Addis Ababa University
College of Business and Economics

Customers' Digital Banking Experience:

Abay Bank Managers' Perceptions

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DECLARATION

I, Hana Fekadu, declare that this study entitled "Customers' Digital Banking Experience: Abay Bank Managers' Perceptions" is my original work and has not been presented for any degree or other qualification in any other university, and that all sources of materials used for the study have been duly acknowledged. It is submitted in partial fulfillment of the requirements for the degree of Master of Business Administration in Management.

Declared by

Name: Hana Fekadu

Signature: 

Date: Feb 1, 2024

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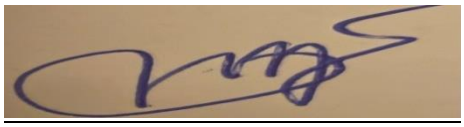
Approved by Board of Examiners

Dr.Mesfin Fikrie		Feb 10, 2024
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	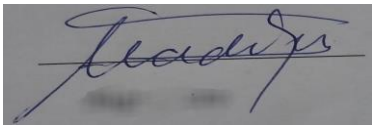	
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	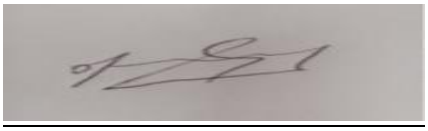	
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Abstracts

Digital banking is transforming the banking sector, as well as how banks generate profit and provide services to their clients. With the help of self-service technology, the customer experience becomes the central tenet of banks that have undergone a digital transformation. The goal of this study is to examine how those contemporary technologies affect managers' opinions of customers' experiences with digital banking. Because managers have direct contact with consumers and obtain firsthand information, information gathered from them is essential to improving customer satisfaction. An in-depth analysis of manager interviews at Abay Bank S.C. has been conducted using a qualitative study methodology. The key research issues were addressed in the study's conclusion, along with some suggested applications for financial institutions. Banks should aggressively seek out the explicit and latent requests of different customer groupings, as each customer contact data has the potential to become the source of improving customer experience evaluation. Consumers expect to be able to choose between human interaction and self-service technology. Sensitive topics may be handled by digital solutions that have the maturity to provide security and trust as well as complex functionality. Customers should be familiar with technology regardless of a financial institution's stage of digital transformation, and ethical guidelines should be highly valued by banks in order to promote transparent communication and a sense of value for all types of consumers.

Keywords: digital banking, manager's perception, customer experience

Acronyms

DB digital banking

SST Self-service technologies

AI Artificial intelligence

WAP Wireless Application Protocol

WIG Wireless Internet Gateway

ATM Atomic teller machine

POS Post of sales

TOE Technology-Organization-Environment

TAM Technology Acceptance Model

TID Theory of Innovation Diffusion

TRA Theory of Reasoned Action

NIM Net interest margin

CHAPTER ONE

1. BACKGROUND OF THE STUDY

1.1. Introduction

The development of technology in the banking sector has a great impact on bank marketing strategies (Dootson et al., 2016), particularly for digital banking (DB) where it affects customer interfaces. The growing use of DB via phone, internet, and mobile to provide multi-channel services to clients is challenging traditional banking procedures (Mónica Cortias, 2010).

The digital revolution has caused the banking industry and the methods in which banks create value and serve their customers to change. Customer experience is becoming the main focus of digitally evolved banks owing to self-service technologies (SSTs) and the adoption of artificial intelligence (AI) (Karahanli & Touma, 2021).

The traditional way that people connect with their financial institutions is about to alter as we enter a new era of innovation. In order to adapt to change and sustain profitability, it is crucial to grasp how banking will develop in the digital age. Innovation, a crucial component of economic growth, has a significant impact on the financial system's progress. On the other side, cutting-edge technology may bring up some urgent challenges that need to be resolved in order for it to be used effectively (Francois, 2016).

The growth of digital technology in the financial industry has been a driving force behind the creation of the modern economy. Every industry is impacted by digitalization, which reduces costs connected with labor and other resources and increases competition. The banking sector in particular and financial systems in general is changing to meet the needs of modern digital economies. The banking sector is undergoing a revolution thanks to contemporary financial technologies (Rupeika-Apoga, Zaidi, Thalassinos, & Thalassinos, 2018).

Digital transformation is the broad use of contemporary approaches to effectively deliver financial services. This process involves the ongoing adoption of new technologies, which will cause the economy to undergo a total digital transformation (Ablyazov T. & Asaul V., 2018).Innovative development is the best strategy to boost banks' productivity in a long-lasting,

sustainable manner. The global banking sector currently includes digitalization as one of its major goals.

Traditional financial services are becoming automated through digital banking. Bank customers can use an electronic or online platform to access banking products and services. Digital banking entails digitizing all areas of banking operations and substituting the bank's physical presence with an online presence that is constantly open, hence removing the need for customers to visit branches. Moreover, using digital technology enhances communication between governments, banks, and prospective customers (Thalassinos & Thalassinos, 2018).

Batave & Plotnikova (2019), define digital banking as the application of new technology in the delivery of bank products/services in order to meet clients' expectations through a variety of channels. As a result, the products, services, and practices of traditional banking have changed, improving service quality, increasing competitiveness, and lowering operational costs.

"Digital banking" refers to the growth of financial services and the delivery of commodities via electronic channels such as phones, the internet, ATMs, and mobile phones (Rajan P. & Nadu T., 2018). There is no requirement for customers to physically visit a bank location to access any of the standard banking services, including cash withdrawals, fund transfers, account management, bill payment, loan management, opening deposit accounts, and receiving bank statements. DB services are accessible 24/7 on computers, mobile phones, and other smart devices that are compatible.

Digital banking has become a strategic tool for improving productivity and profitability by automating paper-based and labor-intensive processes. Enoruwa et al. (2019) claim that this has happened by increasing the variety of financial services offered, controlling operations, and increasing efficiency. The traditional bank-customer relationship has been completely restructured as a result of IT-based distribution channels that reduce direct contact between service providers and clients (Barnes and Howlett, 1998).

The Commercial Bank of Ethiopia (CBE), the leading state-owned commercial bank in Ethiopia, launched ATMs in late 2001 to serve local clients, which was the country's first step into digital banking. As of the 2021/2022 NBE annual report, there are a total of 30 commercial banks, which are rapidly preparing for the digital banking world. The development of a cashless economy and its future are currently Ethiopia's hottest topics. Most banks in Ethiopia provide

very rudimentary online banking services. Abay banks now offer a variety of financial services, including ATMs, mobile banking, Internet banking, telephone banking, and SMS banking.

