doing so, the bank can enhance their non-interest income collection from e- banking services. Related with it, there are empirical evidences that used this variable, for instance study made by Ahmad (2011) and Worku and Tafa (2016). They examined that if fees and charges which are collected from e- banking services are fair and reasonable price for users, it has positive and significant effect on customer satisfaction. Hence, and they concluded that fees and charges have positive and significant effect on customer satisfaction. Hence, the study stated the hypothesis as significant effect.

H₄: Fees and charges have significant effect on customer satisfaction

Transaction efficiency

Transaction efficiency is the ability of the customers to get any of e-banking service, find the desire product and information associated with it, and check out with minimal of effort. Transaction efficiency also can understand as performance of e-banking base on some elements: up to date information, response time, download time, complete product information, tutorial/demonstration, and help function (Leel apongprasut et al, 2005). There are empirical evidences that used this variable, for instance study made by Jamil and Ibrahim (2018), Saravanan and Leelavathi (2020), Neeraj et al (2020),Sadaf (2017) and Tesfaye (2019). Hence, they concluded that transaction efficiencyhas positive and significant effect on customer satisfaction. Hence, the study stated the hypothesis as significant effect.

H₅: Transaction efficiency has significant effect on customer satisfaction

Responsiveness

According to Madu and Madu (2002), responsiveness is the readiness to support the bank's customers and deliver hem a rapid service. This kind of service can be shaped into four forms. First, the E-Banking system can control and operate the service properly. Second, the E-Banking channels can guide customers toward proceeding properly in case of any failing operations. Third, it can also cover a rapid solution for any possible error in E-Banking transactions. Finally, it can support the customer's questions with on-the spot response. There are empirical evidences that used this variable, for instance study made by Simon (2016), Raza et al. (2015), Omodele and Onyeiwu (2019),Maria (2020), Jyotsna et al (2020), Jamil and Ibrahim (2018) and Mudassir (2016). Hence, they concluded that responsiveness has positive and significant effect on customer satisfaction. Hence, the study stated the hypothesis as significant effect.

H₆: Responsiveness has significant effect on customer satisfaction

Security and privacy

With respect to privacy and security, a number of elements were identified and studied by researchers including maintaining the confidentiality of operations, refraining from sharing personal information, and insuring a good level of security for the customer's information (Jamil, 2018). There are empirical evidences that used this variable, for instance study made by Mohammad and Naser (2019), AlHaliq (2016), Ahmad (2011), Bogati (2016), Neeraj et al (2020), Sadaf (2017), Mekides (2019), Tesfaye (2019), Fikerselassie (2017), Jyotsna et al (2020), Richard (2012), Jamil and Ibrahim (2018), Abdelghani (2020) and Saravanan and Leelavathi (2020). Hence, they concluded that privacy and security have positive and significant effect on customer satisfaction. Hence, the study stated the hypothesis as significant effect.

H₇: Security and privacy have significant effect on customer satisfaction

Service content

Service content is all information that is provided to customers. For electronic banking service, it means the content that banks provide to customers through their website, ATM & POS terminal Mobile and internet banking. High value added content is essential (Tefsaye, 2019). There are empirical evidences that used this variable, for instance study made by Neeraj et al (2020) and Tesfaye (2019). Hence, they concluded that service content has positive and significant effect on customer satisfaction. Hence, the study stated the hypothesis as significant effect.

H₈: Service content has significant effect on customer satisfaction

System availability

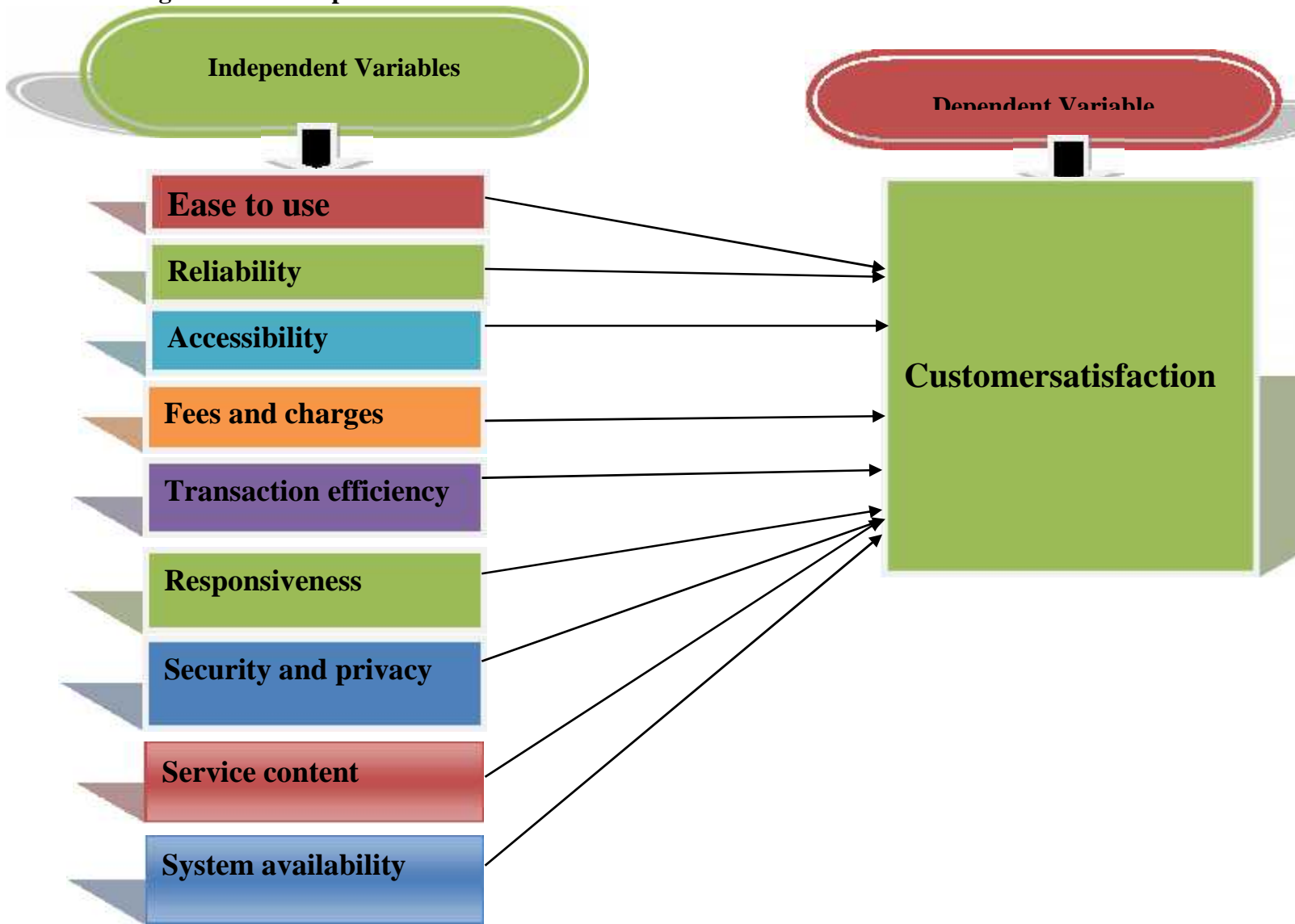
System availability refers to the correct technical functioning of the site. There are empirical evidences that used this variable, for instance study made by Sadaf (2017) and Saravanan and Leelavathi (2020). Hence, they concluded that system availability has no positive and significant effect on customer satisfaction. However, system availability is one of the major critical issues for e- banking service quality, so that, the study stated the hypothesis as significant effect.

H₉: System availability has significant effect on customer satisfaction

2.4 CONCEPTUAL FRAMEWORK

Depending on the previously assessed related literatures, the researcher selected the under explained factors as measurement scales for the study under investigation about the effect of e-banking service on customer satisfaction, the dependent variable is customer satisfaction.

Figure 2.1: Conceptual framework



Source: - Compiled by the researcher mainly based on Mohammad and Naser (2019), AlHaliq (2016), Ahmad (2011), Bogati (2016), Vetrivel et al (2020), Neeraj et al (2020), Sadaf (2017), Mekides (2019), Tesfaye (2019), Fikerselassie (2017), Jyotsna et al (2020), Richard (2012), Jamil and Ibrahim (2018), Abdelghani (2020) and Saravanan and Leelavathi (2020).

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter deals with research methodology used to carry out the research. The chapter is organized in eleven sub sections. In its first part there is a research design, then after it presented subsequently about research approach, population, sample and sampling technique, data type, sources and instruments, data analysis, model specification, validity and reliability and ethical consideration.

3.1 RESEARCH DESIGN

Explanatory investigations, as opposed to descriptive studies, go beyond seeing and reporting the state and attempt to explain the causes of the phenomenon, according to Cooper et al.

The study examines the impact of e-banking services on customer satisfaction in Abay Bank S.C. branches, particularly those in Addis Ababa city, which is suited for the study's aim. As a result, explanatory research design was utilized in this study.

3.2 RESEARCH APPROACH

There are various approaches to the problem when conducting research.

There are three types of research approaches: mixed, qualitative, and quantitative, according to Creswell (2009).

The fundamental elements of these research methodologies are presented succinctly in the sections that follow.