Even though almost anyone utilizes and comprehends electronic banking, cash is still the most commonly accepted mode of payment in Ethiopia. In contrast to other e-banking delivery methods, nearly all Ethiopian banks have placed ATMs in easily accessible places for their customers, despite the fact that all of them lag behind the times in terms of technical innovation. Only Visa and Master cards are now eligible for debt service, and customers of those banks can make cash withdrawals and use their debit cards to make purchases of goods and services (Worku, 2010).

Certainly, Ethiopia's banking industry is underdeveloped, and as a result establishing mechanisms for capacity-building and modernizing the financial system with the most advanced technologies accessible worldwide are urgently needed. Ethiopian banks should understand the necessity of implementing an electronic banking system to meet the demands of rapidly expanding domestic and international trade, as well as increased international banking services, given the rise in import-export businesses, international trade, and international relations (Worku, 2010).

Overview of digital banking in Ethiopia

In many nations around the world, electronic banking is a relatively recent phenomenon, and there is a broad consensus that this new channel will have a big impact on the banking market (Daniel, 1999). Ethiopians have been using electronic banking since late 2001 when commercial bank of Ethiopia (CBE), the country's largest state-owned commercial bank, installed ATMs to serve the community (Worku, 2010). Despite having trailed behind certain private commercial banks, such as Dashen Bank, Commercial Bank of Ethiopia (CBE) was the first to introduce an ATM-based payment system. CBE is followed in 2006 by Dashen Bank, which issues international and Dashen Visa cards. In 2009, more than 40 ATMs were placed by Dashen Bank in its, campuses, hotels, commercial centers, restaurants, and local branches to sustain the electronic payment system. The bank has continued to take the lead in establishing and developing e-banking in Ethiopia (Worku, 2010).

The agreement that three private commercial banks reached in February 2009 to begin operating an ATM and point-of-sale terminal network is a positive step in enhancing Ethiopia's electronic

card payment infrastructure. Awash Bank S.C., Nib International Bank S.C., and United Bank S.C. are three private commercial banks that have agreed in principle to create the Fettan ATM network. Over 140 ATMs and over 340 POSs have been installed by Fettan in Ethiopia. Every branch of the partnership banks has an ATM, and all domestic airports and shopping centers are served by these integration's commercial services. Since no single bank in Ethiopia can afford to provide extensive geographic coverage and access, the deal represents the first big cooperative effort by competing banks in Ethiopia (Binyam, 2009).

Banks are currently playing a significant role in Ethiopia's cash-based economy and unbanked people. In order to provide a variety of high-quality services and to ensure the satisfaction of their customers, these banks are also implementing innovative goods and technologies. Banks purchase the expensive software necessary to get this technology. The percentage of the Ethiopian populace that use e-banking services is still quite low. This indicates that Ethiopia's banking industry still has to develop in comparison to other African countries.

There are switching companies with distinctive brands that have been linking all POS terminals and ATMs from the existing dispersed card associations, according to Essayas, 2016. To compete and thrive in the market, all 17 of Ethiopia's commercial banks are implementing electronic banking systems (Eth Switch, 2021). Similarly, several of them are actively planting ATMs, even though they are underutilized and only offer a few services.

Abay Bank S.C. was established on July 14, 2010. Abay Bank's annual report for the year ending in January 2023 states that the bank's paid-up capital has reached Birr 4.2 billion. As of February 2023, the bank had 455 total branches and over 2,189,440 account holders. There are about 161 ATMs, 182,000 active card users, and 680 plus active internet banking customers dispersed over the country. The bank now offers four different forms of electronic banking services: ATM/POS, Internet banking, mobile banking, and agency banking.

1.2. Statement of the problem

The impact of customer experience on financial performance is mainly neglected (Klaus and Maklan, 2013; Garg et al., 2014). In a study on how internet experience affects customers' perceptions of value, Piyathasanan et al. (2015) contend that there aren't many standards for enhancing the digital experiences of customers.

Ethiopia, like most developing countries, has a large proportion of the population that lacks access to banking, mostly because there aren't enough bank branches, especially in the more rural parts of the country. According to the NBE report at the end of 2021/22, the number of banks reached 30 and opened 1,600 new branches during the year-end in turn, there are now 8,944 branches overall, up from 7,344 the previous year. However, 32.7 % of these branches were located in Addis Ababa, leaving the rural area without access to banking. On average one bank branch serves about 12,000 people, which makes digital banking essential to provide easily accessible service 24/7 and minimize walk-in customers.

Though Ethiopia is seeing a dramatic rise in the use of digital financial systems, according to Gardachew (2010), considering the growth of global commerce and interactions, the present banking system is unable to provide efficient and trustworthy services. Therefore, to serve their customers & keep up with the demands of quickly growing domestic and international trades and developing international financial services, the need to expand digital banking systems should be understood by all Ethiopian banks.

Abay Bank has taken various steps to support and promote digital payments in the country by working on several strategies to attract new customers while also satisfying existing ones. The bank, as part of the banking sector, aspires to create one of the most user-friendly digital platforms in the country. Aside from the bank's hard effort, there is still a barrier to overcome and meet the desired aim of digital banking. The achievement percentile of DB should be enhanced, specifically service quality, customer satisfaction, gaining a competitive edge, and lowering operating expenses. Because they have firsthand experience and a strong understanding of consumer behavior, bank workers who routinely interact with clients are the most crucial link in the service supply chain (Mbama et al., 2018).

Branch managers, in particular, are accountable for overseeing employees and resources, setting and hitting sales goals, supplying customer support, and raising the location's revenue. Moreover, Managers were also heavily involved in the development of strategies and the control of operational logistics. Aside from this significant managerial responsibility, managers are expected to have a close relationship with customers to understand their experience with banks' products.

In Ethiopia, digital banking is still in its infancy. Aside from that, in Ethiopian banks, there is no manager thought examination considered for client satisfaction. Nonetheless, Digital banking's evolution can be heavily influenced by managers and their insights, as they have direct access to customer behavior. So, this study aims to investigate if there is a different trend in terms of the managers' perception on the customer experience with digital banking.

1.3. Research question

To evaluate Abay Bank customers' digital banking experiences through managers' perceptions, the following research questions have been developed:

1. What are Abay bank managers' perceptions of digital banking's effect on customer experience?
2. What is the effect of administrative structure on digital banking?
3. What is perceived challenges while using digital banking?

1.4. Objective of the study

1.4.1. General Objective

The main objective of this study is to investigate Abay bank managers' perception of digital banking impact on customers' experience.

1.4.2. Specific Objectives

The specific objectives that stem from the study questions are as follows:

- To identify managers awareness, dedication and expertise on digital banking
- To investigate managers attitude towards effect of administrative structure on digital banking performance
- To assess perceived challenges of using digital banking on customers experience from managers viewpoint

1.5. Scope and limitation of the study

The study will focus on customers' digital banking experience; managers' perception of Abay Bank. Geographically, it is challenging to cover all branch managers of Abay Bank & the study is only limited to managers located in the southwest district. The respondents will be all branch managers, and some E-banking department managers will also be interviewed as key informants.

This study's focus is only on managers' perceptions in order to identify the challenges and contributing elements to the success of digital banking and to gauge customer satisfaction.

1.6. Organization of the study

The thesis is divided into five chapters, and they are arranged as follows in the dissertation:

Chapter 1: Given that it provides a brief introduction to the subject, the first chapter might be regarded as an introduction. This chapter contains the issue statement, the research questions, the study objectives, the scope, and the limits.

Chapter 2: This chapter's focus is on the literature review on digital banking, customer satisfaction, and managers' perspectives. It describes various conceptual frameworks and provides definitions, types, and benefits of digital banking.

Chapter 3: The research design is presented in this chapter along with the target population, sampling size & technique, data collecting method, data interpretation, and data validation.

Chapter 4: The analysis of the results and their findings are presented in this chapter.

Chapter 5: The conclusion and suggestions derived from the document evaluations and interview data will be provided in this chapter.

CHAPTER 2

2. LITERATURE REVIEW

2.1. Concept and definitions of digital banking

Digital banking, according to Okon and Amaegberi (2018), is the act of completing financial transactions electronically rather than visiting a banking hall or premises. Njeru and Omagwa (2018) explained digital banking as the use of technology-enabled channels via which users can access a variety of banking services such as account balance inquiries, fund transfers, and online purchases of financial products and services.

Digital banking, according to Olaneye, Dedekuma, and Ndugbe (2017), refers to various banking channels that banks use to offer banking and financial services. These channels include the use of technology, systems tools, and an internet-based platform that banks use to make it easier to communicate and connect with consumers while providing bank services.

2.2. Types of digital banking

2.2.1. Automated teller machine

According to Julia (2020), an automated teller machine (ATM) is a computerized device that can conduct basic financial transactions without the need of bank employees or tellers. Self-service options such as cash withdrawal, cash deposit, fund transfer, balance check, and creating savings accounts are made easier for clients. Ayokunle (2014) states that the automated teller machine (ATM) is a technological innovation designed to enhance prompt service delivery and a variety of financial services like cash deposits, withdrawals, funds transfers, utility bill payment, credit card bill payment, check book requests, and other financial inquiries.

2.2.2 Point-of-sales

The POS system enables bank customers to use a check card, which is another term for a debit card, to pay for retail purchases (Malak, 2007). With one important exception, it works similarly to a credit card in that the money for the transaction is sent immediately from the debit cardholder's account to the store's account. Instead of searching for branches or ATMs, customers may make card payments in grocery shops, hotels, and other places. Banks benefited

from this offering by keeping deposits since the money is moved from one client to another through the bank (Olaegbe, 2011).

2.2.3. Internet banking

Internet banking, According to Pikkarainen et al. (2004) is a "internet portal, through which users can access numerous sorts of banking services ranging from making investments to paying bills." Internet banking, is also referred as web banking, online banking, or virtual banking, is a system that lets users conduct account transactions directly with the bank or access accounts and general information about bank goods and services via a personal computer and the internet as the delivery channel. Consumers are free to do banking operations such money transfers, bill payments, account balance checks, mortgage payments, and purchases of financial instruments and certificates of deposit. They may access all of their accounts via the bank's website (Imola and, Claudia, 2014).

According to Noorah et al. (2009), you may use Internet Banking to carry out a number of financial transactions from your personal computer. By visiting a bank portal, clients may keep an eye on their accounts and conduct bank transactions from any computer with an Internet connection. For authentication, a password and a customer code are provided. The system has the ability to distinguish between requests for customer service that can be resolved automatically and those that require assistance from a customer care representative.

2.2.4. Mobile banking

According to Tojib and Tsarenko (2012), mobile banking is the practice of conducting online banking while away from home using a smartphone or other cellular device to perform tasks including transferring funds between accounts, keeping an eye on account balances, and more. Clottey & Collier (2008) defines mobile banking as a platform or system that instantly alerts consumers to any changes made to their accounts. These modifications may appear as credits, debits, charges, or both to the account. A dependable text messaging system on a smartphone is the only prerequisite for mobile banking.

The two main types of technology that may be utilized in mobile banking are Wireless Application Protocol (WAP) and Wireless Internet Gateway (WIG). The Internet and advanced telephony services may be accessed by any platform, vendor, or manufacturer thanks to WAP, a

wireless device application environment and a set of communication protocols. WIG is an SMS-based solution where the bank first downloads a menu of available banking options to the phone device (Sash & Clarke, 2009). Mobile banking services include tip off about ATM card usage, money transfers between accounts, bill payment reminders from a bank balance, brief messages delivered to registered clients' cell phones during cash withdrawals and deposits, and other features (Dereje, 2019). This category includes SMS banking, which employs a brief text messaging system to update consumers on their accounts (Clottey and Collier, 2008).

2.2.5. Agent banking

Agent banking as defined by NBE, directive no. FIS/01/2012 is a way to conduct business or provide banking services by serving as an agent of a financial institution and using a range of service delivery channels. According to Modupe (2010), it describes the delivery of financial services outside of a bank through the use of technological instruments like mobile phones and POS (point of sale) systems. According to Clara (2010), the main channels for agent banking delivery include point-of-sale (POS), mobile devices, mobile wallets, and bank-provided accounts connected to mobile wallets. Through an agent network, it lowers operating expenses for banks and facilitates communication with a vast number of consumers.