Examining the relationship between variables in quantitative research allows for the testing of objective theories (Creswell, 2009).

However, a qualitative research approach allows for the exploration and comprehension of the meaning that individuals or groups assign to social or human problems with the aim of building an inductive theory or pattern (Creswell, 2009).

The mixed methods strategy, which emphasizes the research problem and uses all methods available to analyze it, is the last method (Creswell, 2003).

Hence, based on the above discussions of the three research approaches and by considering the research problem and objective, this study used quantitative approach.

3.3 DATA TYPE AND SOURCE

Both primary and secondary sources were used to gather the data. Primary data is a category of data that is gathered and compiled expressly for the current research topic.

This information was gathered through a survey. Collecting information from studies that other researchers have undertaken on a certain topic or phenomenon is known as secondary data (Creswell, 2009).

Therefore, primary sources of data were acquired from a chosen group of e-banking service users in order to fulfill the study's aims.

400 respondents were chosen, and five-point Likert scale questionnaires were given out based on the research's goals. Using a five-point Likert-scale questionnaire, the researcher obtained primary data from a sample of e-banking service users.

In three weeks, the questionnaire data collecting was complete.

3.4 POPULATION AND SAMPLE SIZE

3.4.1 POPULATION

A research population can be defined as a well-defined collection of individual or objects (unit of analysis) which are known to have similar characteristics that the researcher wishes to study. The unit of analysis may be an individual, object, organization, country or any other entity that the researcher wishes to draw scientific inference about (Mark, et al., 2007). Hence, the target populations of the study were 131,580 e-banking service's customers actively found in 127 Addis Ababa city branches in Abay Bank S.C in 2021/22 since it is difficult to collect data from outline branches because of shortage of time and security issues (Own survey from Abay Bank S.C Branches).

3.4.2 SAMPLE SIZE

Determining sample size varies for various types of research designs and there are several approaches in practice. The different strategies to calculate sample size include using census for small population, using a sample size of similar study, using published tables and using formula. A general rule, one can say that the sample must be of an optimum size i.e., it should neither be excessively large nor too small (Kothari, 2004).

The total numbers of selected branches were forty (40) and from each branch the study had taken ten (10) customers, so that the study employed 400 (40*10) respondents for questionnaire.

To give equal chance for district office, the study selected five branch each from district office and the sum was 40 (Forty) branches.

In addition, to give equal chance for branches, the study selected 10(ten) customers for each branch. Belay and Abdinasir (2015) explain that in order to generalize, the sample must be representative of the population.

If stratification is not involved and sample is directly drawn from a known population, than the minimum required sample size can be determined using solving simplified formula to calculate sample size from a single population.

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

Where n, implies for sample size

N, implies for Population size

e, implies for sampling errors or prediction level usually an alpha 0.05

Therefore, sample size for this study was conducted as follows:

Customers – 131,580.00

Total population (N) 131,580

$$n = \frac{131,580}{1 + 131,580(0.05)^2} = 131,580 / 1 + 328.95 = 398.78 \text{ approximately } 400$$

According to the above sample size, the study distributed 400 structured questionnaires to selected e-banking service's customers. The researcher was able to get back three hundred eighty (380) out of 400 questionnaires administered which gives 95% response rate. This was done in order to obtain a larger response rate. At the end, all the returned questionnaires were successfully processed for the analysis.

3.4.3 SAMPLING METHOD

In order to select relevant respondents from the e-banking service's customers, the research was conducted using a probability sampling method that is random and a cluster sampling technique. As a result, the table below depicts the sampling design based on the stated sampling technique. Because of the large population, the study used a random and cluster sampling technique to ensure that everyone had an equal chance.

Table 3.1 Number of respondents selected from each sub population

No. of Districts office (cluster sampling technique)	1 st North and East Addis Ababa District Office	2 nd South and West Addis Ababa District Office	Total
No. of selected branches from Districts office (random sampling technique)	20 branches	20 branches	
No. of selected customers from branches (10 customers for each branch) (random sampling technique)	200	200	
Total	200	200	400

Source: -Abay Bank S.C sampling survey, 2022

According to the above random and cluster sampling technique, the researcher distributed 400 structured questionnaires to selected e-banking service's customers by taking randomly the branches as well as customers number from clustered district office and get back three hundred eighty (380).

3.5 METHOD OF DATA ANALYSIS

The questionnaires were distributed, collected, coded and analyzed using the statistical package for social science (SPSS 20). The data were analyzed using both descriptive and inferential statistics. Descriptive analysis includes frequency of distribution (to interpret demographic variables of respondents) and means (to find the mean scores of customer satisfaction) and inferential analysis was used for hypothesis testing that include correlations and regression.

To examine the relationship between customer satisfaction and independent variables, Pearson correlation is used. Multiple Regression analysis was used to test hypotheses and identify the significant factors of customer satisfaction. Multiple regression analysis was used to examine the relationship between the nine independent variables and one dependent variable.

3.6 RESEARCH MODEL

The objective of this study was to examine the effect of e-banking service on customer satisfaction in case of Abay Bank S.C particularly Addis Ababa city branches. Accordingly, the researcher estimated a linear regression model in the following form.

$$CS = \beta_0 + \beta_1 ETU_1 + \beta_2 RLBTY_2 + \beta_3 ACC_3 + \beta_4 FC_4 + \beta_5 TE_5 + \beta_6 RPSN_6 + \beta_7 SP_7 + \beta_8 SC_8 + \beta_9 SA_9 + \epsilon$$

Where,

CS= Customer Satisfaction

β_0 =Constant

β_1 =Coefficient of estimate

ETU = Ease to use

RLBTY = Reliability

ACC = Accessibility

FC = Fees and charges

TE = Transaction efficiency

RPSN= Responsiveness

SP = Security and privacy

SC = Service content

SA = System availability

= the error term

3.7 VALIDITY AND RELIABILITY

3.7.1 VALIDITY

Validity is concerned with whether the findings are really about what they appear to be about (Sounders et. al., 2003). Validity defined as the extent to which data collection method or methods accurately measure what they were intended to measure (Sounders et. al., 2003).

Numbers of different steps are taken to ensure the validity of the study:

- Data were collected from the reliable sources, from respondents who had experience in using the e-banking service from the bank.
- Survey question were made based on literature review and frame of reference to ensure result validity.

3.7.2 RELIABILITY TEST

The degree to which a construct's measure is consistent or dependable is referred to as its reliability (Bhattacharjeend, 2012).

A scale's measurement reliability can be determined using one of three methods: test-retest, alternative forms, or internal consistency.

Cronbach's alpha is the most commonly used measure to assess the reliability of internal consistency. Cronbach's coefficient alpha was used in this study. The alpha coefficient has a value ranging from 0 to 1. The greater the score, the more internally consistent the generated scale.

Cronbach's coefficient alpha values greater than 0.7 are considered acceptable reliability coefficients (Pallant, 2005).

Table 3.2 Cronbach Alpha Coefficient for all items

Reliability Statistics	
Cronbach's Alpha	N of Items
.910	10

Source: SPSS Output from questionnaire, (2022)

Table 3.3 Cronbach Alpha Coefficient for each items

Variables	Cronbach's Alpha if Item Deleted
CS	.893
ETU	.894
RLBTY	.895
ACC	.906
FC	.906
TE	.892
RPSN	.897
SP	.903
SC	.918
SA	.897

Source: SPSS Output from questionnaire, (2022)

The above table illustrates that the values of Cronbach's alpha for each of the questionnaire and the entire questionnaire. For the fields, values of Cronbach's alpha ranged between 0.892 and 0.918 which is highly acceptable according to Malhotra, et.al. (2007). In addition to this the overall reliability statistics for ten items is 0.910. Hence, based on the above reliability statistics, it is above the minimum required threshold and showed that the high reliability of the questionnaire.

3.8 ETHICAL CONSIDERATION

In order to keep the confidentiality of the data that were given by respondents, the respondent we're not be requiring writing their name and assuring the anonymity and confidentiality of their response. The purpose of the study disclosed in the introductory part of the questionnaire. Furthermore, the researcher avoided misleading or deceptive statements in the questionnaire and the questionnaires were handed out up on their consent only.

CHAPTER FOUR

DATA ANALYSIS AND RESULT PRESENTATION

This chapter deals with the results and analysis of the findings and it contains three sections. The first section presented descriptive and correlation analysis on variables of the study; the second section presented fulfillment of the assumptions; the third section laid down the results of regression analysis that constitute the main findings of this study.

The primary focus of the study was the effect of e-banking service on customer satisfaction in case of Abay Bank S.C particularly Addis Ababa city branches. Therefore, this chapter presents the analysis of responses that were received via questionnaires distributed to customers of selected 400 customers. The researcher was able to get back three hundred eighty (380) out of 400 questionnaires administered which gives 95% response rate. This was done in order to obtain a larger response rate. At the end, all the returned questionnaires were successfully processed for the analysis.

Hence, in this chapter, the data collected from respondents were analyzed and interpreted using quantitative analysis which involves analysis of the demographical information of respondents and the descriptive as well as inferential statistics employed to test the hypothesis and to investigate the influence of independent variables on the dependent variable. A total of 380 questionnaires were personally handed to the respondents with close follow up and guidance in filling the questioners. All respondents completed the questionnaires in suitable form. Several questions were asked related about the effect of e- banking service on customer satisfaction in case of Abay Bank S.C. The basic assumption is the effect of ease to use, reliability, accessibility, fees and charges, transaction efficiency, responsiveness, security and privacy, service content and system availability customer satisfaction. A multiple regression modeling approach was proposed as an effective method for studying the relationships. The result of this multiple regression model is analyzed and discussed in this chapter. The statistical analysis of this study was done by SPSS software, version 20. And the results of the study were shown in descriptive and inferential section. In descriptive section, tables and statistics were including - where as in inferential section and the result of liner regression was also analyzed.

4.1. DESCRIPTIVE STATISTICS

4.1.1. DEMOGRAPHIC PROFILE

The questionnaire included a segment on customer's profile, as an assortment of demographic and other factors which likely to influence e- banking service on customer satisfaction in a case of Abay Bank S.C particularly Addis Ababa city branches. The demographic profile of the respondents is described in the under table.

Table 4.1: Demographic Profile e- banking service customers from selected outlets

No.	Demographics		Frequency	Percentage
1	Gender	Male	151	39.7
		Female	229	60.3
		Total	380	100.00
2	Age	Less than 20 years	64	16.8
		21- 30 years	139	36.6
		31- 40 years	102	26.8
		More than 40 years	75	19.7
		Total	380	100.00
3	Educational level	Secondary school & below	22	5.8
		Diploma	94	24.7
		Bachelor degree	204	53.7
		Masters or higher	60	15.8
		Total	380	100.00
4	Type of job that you are participated	Student	27	7.1
		Employee	60	15.8
		Business owner	178	46.8
		Agriculture and related	74	19.5
		Other	41	10.8
		Total	380	100.00
		ATM	136	35.8

5	Types of E-banking service you used.	Mobile banking	195	51.3
		Internet Banking	41	10.8
		All	8	2.1
		Total	380	100.00
6	How long did you use E-banking service?	Less than one year	35	9.2
		1-2 years	60	15.8
		2-4 years	198	52.1
		4 years and more	87	22.9
		Total	380	100.00

Source: SPSS Output from questionnaire, (2022)

As shown from the above table, the gender distribution which covers 60.3% for female and 39.7% for male. It implies that most of the respondents that used e-banking services are females. In addition, females were used e-banking services than males.

And also the sample customers were mostly in the age group of 21-30 years, 31-40 years, less than 20 years and more than 40 years which covers 36.6%, 26.8%, 16.8% and 19.7% respectively from the total respondents. It implies that most of e-banking services customers' age group found in 21-30 and 31-40 years.

Related to the educational level of the respondents, much of the respondents were Bachelor degree and diploma holder which cover 53.7% and 24.7% respectively from the total sample respondents under consideration. It indicates that most of e-banking services customers are Bachelor degree and diploma holder, due to this fact they have an opportunity to access the e-banking services.

In addition, most of respondents were engaged on their business for instance 46.8% were business owner, 19.5% were work related agriculture activities, 7.1% were students, 15.8% were employee, 10.8% were engaged in other non business type. Hence, most of e-banking services customers are engaged in their own business.

In line with this, 35.8% respondents were used ATM e- banking service, 51.3% respondents were used mobile banking service, 10.8% respondent's internet banking service and the rest of respondents that covers 2.1% were use all of e- banking service. It implies that most of e-banking services customers used mobile and ATM banking service.

Finally, 52.1% of e-banking service customers were stays 2 up to 4 years as clients for its bank and also 22.9% of e-banking service customers were stay 4 years and above and the rest 15.8% and 9.2% of e- banking service customers were stay 1 up to 2 years and less than one year respectively. It indicates that e-banking service customers were stayed as e-banking service customer 2 up to 4 years and 4 years and above.

4.1.2. MEAN AND STANDARD DEVIATIONS

Descriptive statistics (mean and standard deviations) of the respondents' scores were computed and analysis has been done by comparing these mean scores and standard deviations among respondents. The reason for using descriptive statistics is to compare the effect of e- banking service on customer satisfaction in a case of Abay Bank S.C particularly Addis Ababa city branches by using means and standard deviations values.

Table 4.2 Mean and Standard deviations

	N	Mean	Std. Deviation
	Statistic	Statistic	Statistic
CS	380	3.9188	.45704
ETU	380	4.0479	.61702
RLBTY	380	3.9179	.37718
ACC	380	3.6832	.35055
FC	380	3.5216	.40506
TE	380	3.8358	.50474
RPSN	380	3.7753	.45727
SP	380	3.6684	.35402
SC	380	3.8511	.39311
SA	380	3.9737	.52739

Source: SPSS Output SPSS Output, 2022

The standard deviation 0.45704 indicates that there was moderate variability on customer's satisfactions in the data. The table also suggests that all customer's satisfactions determinant standard deviation rated as above satisfactory. As far as the mean values are concerned, out of the determinant ease to use (mean of 4.0479), reliability (mean of 3.9179), accessibility (mean of 3.6832), fees and charges (mean of 3.5216), transaction efficiency (mean of 3.8358), responsiveness (mean of 3.7753), security and privacy (mean of 3.6684), service content (mean of 3.8511) and system availability (mean of 3.9737) have relatively major roles on customer's satisfactions. As the above table depicted, all explanatory variables play a fundamental role for customer's satisfactions in selected samples.

4.2 INFERENTIAL ANALYSIS

Like the descriptive statistical methods, i.e. demographic and other related factors, the scale typed questionnaire has been entered to the SPSS software version 20 and inferential statistics methods such as: simple correlation and multiple regression methods has been employed to test the hypothesis.

4.2.1. CORRELATION ANALYSIS

Pearson correlation test was conducted to know the degree of association between the independent variables i.e. ease to use, reliability, accessibility, fees and charges, transaction efficiency, responsiveness, security and privacy, service content and system availability and dependent variable i.e. customers' satisfaction. Based on the questionnaires which were filled by the customers and the results of correlation analysis between these variables are shown in table below.

Table 4.3 Correlation Analysis

		Correlation									
		CS	ETU	RLB TY	ACC	FC	TE	RPSN	SP	SC	SA
CS	Pearson Correlation	1									
	Sig. (2-tailed)										
	N	380									
ETU	Pearson Correlation	.734**	1								
	Sig. (2-tailed)	.000									
	N	380	380								
RLB TY	Pearson Correlation	.833**	.723**	1							
	Sig. (2-tailed)	.000	.000								
	N	380	380	380							

AC	Pearson Correlation	.351**	.401**	.526**	1						
	Sig. (2-tailed)	.000	.000	.000							
	N	380	380	380	380						
FC	Pearson Correlation	.274**	.392**	.343**	.628**	1					
	Sig. (2-tailed)	.000	.000	.000	.000						
	N	380	380	380	380	380					
TE	Pearson Correlation	.619**	.827**	.651**	.454**	.605**	1				
	Sig. (2-tailed)	.000	.000	.000	.000	.000					
	N	380	380	380	380	380	380				
RPS	Pearson Correlation	.425**	.721**	.744**	.404**	.281**	.635**	1			
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000				
	N	380	380	380	380	380	380	380			
SP	Pearson Correlation	.510**	.470**	.546**	.534**	.605**	.430**	.372**	1		
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000			
	N	380	380	380	380	380	380	380	380		
SC	Pearson Correlation	.382**	.294**	.411**	.068	.105*	.243**	.232**	.428**	1	
	Sig. (2-tailed)	.000	.000	.000	.187	.041	.000	.000	.000		
	N	380	380	380	380	380	380	380	380	380	
SA	Pearson Correlation	.958**	.580**	.475**	.653**	.829**	.740**	.441**	.615**	.161**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.002	
	N	380	380	380	380	380	380	380	380	380	380

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

* . Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS Output SPSS Output, 2022

As the results shown in table 4.3, the independent variables (ease to use, reliability, accessibility, fees and charges, transaction efficiency, responsiveness, security and privacy, service content and system availability) are significantly and positively correlated with the dependent variable of customer satisfaction: (ease to use (Pearson Correlation = 0.734, $p < .001$), (reliability (Pearson Correlation = 0.833, $p < .001$), (accessibility (Pearson Correlation = 0.351, $p < .001$), (fees and charges (Pearson Correlation = 0.274, $p < .001$), (transaction efficiency (Pearson Correlation = 0.619, $p < .001$), (responsiveness (Pearson Correlation = 0.425, $p < .001$), (security and privacy (Pearson Correlation = 0.510, $p < .001$), (service content (Pearson Correlation = 0.382, $p < .001$) and (system availability (Pearson Correlation = 0.958, $p < .001$).

The results of correlation analysis shows positively and significantly correlated with the dependent variable i.e., Customer satisfaction at 99 percent confidence level ($P < 0.01$). The finding on table 4.3 above further indicates that the highest significant relationship is found between system availability and customer satisfaction (Pearson Correlation = 0.958, $p < .001$), however the lowest statistically significant relationship is found between fees and charges and customer satisfaction (Pearson Correlation = 0.274, $p < .001$).

4.2.2 ASSUMPTIONS TESTING IN REGRESSIONS

The basic assumptions should be satisfied in order to maintain data validity and robustness of the regressed result of the research under the multiple regression models. Hence, this study has conducted the assumption tests such as, multi-Collinearity, linearity, homoscedasticity and normality.