A banking agent is a retailer or postal facility hired by a mobile network provider or financial institution to manage consumer transactions. A wide range of financial services are available to consumers, such as receiving government benefits, bill payment, account balance checks, direct deposit from their job, and money withdrawal and transfer. A wide range of enterprises, such as the lottery, post office, pharmacy, grocery, and convenience stores employ banking agents. When it comes to bill payment transactions, banking agents generally employ mobile phones, PIN pads; POS card readers, barcode scanners, and occasionally personal computers (PCs) that link to the bank's server via personal dial-up or other data connections.

2.2.6. Card banking (debit/credit card)

Debit cards, often known as check cards, are similar to credit cards but work similarly to cash or personal checks. Debit cards and credit cards are not the same in a few respects. When using a debit card, you can "pay now," but when using a credit card, you may "pay later." When a customer uses a debit card, money is quickly taken out of their savings or checking account.

Debit cards are provided by banks to their clients so they may take out cash to pay for goods and services. Instead of physically visiting banks, customers may use this to electronically withdraw cash. Money is deducted straight from a customer's bank account when they make a transaction. "Use first and Pay Later" for the specified credit amount in accordance with the sanction terms is made easier and attainable with credit cards. One may think of a credit card as the bank's approved version of a loan for its customers. The bank will wish to confirm the identity, age, amount and source of income, and ability to repay before issuing the card. This card facilitates the cardholder's capacity to make purchases from merchant businesses and retail outlets.

2.3. Benefits of digital banking

Banking services are now being provided in more effective and efficient ways thanks to the digital transformation. According to Ablyazov and Asaul (2018), this trend will lead to a total digital transformation of the economy through the ongoing adoption of cutting-edge technology. Because digital banking allows users to access financial services from home around-the-clock, it helps users save time, money, and labor. Digital technology utilization improves communication between banks, the government, and prospective customers (Thalassinos and Thalassinos, 2018).

There are several similarities among all e-payment methods. Transaction costs, security, anonymity, independence, portability, and interoperability are among them. The ability of an e-commerce system to function without the need for specific software to be installed is referred to as independence. The terms "interoperability" and "portability" refer to how effectively certain e-commerce platforms can communicate with other corporate apps and systems. Important components of security include the transmission's safety as well as the possibility that it may be intercepted (Gardachew, 2010).

Along with individuals, government entities also benefit from electronic banking. Cashless policies, according to Omotunde, John, and Tunmibi (2013), promote employment, lower the number of cash robberies, and lower the hazards associated with carrying cash. The results of the study indicate that a cashless policy will attract more foreign investment and reduce the corruption that comes with using cash. Nimoh (2016) samples bank employees as well as consumers to evaluate the impact of electronic banking on bank performance in Ghana. According to the study, e-banking improves a bank's public image, attracts more clients,

generates more income, opens up new markets, boosts bank profitability, and increases its commitment to corporate social responsibility.

According to Enoruwa et al. (2019), digital banking has evolved into a strategic instrument for boosting profitability and efficiency while controlling operations, expanding the variety of financial services offered, and cutting costs by substituting automated processes with labor-intensive, paper-based ones. According to Apochi (2017), there are a number of benefits to adopting electronic channels. A few benefits he listed in his study were convenience, a decreased chance of cash-related crimes, greater service options, less expensive access to out-of-branch banking services, credit availability, and ease of use of an account from anywhere in the globe.

ATMs make it simpler to have cash on hand for transactional, preventative, and speculative reasons, according Ayokunle's (2014) research. The number of persons conducting business in the banking area is likewise decreased by ATMs. However, this study indicates that the use of ATMs by illiterates resulted increase in ATM fraud, an increase in crime, and a wasteful expenditure. In spite of certain negative aspects, the survey concluded that overall, ATMs and customers' satisfaction improved lives by saving money and time, providing quick access to cash even in an emergency at odd hours, and reducing ATM faults.

2.4. Review of empirical studies

Digital banking and customers experience

According to Gentile et al. (2007), customer experience is the result of interactions between a business and its clients, wherein both parties derive benefit. While Klaus and Maklan (2013) define customer experience as the customer's cognitive and affective assessment of all direct and indirect encounters with the firm relating to their purchasing behavior, Meyer and Schwager (2007) define it as the internal and subjective response customers have to any direct or indirect contact with a company.

In order to increase the overall value of their customer base, businesses should embrace technological advancements, develop customer-centric strategies across all organizational divisions, and increase both the number of new customers they can attract and the number of existing customers they can retain. These strategies should be implemented as a constant business imperative (Peppers and Rogers, 2017). Customer experience is influenced by customer

behavior, although marketing research seldom considers these aspects (Amin, 2016; Levy and Hino, 2016). Maklan and Klaus (2011) suggest that in order to maximize the characteristics that impact financial success (such as loyalty, happiness, and share-of-wallet), marketing activities should concentrate on identifying additional facets of the customer experience. These are important DB research areas that will affect interfaces and service quality for customers. These suggest that in order to effectively interact with clients and provide a memorable experience, managers must integrate a number of DB features. Even though customer and bank interaction in DB marketing should provide optimal design and value generation, the majority of researches rely on contact services to support their findings.

Innovation in digitalization has led to the development of breakthrough technologies, such as artificial intelligence (AI), and incremental technologies such as improved dissemination accessibility of digital channels in recent years (Carbo-Valverde et al., 2020). Every year, customers' adoption of new technologies comes with the emergence of innovation theories about technology acceptance (Bala & Venkatesh, 2008). Customers may choose to reject digital services if they are expensive (Gerrard et al., 2006) and confusing (Mallat, 2007). They may also express discontent if multichannel services are offered through internet banking (Eriksson & Nilsson, 2007). Safety has a crucial role in customers' perceptions of the adoption of digital customer experience (Casalo et al., 2007). The banking sector is seeing a rise in IT investments, which has enhanced digital capabilities for Valhalla bank customers' digitization. These expenditures might impact the banks' performance (Beccalli, 2007; Chowdhury, 2003). Nonetheless, the bank's end customers may be impacted if it concentrates on technology to enhance its customer experience claims (Carbo-Valverde et al., 2020).

Digital banking performance

The impact of digital banking on bank performance has generated a heated discussion among academics worldwide. Researchers have discovered positive as well as negative impacts on bank performance, according to an analysis of the body of current literature. According to Casalo et al. (2007), adopting the digitalization of customer experience claims is crucial because of the consumer's perception of safety. The banking sector is investing more in technology, which has improved digital capabilities for Valhalla bank customers, which might have impacts on the banks' performance (Beccalli, 2007; Chowdhury, 2003). Nonetheless, the bank's end customers

may be impacted if it concentrates on technology to enhance its client experience claims (Carbo-Valverde et al., 2020).

Carbone (1994) defined the customer experience (CX) as "the combined and cumulative customer perception created during learning about, obtaining, using, preserving, and disposing of a product or service." Hence, it can be said that a banking company's effective customer experience (CX) is not just a useful tool but also the primary cause of an emotional reaction. Given the absence of in-person contacts, it becomes much more important in a digital environment as compared to traditional banking. According to Armstrong et al. (2005), CX is also one of the main factors in the development of a relationship based on dignity and trust with a bank. According to Kim et al. (2008), providing clients with distinctive experiences is just as important as merely selling goods and services. According to Haeckel et al. (2003), these experiences are the emotions that clients have as a result of dealing with a business, taking into account environmental cues as well. Accordingly, researchers discovered that financial institutions have to prioritize the demands of their clients and provide a welcoming environment that elevates sentiments (Chahal et al., 2015).

Oyewole et al. (2013) used data from eight commercial banks to investigate how electronic banking has affected Nigerian banks. They looked at the panel data with a multiple regression model. Return on equity (ROE), return on asset (ROA), and net interest margin (NIM) are the metrics used to assess a bank's performance. The researchers found that while the expense of IT contributes significantly to ROE and ROA, electronic banking has a detrimental effect on NIM during the first year of use. Nonetheless, in the second year of e-banking deployment, there has been a significant and positive impact on ROA and NIM projections.

Internet banks are larger, more prosperous, more efficient, and have higher-quality assets, claim Singh and Malhotra (2009). They have not found any proof that the adoption of Internet banking and bank performance are related. Nevertheless, they contend that Internet banking significantly and negatively affects the profitability of private sector banks, particularly those that are new to the industry.

Using the interview approach, Sumra et al. (2011) found that electronic banking has changed and enhanced the financial environment. They've found that e-banking has reduced labor expenses and enhanced services as well. They also found that banks become more lucrative as a result of

e-banking. The banks were able to swiftly recover the large initial costs associated with expanding their infrastructure and recruiting additional personnel. Researchers have shown that the limited availability of cellular services and illiteracy are impeding the use of electronic banking.

In 2019, Kumar and Shelar examined the working capital profitability, liquidity, and efficiency of Kotak Mahindra Bank to assess the impact of digitalization as evidenced by the rise in the number of electronic payments. They found that although digitalization has reduced the amount of staff and paperwork and enhanced openness, it has also resulted in higher expenses (for both fixed and ongoing maintenance). They also concluded that productivity and profitability won't be directly impacted by short-term digitization.

In 2014, Itah et al. conducted research on how web-based transactions (WBT), ATMs, and point-of-sale (POS) systems affected Nigerian banks' overall return on equity (ROE). They found that whereas POSs and ATMs have a good impact on ROE, WBT has a negative impact because of the high rate of bank fees for web-based transactions. Electronic banking has significantly increased banks income through fees and enhanced efficiency. The experts state that a lack of infrastructure and a lack of public awareness are the primary obstacles to Nigeria's adoption of electronic banking.

Akhisar et al. (2015) investigated the impact of internet banking on bank performance using data from 23 industrialized and developing nations. They found that the quantity of bank cards issued and the proportion of ATMs to branches significantly affect profitability.

In light of the challenges and issues surrounding the cashless economy, Kaushik and Arora (2018) employ a SWOT analysis to evaluate how it impacts bank performance. Digitalization and demonetization were mentioned as essential elements of a cashless India. Though there were certain challenges, demonetization leads to digitization, which transformed Indian banking operations from a conventional to a modern one and had a positive overall impact.

Chukwu et al. (2022) investigate the effect of digital banking on the performance of commercial banks in Nigeria. The relationship between the usage of point of sale (POS), web banking, and unstructured supplementary service data (USSD) for banking transactions and the return on assets (ROA) of Nigerian commercial banks is examined in this study. The data came from the

annual reports of the Nigeria Deposit Insurance Corporation (NDIC) and the statistical bulletins of the Central Bank of Nigeria (CBN). The results indicated that digital banking has a modestly beneficial influence on the performance of commercial banks in Nigeria. It was also recommended that a generally stable network be implemented in order to reduce the amount of unsuccessful transactions and that bank clients should be made aware of the benefits of digital banking. All banks must also keep a cyber-security section that is staffed around the clock in order to keep hackers from taking over the channels.

Malhotra and Singh (2009) study discover that Internet banks are more lucrative, bigger, and have greater operating efficiency ratios than non-Internet banks. The margin profitability of internet banks in comparison to non-internet banks implies that they might not have a big influence on profitability. They held international and private banks accountable for the growth of online banking.

Vekya (2017) conducted study to examine the influence of electronic banking on the economic performance of commercial banks in Kenya. The study's objective was to determine how Kenya's commercial banks' profitability was impacted by electronic banking. Regarding methodology, the study examined 43 commercial banks that were active in Kenya in 2014 using a descriptive research technique. To assess secondary data from several Central Banks of Kenya publications and analyses using the Statistical Package for Social Sciences (SPSS), a census survey was carried out. Descriptive statistics yielded trends, averages, and percentages, but inferential statistics offered regression and correlation results that showed the causal link between the variables. The results of multiple regression analysis showed a strong positive correlation between digital ATM withdrawals and bank profitability.

Mohammed A. (2016) used information from ten Ethiopian commercial banks to undertake research on how online banking affects financial performance. His study approach was explanatory, and examined secondary data from 2010 to 2016. The findings showed that a number of independent variables, including inflation, deposit-to-asset ratio, cost effectiveness, capital sufficiency, and bank liquidity, were statistically significant in explaining Ethiopia's commercial banks' financial performance. In particular, the study's findings show that while bank liquidity, the deposit-to-asset ratio, and inflation were adversely connected with a bank's financial performance, capital sufficiency and cost efficiency were positively correlated.