Multicollinearity

Multi Collinearity is checked using correlations between the variables in the model. Independent variables show at least some relationship with dependent variable. In this case all of the scales (ease to use, reliability, accessibility, fees and charges, transaction efficiency, responsiveness, security and privacy, service content and system availability) with customer satisfaction correlate substantially (0.734, 0.833, 0.351, 0.274, 0.619, 0.425, 0.510, 0.382 and 0.958) respectively. As it can be seen from the table these requirements are validated and there is no issue of Multi Collinearity.

Collinearity diagnostics on the variables as part of the multiple regression procedure is done using tolerance and variance inflation factor (VIF). Tolerance is an indicator of how much of the variability of the specified independent is not explained by the other independent variables in the model. If this value is very small (less than 0.10), it indicates that the multiple correlation with other variables is high, suggesting the possibility of multi Collinearity (Pallant, 2010) furthermore, the other value given is the VIF, which is just the inverse of the tolerance value (1 divided by tolerance). According to Pallant (2010), VIF values above 10 would be a concern, indicating multi Collinearity.

Table 4.4 Collinearity Diagnosis

Model	Collinearity Statistics	
	Tolerance	VIF
ETU	.212	4.720
RLBTY	.259	3.868
ACC	.419	2.389
FC	.237	4.227
TE	.166	6.031
RPSN	.191	5.245
SP	.368	2.714
SC	.681	1.469
SA	.365	2.742

Source: SPSS Output SPSS Output, 2022

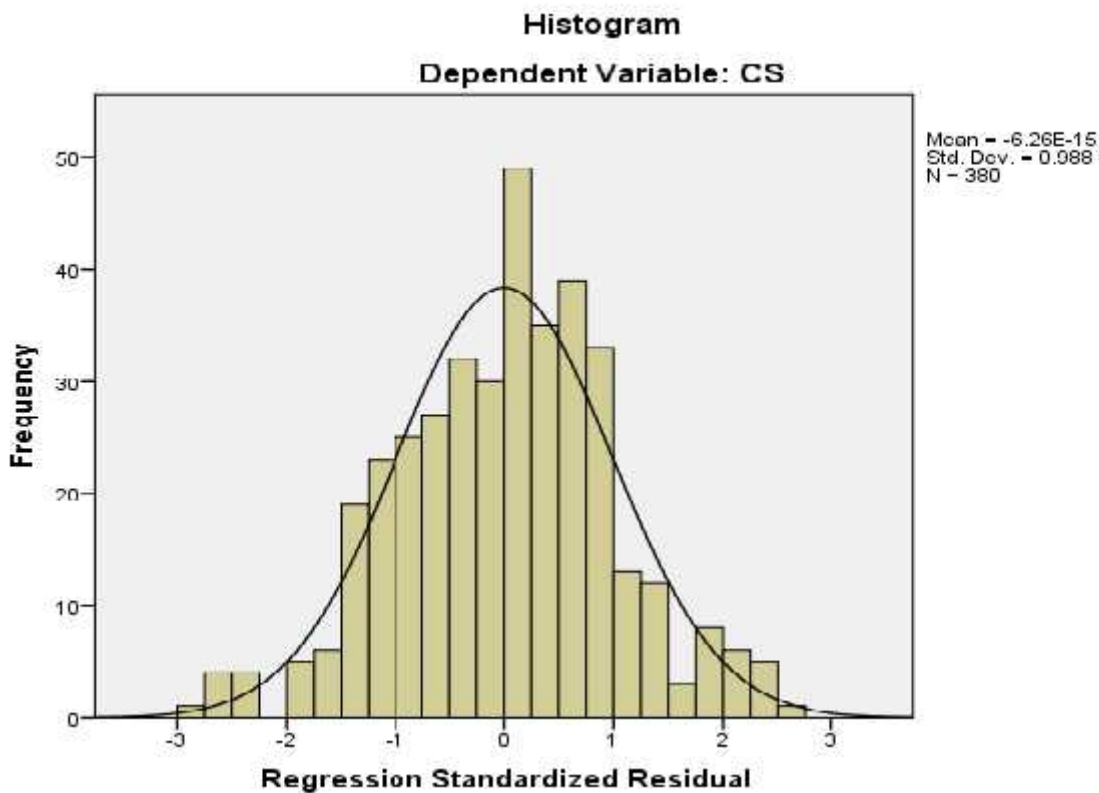
The result shows that the tolerance value for each independent variable is (0.212, 0.259, 0.419, 0.237, 0.166, 0.191, 0.368, 0.681 and 0.365) respectively which are not less than 0.10; therefore, multi Collinearity assumption is not violated. This is also supported by the VIF value, which is 4.720, 3.868, 2.389, 4.227, 6.031, 5.245, 2.714, 1.469 and 2.742 which is well below the cut-off 10 as shown in the coefficient table.

Normality, linearity of residuals: one of the ways that these assumptions can be checked is by inspecting the residuals scatter plot and the normal probability plots of the regression standardized residuals that were requested as part of the analysis. These are presented in normal P-P Plots of regression standardized residuals graph. In normal probability plots the points will lie in reasonably straight diagonal line from bottom left to top right. This would suggest no major deviations from normality. The finding from normal P-Plot reveals no violation of normality assumptions.

Test of Normality

The study used both methods of assessing normality; graphically using Normal Probability Plot (P-P) graph and using Skewness and Kurtosis numerically. Figure 4.1 depicted that the scores are normally distributed.

Figure 4.1: Frequency Distribution of Standardized Residual



Source: SPSS Output SPSS Output, 2022

Kurtosis and Skewness

As Field (2009) and Garson (2012) noted, many statistical procedures assumed that the sampling distribution is normally distributed and so, if the sample data are approximately normal then the sampling distribution will be also. In this regard, it is useful to test for normality of the sample data. Therefore, it was checked for the data to see if they are normally distributed through quantify aspects of a distribution (i.e. skewness and kurtosis) and presented as follows.

Table 4.5 Kurtosis and Skewness

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
CS	380	-.124	.125	.186	.250
ETU	380	-.047	.125	-.830	.250
RLBTY	380	.048	.125	-.032	.250
ACC	380	-.149	.125	-.002	.250
FC	380	-.075	.125	-.079	.250
TE	380	-.299	.125	.628	.250
RPSN	380	-.035	.125	.132	.250
SP	380	-.057	.125	-.428	.250
SC	380	-.197	.125	-.002	.250
SA	380	-.018	.125	-.021	.250

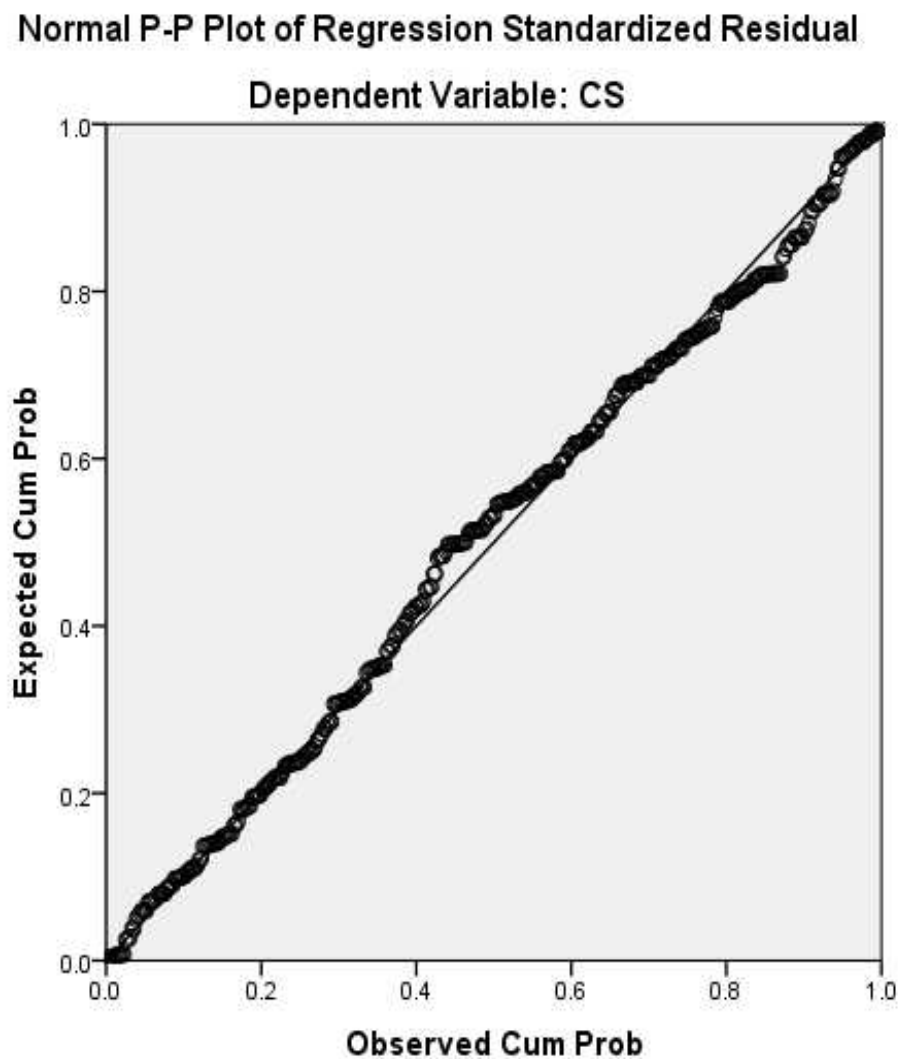
Source: SPSS Output SPSS Output, 2022

According to Garson (2012), as a rule of thumb, for normality skew should be within the +2 to -2 range, when the data are normally distributed. Some statisticians also prescribe +1 to -1 as a more stringent criterion when normality is critical. In this regard, as shown in the above table, the skew value is perfectly fit within the limit and ranges between -0.299 and 0.048. Thus, in this research, is said to be normally distributed. Furthermore, as Garson (2012) suggests, kurtosis should be within the +2 to -2 range when the data are normally distributed, while some statisticians prescribe +1 to -1 as a more stringent criterion when normality is critical. Taking both options in to consideration, when we look at table 4.5, the kurtosis value is perfectly fit within the limit and ranges between -0.830 and 0.628. Therefore, it can be explained that, abnormality of the data distribution cannot be a problem for this study.