Therefore, banks in Ethiopia that are established with lower capital adequacy, higher liquidity, lower cost efficiency, lower deposit-to-asset ratio, and lower inflation did not perform as well financially as banks that established themselves with higher capital adequacy, higher liquidity, lower cost efficiency, higher deposit-to-asset ratio, and higher inflation. However, there are statistically limited positive and negative connections between internet banking and bank size and the financial performance of Ethiopian banks. According to the study's findings, a bank's size and Internet banking have not been shown to affect the financial performance of commercial banks in Ethiopia.

Digital banking and managers perception

Self-service technology refers to a technological interface type that enables users to build and utilize services independently, without the need for employee support (Meuter et al., 2000; Curran & Meuter, 2005). According to Kauffman and Lally (1994), self-service technologies are gaining acceptance in society. A few obstacles exist in the process of introducing this service due to the characteristics of the technology; if the self-service technology is simple and easy to use, customers will be drawn to it; if it is too complicated, they won't be.

According to Lymperopoulos and Chaniotakis (2004), bank managers are generally tasked with encouraging clients to use electronic channels since their viewpoints are valuable. Managers feel that the branch personnel's has to be professional, well-trained, and aware of the entire range of services the bank offers (Moutinho, 1997).

Studies on customer opinions have been conducted in large numbers, while managers' perceptions have received less attention. To fill in these gaps and add to the body of knowledge on digital banking services in Ethiopia, this study focused on managers' perceptions of consumers' digital banking experiences-more specifically, managers at Abay Bank.

2.5. Conceptual framework

Researchers who carried out studies relating to technology adoption have employed a variety of frameworks. The Technology-Organization-Environment (TOE) framework, the Technology Acceptance Model (TAM), the Theory of Innovation Diffusion (TID), and the Theory of Reasoned Action (TRA) are a few examples of frameworks that have been established in various studies.

- **Theory of Innovation Diffusion (TID)**

The Theory of Innovation Diffusion (TID), one of the first theories in social science, was developed in 1962 by E.M. Rogers. Diffusion is the process via which an invention spreads among members of a social system over time and through certain routes, according to Rogers (Ismail, 2006). Diffusion happens gradually within a system user when concepts and information about new technology are shared with potential users through communication channels. Examining the acceptance and diffusion trend is one of the finest ways to find out why a new technology gets embraced in the sector. The five phases in the adoption process of technology are knowledge, persuasion, decision, implementation, and confirmation. Additionally, the dissemination of inventions is primarily influenced by four factors: innovation, communication channels, time, and social systems (Ismail, 2006).

A number of circumstances and external barriers might make adoption more difficult. The potential user's personal limits and/or ineffective communication methods are a few of examples of variables that influence adoption. A number of variables, such as relative advantage, compatibility, complexity, trial ability and absorbability, can have a significant impact on adoption rates (Al-Mamary et al., 2016). The intricate social, cultural, economic, and other factors that affect the dissemination of innovation are ignored in favor of this perspective, which limits TID to concentrating only on a product or invention. According to Al-Mamary et al. (2016), there are a number of limitations on TID's capacity to forecast both individual and organizational behavior.

- **Theory of Reasoned Action (TRA)**

Theory of Reasoned Action (TRA), according to Ajzen and Fishbein (1980) are ideas that influence attitudes and social norms, which in turn determine behavioral intentions that guide or even require action. The intention, which is the direct cause of conduct, is the mental image of an individual's readiness to perform a certain action. The two primary TRA components are attitude toward behavior (ATB) and the subjective norm (SN) associated with that action.

The term "Attitude toward the Behavior (ATB)" refers to a person's previous perspective on partaking in that action. It suggests that people should think about their alternatives and the potential implications of their activity before determining whether or not to engage in certain act.

This theory holds that a person's beliefs and evaluation of the outcomes of their activities define their attitude, but their purpose—whether to engage in a specific activity or not—determines their current path of action. The social pressure that an individual or decision-maker faces to engage in a certain action is known as a subjective norm (SN). SN pertains to an individual's viewpoint of the opinions of others regarding the activity under consideration (Ajzen & Fishbein, 1980). When deciding what to do, a person is heavily impacted by the opinions and beliefs of other individuals or groups, as well as by how important those other people or groups are to the decision-maker. As such, it is not unusual for people to seek advice from others from time to time before passing judgment.

Ajzen and Fishbein (1980) described TRA as a generic, well-researched intention model that has been widely utilized to predict and explain behavior in a wide range of circumstances and practically every facet of human behavior. Researchers in information science commonly utilize this hypothesis to look into the variables that affect people's adoption of new technologies. The Theory of Reasoned Action (TRA) is frequently utilized as the foundation for study in this field, despite the fact that many other theoretical perspectives have contributed to the creation of contemporary models of technology acceptance.

- **Technology-Organization-Environment (TOE)**

Tornatzky and Fleischer designed the TOE framework, which is intended for analyzing the chances of technological advances being successfully adopted. According to Al-Mamary et al. (2016), the technology, organization, and environment (TOE) model offers a useful framework for analyzing how different types of IT innovation are embraced and welcomed. The adoption of technology inside an organization is influenced by several circumstances, including the technological, organizational, and external environments, according to Tornatzky and Fleischer (1990).

The adopter's perception of the features of e-services is the focus of the technological aspect. The notion of Roger's diffusion of innovation serves as the foundation for technology adoption studies, which typically consider relative benefits (perceived advantages) and relative downsides (perceived dangers). Technological variables include things like complexity, compatibility, relative advantage, usability, and simplicity of use.

The barriers to embracing new technology and its purported benefits are linked to technological issues. Managers may view direct advantages such as revenue generation or cost reductions, or they may view indirect benefits such as potential opportunities in new markets, marketing, or publicity (Rogers 2003). The term "organizational factor" refers to the traits of an organization that influence its potential to implement & utilize an E-system. The community of information technology (IT) users; organizational structure; firm process; firm size; the members' technological capabilities; the availability of technological and financial resources; the process of selecting and implementing the IT; and management backing and support for the project are the organizational factors that have been mentioned in the literature the most (Henderson, 2012).

The environmental element is the external environment in which a business operates and its suitability for promoting the expansion of E-services. Environmental factors that impact the adoption of IT (and particularly the adoption of internet technologies) include the duty of the government (incentives), partners, technological infrastructure, alliances, technology consultants, users' expectations, and perceptions of internet technology (Henderson, 2012).