Test of linearity

In the Normal Probability Plot it will be hoped that points reasonably straight diagonal line from bottom left to top right. This would suggest no major deviations from normality. The study applied Normal P-Plot of regression Standardized Residuals (See Figure 4.2) to test linearity. Since the points were symmetrically distributed around diagonal line, linearity pattern was observed. Hence, the straight line relationship between the residuals and the predicted dependent variable scores depicted that linearity was achieved.

Figure 4.2: Normal Point Plot of Standardized Residual

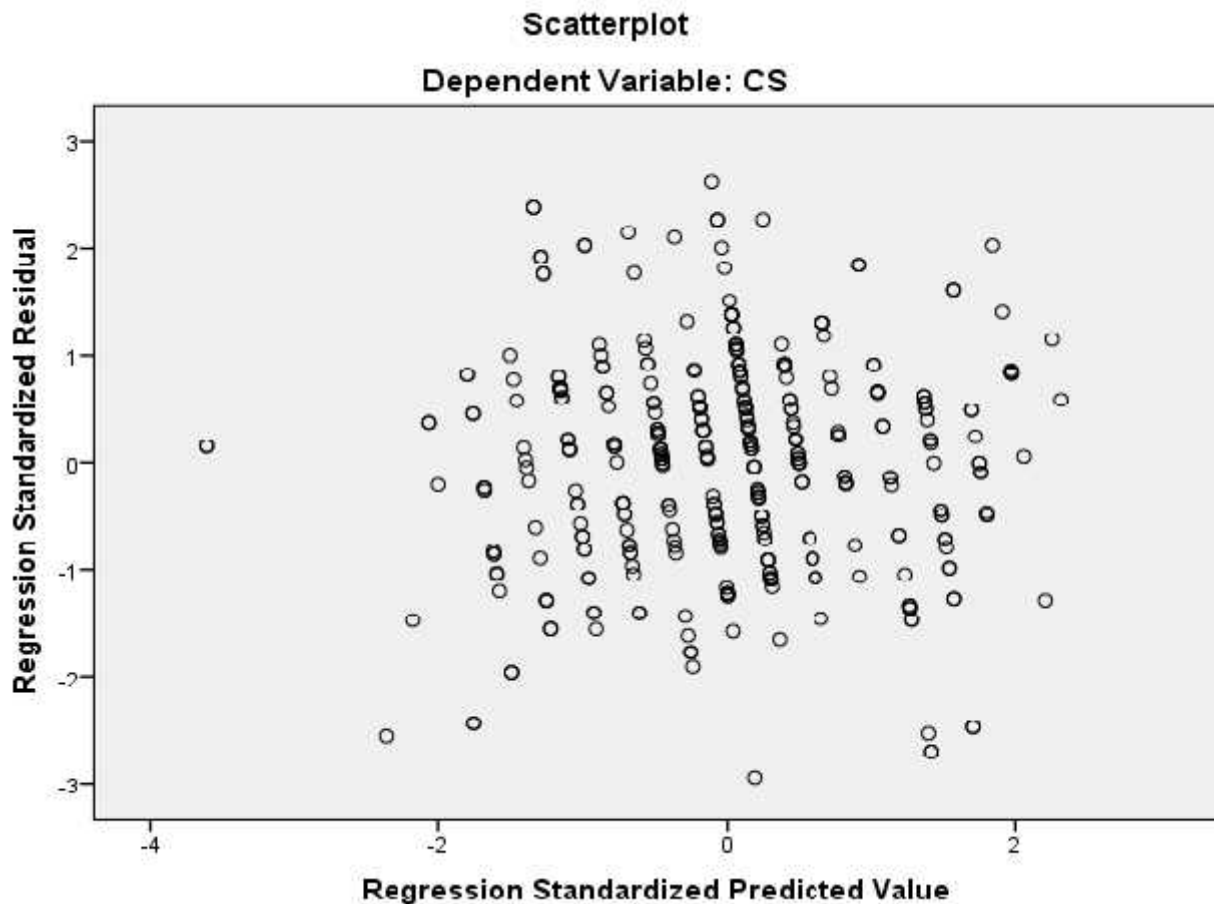


Source: SPSS Output SPSS Output, 2022

Homoscedasticity

Homoscedasticity is the extent to which the data values for the dependent and independent variables have equal variances, as Saunders, et al. (2009) noted. Based on the explanation by Field (2009), at each level of the predictor variables, the variance of the residual terms should be Constant which means the residuals at each level of the predictors should have the same variance, therefore checking for this assumption is helpful for the goodness of the regression model. Field (2009) suggested that it should plot the standardized residuals, or errors (ZRESID) on the X axis and the standardized predicted values of the dependent variable based on the model (ZPRED) on the Y axis to get the homoscedasticity result.

Figure 4.3: Scatter Plot of Standardized Residual



Source: SPSS Output SPSS Output, 2022

According to Garson (2012), homoscedasticity help as to check for the relationship under investigation is the same for the entire range of the dependent variable and lack of homoscedasticity is shown by higher errors (residuals) for some portions of the range, which can be seen on the scatter plot. In this regard, as Field (2009) describes, the graph of *ZRESID and *ZPRED should look like a random array of dots evenly dispersed around zero, if the assumption of homoscedasticity has to be met. Likewise, as shown in the above figure, the points are randomly and evenly dispersed throughout the plot and there are no obvious outliers on this cloud of dots which are spaced around zero. Therefore, it can be concluded that the assumptions of random errors and homoscedasticity have been met.

4.2.3 REGRESSIONS ANALYSIS

Regression model was applied to test how far determinants have effect on customer satisfaction. Coefficient of determination R^2 is the measure of proportion of the variance of dependent variables about its mean that is explained by the independent or predictor variables. It is conducted to investigate the effect of independent variable on the dependent variable and identify the relative significant influence; i.e. Independent variable (ease to use, reliability, accessibility, fees and charges, transaction efficiency, responsiveness, security and privacy, service content and system availability) to the dependent variable; i.e. customer satisfaction. Higher value of R^2 represents greater explanatory power of the regression equation. The proposed hypotheses were tested using multiple regression analysis. The results of the regression analysis are depicted in the following table.

4.2.3.1 Model Summary

Table 4.6 Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.994 ^a	.988	.988	.04998	.988	3479.843	9	370	.000	1.589

Source: SPSS Output SPSS Output, 2022

Overall, the given table revealed that all independent variables accounted for about 98.8% of the contribution for customer satisfaction ($R^2 = 0.988$). Thus, 98.8% of the variation in customer satisfaction can be explained by nine determinant and other factors may limit contribution of those determinant to the customer satisfaction which accounts for about 1.2%, as shown in the table. In addition, the Durbin-Watson number shows 1.589 which is approach to 2; so that it indicates that there is no autocorrelation problem.

From the above finding the study can develop the following regression model;

$$CS = \beta_0 + \beta_1 ETU_1 + \beta_2 RLBTY_2 + \beta_3 ACC_3 + \beta_4 FC_4 + \beta_5 TE_5 + \beta_6 RPSN_6 + \beta_7 SP_7 + \beta_8 SC_8 + \beta_9 SA_9 + \epsilon$$

Source: - Compiled by the researcher mainly based on Mohammad and Naser (2019), AlHaliq (2016), Ahmad (2011) and Bogati (2016).

$$CS = -0.030 - 0.008ETU_1 + 0.256RLBTY_2 - 0.172ACC_3 + 0.002FC_4 - 0.055TE_5 - 0.011RPSN_6 + 0.177SP_7 + 0.043SC_8 + 0.807SA_9 + \epsilon$$

Where,

CS= Customer Satisfaction

β_0 = Constant

β_1 = Coefficient of estimate

ETU = Ease to use

RLBTY = Reliability

ACC = Accessibility

FC = Fees and charges

TE = Transaction efficiency

RPSN= Responsiveness

SP = Security and privacy

SC = Service content

SA = System availability

ϵ = the error term

4.2.3.2 ANOVA Test

Table 4.7 ANOVA

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	78.243	9	8.694	3479.843	.000 ^b
	Residual	.924	370	.002		
	Total	79.168	379			

Source: SPSS Output SPSS Output, 2022

The significant level in ANOVA table shows that the combination of variables significantly predicts the dependent variable. ANOVA that tests whether the model is significantly better at predicting the outcome than using the mean as a best guess; specifically, the F-ratio represents the ratio of the improvements in prediction that results from fitting the model, relative to the inaccuracy that still exists in the model. For these data, F is 3479.843, which is significant at $p < 0.001$. This result tells us there is less than 0.1% chance that an F-ratio is larger would happen by chance alone. Therefore, it can be said that the regression model results in significantly better prediction of customer satisfaction.

4.2.3.3 REGRESSION RESULT

Table 4.8 Regression coefficient analysis of the model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.030	.037		-.792	.429
	ETU	-.006	.009	-.008	-.691	.490
	RLBTY	.310	.013	.256	23.159	.000**
	ACC	-.225	.011	-.172	-19.847	.000**
	FC	.002	.013	.002	.153	.879
	TE	-.049	.012	-.055	-3.960	.000**
	RPSN	-.011	.013	-.011	-.872	.384
	SP	.229	.012	.177	19.145	.000**
	SC	.050	.008	.043	6.370	.000**
	SA	.699	.008	.807	86.727	.000**

Source: SPSS Output SPSS Output, 2022

H₁: Ease to use has significant effect on customer satisfaction

The result of multiple regression analysis of the above table clearly indicates that ease to use has no significant effect on customer satisfaction ($p < 0.05$). However, the value of beta in ease to use ($= -0.008$) shows the negative effect on customer satisfaction. This implies that a one unit increase in ease to use results in -0.008 units didn't decrease in customer satisfaction. Thus, the above proposed hypothesis is rejected.

H₂: Reliability has significant effect on customer satisfaction

The result of multiple regression analysis of the above table clearly indicates that reliability has significant effect on customer satisfaction ($p < 0.01$). Besides, the value of beta in reliability ($= 0.256$) shows the positive effect on customer satisfaction. This implies that a one unit increase in reliability results in 0.256 unit increase in customer satisfaction. Thus, the above proposed hypothesis is accepted.

H₃: Accessibility has significant effect on customer satisfaction

The result of multiple regression analysis of the above table clearly indicates that accessibility has significant effect on customer satisfaction ($p < 0.01$). Besides, the value of beta in accessibility ($= -0.172$) shows the negative effect on customer satisfaction. This implies that a one unit increase in accessibility results in -0.172 unit declines in customer satisfaction. Thus, the above proposed hypothesis is accepted.

H₄: Fees and charges have significant effect on customer satisfaction

The result of multiple regression analysis of the above table clearly indicates that fees and charges have no significant effect on customer satisfaction ($p < 0.05$). However, the value of beta in fees and charges ($= 0.002$) shows the positive effect on customer satisfaction. This implies that a one unit increase in fees and charges results in 0.002 units didn't increase in customer satisfaction. Thus, the above proposed hypothesis is rejected.

H₅: Transaction efficiency has significant effect on customer satisfaction

The result of multiple regression analysis of the above table clearly indicates that transaction efficiency has significant effect on customer satisfaction ($p < 0.01$). Besides, the value of beta in transaction efficiency ($= -0.055$) shows the negative effect on customer satisfaction. This implies that a one unit increase in transaction efficiency results in -0.055 unit declines in customer satisfaction. Thus, the above proposed hypothesis is accepted.

H₆: Responsiveness has significant effect on customer satisfaction

The result of multiple regression analysis of the above table clearly indicates that responsiveness has no significant effect on customer satisfaction ($p < 0.05$). However, the value of beta in responsiveness ($= -0.011$) shows the negative effect on customer satisfaction. This implies that a one unit increase in responsiveness result in -0.011 units didn't decreases in customer satisfaction. Thus, the above proposed hypothesis is rejected.

H₇: Security and privacy has significant effect on customer satisfaction

The result of multiple regression analysis of the above table clearly indicates that security and privacy has significant effect on customer satisfaction ($p < 0.01$). Besides, the value of beta in security and privacy ($= 0.177$) shows the positive effect on customer satisfaction. This implies that a one unit increase in security and privacy results in 0.177 unit increases in customer satisfaction. Thus, the above proposed hypothesis is accepted.

H₈: Service content has significant effect on customer satisfaction

The result of multiple regression analysis of the above table clearly indicates that service content has significant effect on customer satisfaction ($p < 0.01$). Besides, the value of beta in service content ($= 0.043$) shows the positive effect on customer satisfaction. This implies that a one unit increase in service content results in 0.043 unit increases in customer satisfaction. Thus, the above proposed hypothesis is accepted.

H₉: System availability has significant effect on customer satisfaction

The result of multiple regression analysis of the above table clearly indicates that system availability has significant effect on customer satisfaction ($p < 0.01$). Besides, the value of beta in system availability ($= 0.807$) shows the positive effect on customer satisfaction. This implies that a one unit increase in system availability results in 0.807 unit increases in customer satisfaction. Thus, the above proposed hypothesis is accepted.

4.3. DISCUSSION OF FINDINGS

Ease to use

According to the regression result of ease to use has no effect on customer satisfaction a coefficient estimate of -0.008. This means that holding other independent variables constant and when one percent increases in ease to use, but it didn't reduce customer satisfaction by 0.8% and the p value of ease to use is 0.490 reveals that it is statistically insignificant at 5% level of significance. Consequently, the result didn't support the working hypothesis that ease to use has significant effect on customer satisfaction. The possible reason is when there are no different options in e banking service delivery; customers can't operate easily their transactions and will be unsatisfied in e banking services. Thus, this outcome is not consistent with prior study of Mohammad and Naser (2019), AlHaliq (2016), Ismail (2017), Neeraj et al (2020), Mekides (2019), Tesfaye (2019), Fikerselassie (2017), Richard (2012), Jamil and Ibrahim (2018) and Abdelghani (2020).

Reliability

According to the regression result of reliability has a positive effect on customer satisfaction coefficient estimates of 0.256. This means that holding other independent variables constant and when one percent increases in reliability, consequently it improves customer satisfaction by 25.6% and the p value of reliability is 0.001 reveals that it is statistically significant at 1% level of significance. For that reason, the result supported the working hypothesis that reliability has significant effect on customer satisfaction. It refers that reliability is the ability to perform the promised service dependably and accurately. This relates to the ability to provide a service as expected by customers in terms of speed (how quick the transaction is performed), so that the customers can be satisfied. Consequently, this outcome is consistent with prior study of Mohammad and Naser (2019), Simon (2016), AlHaliq (2016), Addai et al. (2015), Raza et al. (2015), Neeraj et al (2020), Maria (2020), Mekides (2019), Tesfaye (2019), Fikerselassie (2017), Richard (2012), Jamil and Ibrahim (2018) and Mudassir (2016).

Accessibility

According to the regression result of accessibility has a negative effect on customer satisfaction coefficient estimates of 0.172. This means that holding other independent variables constant and when one percent increases in accessibility, consequently it doesn't improves customer satisfaction by 17.2% and the p value of reliability is 0.001 reveals that it is statistically significant at 1% level of significance. For that reason, the result supported the working hypothesis that accessibility has significant effect on customer satisfaction. It refers that when there is no availability in ATM, Phone access, E-mail access, and account access for customers, the customers can't be satisfied. Hence, this outcome is consistent with prior study of Ahmad (2011), Bogati (2016), Fikerselassie (2017) and Jyotsna et al (2020).

Fees and charges

According to the regression result of fees and charges has no effect on customer satisfaction a coefficient estimate of 0.002. This means that holding other independent variables constant and when one percent increases in fees and charges, but it didn't enhance customer satisfaction by 0.2% and the p value of fees and charges is 0.879 reveals that it is statistically insignificant at 5% level of significance. Consequently, the result didn't support the working hypothesis that fees and charges have significant effect on customer satisfaction. The possible reason is while there are affordable and similar fees and charges provide by the banking industry for e-banking services, it wouldn't affect the customer's satisfaction. Therefore, this outcome is not consistent with prior study of Ahmad (2011) and Worku and Tafa (2016).

Transaction efficiency

According to the regression result of transaction efficiency has a negative effect on customer satisfaction coefficient estimates of 0.055. This means that holding other independent variables constant and when one percent increases in transaction efficiency, consequently it decreases customer satisfaction by 5.5% and the p value of transaction efficiency is 0.001 reveals that it is statistically significant at 1% level of significance. For that reason, the result supported the working hypothesis that transaction efficiency has significant effect on customer satisfaction.

It indicates that when the customers unable to get any of e-banking service efficiently, they will be disappointed by the services. Accordingly, this outcome is consistent with prior study of Jamil and Ibrahim (2018), Saranan and Leelavathi (2020), Neeraj et al (2020),Sadaf (2017) and Tesfaye (2019).