- **Technology Acceptance Model (TAM)**

Davis (1989) created the Technology Adoption Model (TAM), a technique for determining the likelihood of system adoption and finding design errors. According to the TAM theory, which defines user adoption of any technology by two beliefs: perceived ease of use and perceived utility (Tao, 2008), a person's desire to utilize any technology can impact their acceptance of it. The relationship between usage intention and environmental effects is mediated by these two criteria.

According to Davis (1989), perceived usefulness is the extent to which a person thinks that utilizing a certain system will improve his or her ability to accomplish their work. Perceived Ease of Use refers to the degree to which the person believes that using the system will be free of effort. According to the hypothesis, perceived ease of use has an impact on perceived usefulness as well because a system's usefulness is inversely related to how user-friendly it is.

According to the Technology Acceptance Model (TAM), customers select when and how to employ new technology depending on a variety of variables. Sometimes, in order for technology to be accepted, other elements such as computer efficiency, senior management availability, and

the quality of the information are required. Information system usage was predicted using TAM characteristics, and system success was assessed using system utilization and user satisfaction (Leulseged, 2017).

The above stated frameworks were selected and analyzed due to their extensive application in past research studies that sought to assess technology adoption. Among the models that are taken into account, the TAM model is chosen. We choose the TAM model because it allows us to analyze client experiences beginning with their adoption of the system and improvement of their lifestyle.

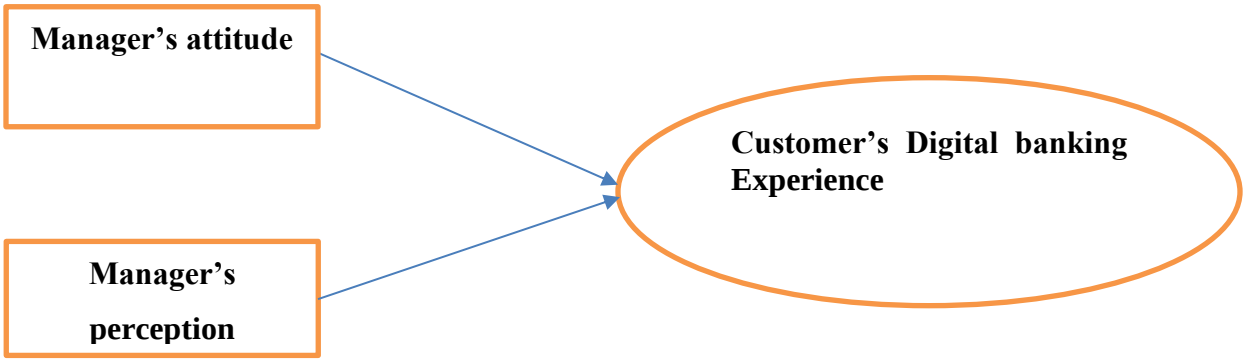

Figure2.1. Conceptual framework of study, source: own compilation, 2022

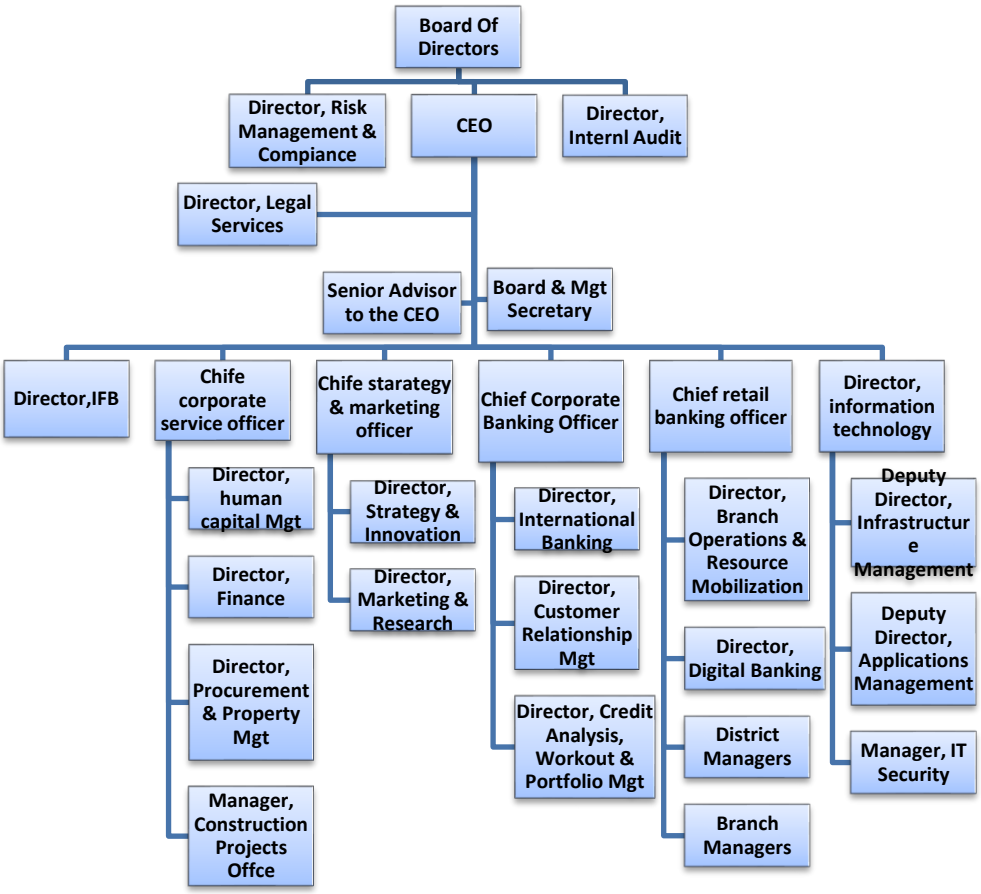

Figure2.2. Managerial structure of Abay Bank

CHAPTER 3

3. RESEARCH METHODOLOGY

3.1. Description of study area

Abay Bank has expanded its service areas all over the country and reached over 455 branches as of February 2023. The number of mobile and card banking subscribers also reached 648,290 and 430,705 respectively as of June 31, 2021/22 annual reports. For administrative purposes, the branches are supervised into 7 districts; Northeast, Southwest, Gondar, Bahir-dar, Dessie, Hawassa, and Diredawa. For the research purpose we only took 2/two/ districts, namely northeast and south west districts.