Responsiveness

According to the regression result of responsiveness has a negative effect on customer satisfaction coefficient estimates of -0.011. This means that holding other independent variables constant and when one percent increases in responsiveness, consequently it didn't decreases customer satisfaction by 1.1% and because the p value of responsiveness is 0.005 reveals that it is statistically insignificant at 5% level of significance. For that reason, the result didn't support the working hypothesis that responsiveness has significant effect on customer satisfaction. Hence, it refers that when there is no readiness to support the bank's customers and the bank can't deliver them a rapid service. This kind of service can be shaped into four forms. First, the E-Banking system can control and operate the service properly. Second, the E-Banking channels can guide customers toward proceeding properly in case of any failing operations. Third, it can also cover a rapid solution for any possible error in E-Banking transactions. Finally, it can support the customer's questions with on-the spot response, so that the customers can be easily satisfied. In view of that, this outcome is contradict with prior study of Simon (2016), Raza et al. (2015), Omodele and Onyeiwu (2019),Maria (2020), Jyotsna et al (2020), Jamil and Ibrahim (2018) and Mudassir (2016).

Security and privacy

According to the regression result of security and privacy has a positive effect on customer satisfaction coefficient estimates of 0.177. This means that holding other independent variables constant and when one percent increases in security and privacy, consequently it improves customer satisfaction by 17.7% and the p value of security and privacy is 0.001 reveals that it is statistically significant at 1% level of significance. For that reason, the result supported the working hypothesis that security and privacy has significant effect on customer satisfaction.

It refers that when the bank has strong security system in e-banking service; the customers will be willing to use the e- banking service and can be easily satisfied. Hence, this outcome is consistent with prior study of Neeraj et al (2020) and Tesfaye (2019).

Service content

According to the regression result of service content has a positive effect on customer satisfaction coefficient estimates of 0.043. This means that holding other independent variables constant and when one percent increases in service content, consequently it improves customer satisfaction by 4.3% and the p value of service content is 0.001 reveals that it is statistically significant at 1% level of significance. For that reason, the result supported the working hypothesis that service content has significant effect on customer satisfaction. For electronic banking service, it means the content that banks provide to customers through their website, ATM & POS terminal Mobile and internet banking, so that if there is well developed and organized service content in e- banking service, the customers will be interested to use the e- banking service and can be easily satisfied. Hence, this outcome is consistent with prior study of Neeraj et al (2020) and Tesfaye (2019).

System availability

According to the regression result of system availability has a positive effect on customer satisfaction coefficient estimates of 0.807. This means that holding other independent variables constant and when one percent increases in system availability, consequently it improves customer satisfaction by 80.7% and the p value of system availability is 0.001 reveals that it is statistically significant at 1% level of significance. For that reason, the result supported the working hypothesis that system availability has significant effect on customer satisfaction. The possible reason is when there is no network interruption and corrected technical functioning in e- banking service; customers can operate easily their transactions and will be satisfied in e banking services. Therefore, system availability is the critical issues for e- banking service in the banking industry. Thus, this outcome is not consistent with prior study of Sadaf (2017) and Saravanan and Leelavathi (2020).

Generally, the overall result is depicted in the following table.

Table 4.9 Summary of the overall outcome of the research hypotheses

<i>Hypothesis</i>	<i>Result</i>	<i>Reason</i>
H ₁ : Ease to use has significant effect on customer satisfaction	Rejected	=-0.008, p>0.05
H ₂ : Reliability has significant effect on customer satisfaction	Accepted	=-0.256, p<0.01
H ₃ : Accessibility has significant effect on customer satisfaction	Accepted	=-0.172, p<0.01
H ₄ : Fees and charges have significant effect on customer satisfaction	Rejected	=-0.002, p>0.05
H ₅ : Transaction efficiency has significant effect on customer satisfaction	Accepted	=-0.055, p<0.01
H ₆ : Responsiveness has significant effect on customer satisfaction	Rejected	=-0.011, p<0.05
H ₇ : Security and privacy has significant effect on customer satisfaction	Accepted	=-0.177, p<0.01
H ₈ : Service content has significant effect on customer satisfaction	Accepted	=-0.043, p<0.01
H ₉ : System availability has significant effect on customer satisfaction	Accepted	=-0.807, p<0.01

Source: SPSS Output SPSS Output, 2022

To summarize, all hypothesis developed based on the research objective and the conceptual framework, were tested. Moreover, aiming in validating the hypothesis testing, several assumptions were checked. Accordingly, the hypotheses were tested through appropriate statistical procedures and the results obtained from the statistical analysis are said to be successful in achieving the desired objective and in answering the research questions.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

The preceding chapter presented the results and discussion, while this chapter deals with summary, conclusion and recommendations based on the findings of the study. Accordingly, this chapter is organized into three subsections.

5.1 SUMMARY OF FINDINGS

The research general objective was to examine the effect of e- banking service on customer satisfaction in a case of Abay Bank S.C particularly Addis Ababa city branches. The study distributed to selected 400 customers and the researcher was able to get back three hundred eighty (380) out of 400 questionnaires administered which gives 95% response rate. In line with this, it carried out by constructing a regression model using SPSS through testing relevant assumptions that were adopted from primary sources of data to have well-built quantitative analysis.

From the demographic data, the total respondents' female has more coverage than male. And also, the sample of customers was mostly in the age group of 21-30 years and 31- 40 years. Related with educational level, most of respondents have bachelor's degree. Regarding to occupation of respondents, 46.8% and 19.5% of respondents are business owner and Agriculture and related respectively from the total sample respondents. With respect of types of E-banking service you used, most of customers have used ATM service. Finally, 52.1% of e-banking service customers were stays 2 up to 4 years as clients for the bank.

The dependent variable is customer satisfaction and independent variables are ease to use, reliability, accessibility, fees and charges, transaction efficiency, responsiveness, security and privacy, service content and system availability in order to attain the objective of the study. Thus, the overall result obtained from the regression model indicates that reliability, accessibility, transaction efficiency, system availability, security and privacy and service content have significant effect on customer's satisfaction. However, ease to use, responsiveness, fees and charges and have no significant effect on customer's satisfaction.

5.2 CONCLUSIONS

Regarding to the effect of e- banking service on customer satisfaction in a case of Abay Bank S.C particularly Addis Ababa city branches, the following points are conclusions;

- The result indicates that ease to use has no effect on customer satisfaction a coefficient estimate of -0.008. This means that holding other independent variables constant and when one percent increases in ease to use, but it didn't reduce customer satisfaction by 0.8% and the p value of ease to use is 0.490 reveals that it is statistically insignificant at 5% level of significance.
- The result point out that reliability has a positive effect on customer satisfaction coefficient estimates of 0.256. This means that holding other independent variables constant and when one percent increases in reliability, consequently it improves customer satisfaction by 25.6% and the p value of reliability is 0.001 reveals that it is statistically significant at 1% level of significance.
- The finding shows that accessibility has a negative effect on customer satisfaction coefficient estimates of 0.172. This means that holding other independent variables constant and when one percent increases in accessibility, consequently it doesn't improves customer satisfaction by 17.2% and the p value of reliability is 0.001 reveals that it is statistically significant at 1% level of significance.
- The outcome indicates that fees and charges has no effect on customer satisfaction a coefficient estimate of 0.002. This means that holding other independent variables constant and when one percent increases in fees and charges, but it didn't enhance customer satisfaction by 0.2% and the p value of fees and charges is 0.879 reveals that it is statistically insignificant at 5% level of significance.
- The finding designates that transaction efficiency has a negative effect on customer satisfaction coefficient estimates of 0.055. This means that holding other independent variables constant and when one percent increases in transaction efficiency, consequently it decreases customer satisfaction by 5.5% and the p value of transaction efficiency is 0.001 reveals that it is statistically significant at 1% level of significance.

- According to the regression result of responsiveness has a negative effect on customer satisfaction coefficient estimates of -0.011. This means that holding other independent variables constant and when one percent increases in responsiveness, consequently it didn't decrease customer satisfaction by 1.1% and because the p value of responsiveness is 0.005 reveals that it is statistically insignificant at 5% level of significance.
- The result point out that security and privacy has a positive effect on customer satisfaction coefficient estimates of 0.177. This means that holding other independent variables constant and when one percent increases in security and privacy, consequently it improves customer satisfaction by 17.7% and the p value of security and privacy is 0.001 reveals that it is statistically significant at 1% level of significance.
- The outcome indicates that service content has a positive effect on customer satisfaction coefficient estimates of 0.043. This means that holding other independent variables constant and when one percent increases in service content, consequently it improves customer satisfaction by 4.3% and the p value of service content is 0.001 reveals that it is statistically significant at 1% level of significance.
- The finding designates that system availability has a positive effect on customer satisfaction coefficient estimates of 0.807. This means that holding other independent variables constant and when one percent increases in system availability, consequently it improves customer satisfaction by 80.7% and the p value of system availability is 0.001 reveals that it is statistically significant at 1% level of significance.

In general, reliability, accessibility, transaction efficiency, system availability, security and privacy and service content have significant effect on customer's satisfaction. However, ease to use, responsiveness, fees and charges have no significant effect on customer's satisfaction.

5.3 RECOMMENDATION

The findings of the study showed that reliability, accessibility, transaction efficiency, system availability, security and privacy and service content have significant effect on customer's satisfaction. However, ease to use, responsiveness, fees and charges have no significant effect on customer's satisfaction. Hence, focusing and taking the necessary action on these variables could improve the probability containing the effect on customer satisfaction. Based on the findings which are obtained from regression analysis, the researcher has drawn the following recommendations.

- As ease to use variable result, it has no effect on customer satisfaction, however, Abay Bank S.C should create different options in e banking service delivery for customers by developing well organized IT system so as to operate easily their transactions. By doing so, the bank can enhance e-banking service customers.
- As per the finding of reliability, it has an effect on customer satisfaction, so that Abay Bank S.C has to be reliable in terms of speed and accuracy while providing e- banking services products. The bank has to be able to perform the promised service dependably and accurately. This relates to the ability to provide a service as expected by customers in terms of speed (how quick the transaction is performed), so that the customers can be satisfied.
- Based on accessibility, it has an effect on customer satisfaction, so that Abay Bank S.C should avail ATM machine to be accessible for e-banking service customers easily and also register and make active immediately for mobile and internet banking services on the spot while customers open new accounts in any branch of the bank. Consequently, the e-banking service customers can be satisfied.
- The result disclosed that fees and charges have no effect on customer satisfaction, however, Abay Bank S.C should provide reasonable and affordable price for e-banking services by looking its competitors so as to keep its own market share.
- The finding explained that transaction efficiency has an effect on customer satisfaction, so that Abay Bank S.C should enhance the transaction efficiency in order to able the customers to get any of e-banking service efficiently with quality manner and to make them highly satisfied.

- The analysis indicated that responsiveness has no effect on customer satisfaction, However, Abay Bank S.C should make on readiness to support the bank's customers and deliver them a rapid service by applying the following steps. First, the E-Banking system can control and operate the service properly. Second, the E-Banking channels can guide customers toward proceeding properly in case of any failing operations. Third, it can also cover a rapid solution for any possible error in E-Banking transactions. Finally, it can support the customer's questions with on-the spot response, so that the customers could be easily satisfied.
- According to the regression result of security and privacy has an effect on customer satisfaction, so that Abay Bank S.C must develop and maintain strong security system by keeping customers privacy in e-banking service then after the customers will be willing to use the e- banking service efficiently.
- The finding explained that service content has an effect on customer satisfaction, so that Abay Bank S.C has to make well developed and organized service content in e- banking service using strong and better IT system, as the result the customers will be interested to use the e- banking service and can be easily satisfied.
- Based on system availability, it has effect on customer satisfaction, Therefore, Abay Bank S.C has to develop strong network setup to avoid any network interruption and uncorrected technical functioning in e-banking service by making close communication and relationship with Ethio –telecom and also to avoid customers complains regarding this issues.

Therefore, Abay Bank S.C should effectively consider the above determinants who have significant effect by performing more work on those factors to have a prominent customer who loyal for their e- banking service.

5.4. DIRECTION FOR FUTURE RESEARCH

- This study was conducted solely in Addis Ababa and the composition of the sample may not be analogous to the whole out lets in Ethiopia. Therefore; additional studies in different regions of the country are needed to investigate the hypotheses. In addition, variables included in the study were not exhaustive and future researches should be carried out to determine the effect of other variables which are not identified in the present study but affect customer satisfaction regarding banking industry.

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APPENDIX

Appendix A: Questionnaire for customers

ADDIS ABABA UNIVERSITY

SCHOOL OF POST GRADUATE STUDIES

COLLEGE OF BUSINESS AND ECONOMICS

MBA PROGRAM

This questionnaire is designed to carry out a research to examine the effect of e-banking service on customer satisfaction in case of Abay Bank S.C particularly Addis Ababa city branches and its main purposes are: to find the effect of e-banking service on customer satisfaction and as partial fulfillment of the requirements for the degree of Master in Business Administration Management.

The data will be used only for academic purpose and your response is not forwarded to other third party and it is kept confidential, please answer each questions with no fear of consequence. No need of writing your name.

I thank you in advance for your cooperation.

Please feel free to contact me @ any time for further clarification if any!

Genet Daba

Tel 0911-41-32-89

If you have any question regarding the questionnaire please contact me using the above mentioned address.

Part I: Demographic or Personal Information

Please read each statement carefully and encircle your choice for the questions indicated in the table.

Question		Response
1	Gender	1. Male 2. Female
2	Age	1. Less than 20 years 2. 21- 30 years 3. 31- 40 years 4. More than 40 years
3	Educational level	1. Secondary school & below 2. Diploma 3. Bachelor degree 4. Masters or higher
4	Occupation	1. Student 2. Employee 3. Business owner 4. Other
5	Types of E-banking service you used? More than one answer is possible.	1. ATM 2. Mobile banking 3. Internet Banking 4. All
6	How long did you use E-banking service?	1. Less than one year 2. 1-2 years 3. 2-4 years 4. 4 years and more

Part: II Examining the effect of E- banking service on customer satisfaction

The following question aims to examine the effect of e-banking service on customer satisfaction offered by the bank. Please tick () the number that you feel most appropriate number using the scale below (from 1 to 5 alternatives in the Likert scale).

No	Dimensions of E- banking service	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1. Ease to use						
1.1	Easy to find information in the e-banking system`					
1.2	E-banking is easy to use					
1.3	The language in e-banking displays is easy to understand					
1.4	Information and text are clear and easy to understand					
1.5	E-banking system provides clear instruction					
2. Reliability						
2.1	The bank provides its services at the time it promises to do so					
2.2	When customers have a problem, the bank shows sincere interest in solving it					
2.3	The bank has operating hours convenient to all its customers					
2.4	The bank insists on error-free records					
2.5	E-banking delivers the service exactly as promised					
3. Accessibility						
3.1	Abay Bank’s e-banking service is working 24 hours					
3.2	The use of ATM service is accessed usually					
3.3	It is easy to contact my bank whenever issued raised in e-banking service					
3.4	I can log in my account anywhere using internet banking					
3.5	The opportunities for electronic banking service expansion in the city is high					
4. Fees and charges						
4.1	The price charge for e- banking service per transaction is fair					
4.2	The bank structures its service price to account for income levels					

4.3	The bank offers tariffs suitable for e- banking service to different income groups					
4.4	The bank has a discount price strategy for premium/frequent e- banking service users					
4.5	Bank deals respectfully with customer complaints about electronic service fees					
5. Transaction efficiency						
5.1	E-banking provides complete help function					
5.2	Transaction process is fast					
5.3	Using E-Banking service enables me to accomplish my banking activities more quickly					
5.4	My bank offers all the e-banking services I need					
5.5	The use of internet banking time saving					
6. Responsiveness						
6.1	The bank’s employees give me prompt service					
6.2	The bank’s employees are always willing to help me					
6.3	The bank’s employees are never too busy to respond to my requests					
6.4	The bank’s employees are always willing to provide immediate response to me if any problem occurred					
6.5	Bank deals respectfully with customer complaints about electronic service					
7. Security and privacy						
7.1	E-Banking service is secure and safe from any fraud or hacking					
7.2	E-banking provides security for transaction data and privacy					
7.3	E-Banking service provides high protection for my banking transactions					
7.4	E-Banking services do not allow others to access my accounts					
7.5	I feel secure while making transactions through Internet.					
8. Service content						
8.1	E-banking provides information that exactly fits needs.					
8.2	E-banking provides accurate information.					
8.3	E-banking provides information that trust					

8.4	Can check validity and detail of past transaction every time					
8.5	E-banking keeps accurate record of transaction					
9. System availability						
9.1	The system network is always available for using e-banking service					
9.2	Electronic banking can do everything for me as employees do					
9.3	Controlling of my bank account has improved after using electronic banking					
9.4	My interaction with the E-Banking system is clear and understandable					
9.5	I find the E-Banking system to be flexible to interact with					
Customer satisfaction						
1. Customer satisfaction						
1.1	I am satisfied with the transaction processing via E-Banking services					
1.2	I think I made the correct decision to use the E-Banking services					
1.3	My satisfaction with the E-Banking services is high					
1.4	I am satisfied with the bank's e-services quality					
1.5	Overall E-Banking services is better than my expectations					
1.6	I prefer using E-Banking services instead of visiting the branch for doing my transactions					
1.7	E-banking delivers the service exactly as promised					

Thank You!!!

Appendix B: List of selected branches for sampling purpose (Abay Bank S.C)

SR NO.	North and East district branches	South and west district branches
1	Saris 58 Mazoria	MehalPiassa
2	Lebu	Bole
3	Mekanissa Abo	Bole millinium
4	Karl Adebabay	Africa Avenue
5	Mexico	Banbis
6	Africa union	Main Branch
7	Africa union adebabay	Addisugebeya
8	Kera	Gurdsholla
9	KeraAdebabay	CMC
10	Goffa	Summit safir
11	Mekanissa Michael	Atlas
12	Jemmo	Bole 24
13	LebuMedehanialem	Gerji
14	Mahalelafto	Jakross
15	LaftoMebrat	Yerer
16	Mexicobunaena shay	Goro summit
17	Stadium	Lamberet
18	Lideta	Bole Medehanialem
19	Zenebwork	22 Adebabay
20	Ayertena	Urael

How does ease to use significantly affects customer satisfaction?

What impact does dependability have on customer satisfaction?

What impact does accessibility has on customer satisfaction?

How do fees and charges significantly affect customer satisfaction?

How transaction efficiency has significant effect on customer satisfaction

How does responsiveness significantly affect customer satisfaction?

How do Security and privacy significantly affect customer satisfaction?

What impact does service content have on customer satisfaction?

How does system availability significantly affect customer satisfaction?