3.2. Research Design and Approach

This study aims to explore the perspectives of Abay bank managers on the impact of digital banking on customer experience. A qualitative study approach gives researchers a great deal of information to investigate various points of view early in the research process. By doing so, the researchers can comprehend the issue more thoroughly and recognize numerous phenomena, viewpoints, and impacts (Maxwell, 2012; Healy & Perry, 2000). The exploratory research design is deemed feasible given the nature and objectives of the current study (Zegeye, Worku, Tefera, Getu, & Sileshi, 2009) and the qualitative research approach appeared to be the most appropriate to address the concept customers' perceptions of the effects of digital banking. Thus, using Abay Bank as a case study, this study examines managers' attitudes and knowledge of digital banking on customers' experiences and perceptions using a qualitative research technique based on the constructivist research paradigm.

3.3. Sources of Data

Relevant information was gathered for this study using both primary and secondary data sources. Semi-structured in-depth interviews were used to obtain the primary data for this study, while published and unpublished researches as well as bank annual reports were the sources of the secondary data.

3.4. Target Population

To study the digital banking experience of customers, knowing their perceptions about the study area is crucial. To achieve this aim, capturing managers' perceptions through their responses and interactions with consumers is essential to assessing customer experience because managers are in charge of adopting and promoting DB services to them. Hence, the target population is Abay bank managers and digital banking officers in their positions.

3.5. Sampling Technique

In line with the nature, design, and approach of this study, purposive sampling was employed. Purposive sampling was used because bank managers are believed to have a broad knowledge about customers' digital banking experience and their perceptions. They are also involved in different aspects of decision-making and strategic choices in digital banking that affect customers' experience. Furthermore, they have a deeper understanding of the Abay Bank's management challenges and the overall state of the bank. It follows that their understanding of the study topic ought to be better than that of others. Hence, interviewees from the Abay bank managers were selected through a purposive sampling technique to have the relevant information for this study.

3.6. Sample Size

The sample in the current study consists of 10 managers and other staff in position at Abay Bank, and semi-structured in-depth interviews were conducted.

3.7. Data Collection Instruments

3.7.1. Semi-structured in-depth interview

Ten in-depth interviews, six with branch managers and four with digital banking officers (all Abay Bank personnel), were conducted for this study. All of the interviews were conducted in English, with some conducted in Amharic to facilitate communication with the interviewee. To guarantee accurate transcription, a specific transcription tool was used during the transcribing process. It is also controlled manually. In-depth interviews are an effective means of gathering qualitative data for a variety of applications (such as need assessment, strategy planning, issue identification, etc.). When conducting in-depth interviews, researchers can pose open-ended questions to a select group of people to obtain detailed information more quickly than to question a large number of people (Guion et al., 2011). Because of its discovery-oriented methodology

and open-ended questions, in-depth qualitative interviews are an excellent instrument for research studies aimed at planning and evaluating extension initiatives (Worku, 2010). More precisely, it enables the interviewer to look deeply into the respondents' thoughts, feelings, and viewpoints about the subject chosen. To succeed in an in-depth interview, however, four essential criteria must be met, and the interviewer's abilities and qualities to conduct a great interview are crucial (Guion, et al., 2011). According to Guion et al. (2011), the important requirements are:

- Open-ended questions: - Interview questions must be thoughtfully constructed. For example, asking "why" or "how" at the outset of the inquiry encourages the respondent to answer the issue in a way that best suits them rather than just responding "yes" or "no."
- Semi-structured format: - It is important to pre-plan the primary questions in an orderly manner that will keep the interview conversational and easy to follow to keep it straightforward but effective. Furthermore, it is excellent if the question can be derived from earlier answers.
- Seek understanding and interpretation: - Effective interviewing requires the use of active listening techniques, which highlight the knowledge that respondents have to provide. By analyzing the interviewee's responses, the interviewer can seek clarification and deeper comprehension throughout the process.
- Recording responses: - Recording the interviews in audio format is more efficient than taking notes during the conversation. As opposed to taking notes and recording simultaneously, audio recording allows the interviewer to concentrate more on the respondents' reflections.

The most popular interview method for qualitative social research is probably semi-structured interviews. In these interviews, the researcher seeks particular information that may be contrasted and compared with information from other sources (Dawson, 2002). Hence, the study employed semi-structured in-depth interview to achieve two of the specific objectives such as the attitudes of Abay Bank managers on digital marketing and perception of bank managers on digital banking on customer’s experiences. To do this, the researcher used semi-structured in-depth interview questions prepared based on literature, and checked by the advisors and professionals as guiding principle. In addition appropriate probing questions used in the midst of

the interview. Hence, 10 semi-structured in-depth interviews were employed with those who have positions on Abay bank.

3.8. Data Analysis

To make the interview data relevant for this study, an analytical method was applied to the data analysis. The conducted interviews were recorded, transcribed, and reviewed manually in case any crucial details were overlooked by the tools. The results were then summarized to highlight the most significant information that the employees had to say. To identify trends among the participants, the data was also examined to determine the proportion of participants who had the same viewpoint, experience, and perception of a given fact or statement. The results of the literature research and the interviews were compared to determine the relationships between concepts, terms, or ideas. The information acquired was based on Collis & Hussey's (2013) four key stages method to obtain relevant data and outcomes. However, because this study is delimited, the process's last key—de-contextualizing—will not be used.

1. Comprehending - before beginning any research, to fully comprehend the place, culture, and study issue from the interviewees (it can be argued how much the researchers' knowledge should have to prior correctly).
2. Synthesizing - where many topics and ideas are combined to create fresh, cohesive patterns (facts are condensed and sorted to produce a broad explanation).
3. Theorizing - by presenting the facts with contrasting explanations, theories help to organize and apply qualitative data.

Following the collection of data required for this study through key informant interviews and secondary data analysis, the data was prepared and organized in a way that made it simple to evaluate and interpret the information. Finding, evaluating, and summarizing themes within data is the process of thematic analysis (Braun & Clarke, 2006). It is used in the current study due to its accessibility and flexibility (Braun& Clarke (2012)). The step by step process was adopted from (Braun & Clarke, 2006). First, the data collected through interview transcribed considering the sign/body languages, hatred and happiness. The sign languages, likes and dislikes replaced by correct punctuations during data transcription to evidence them later on analysis (Amare, 2020). Secondly, the researcher went through the transcribed document to familiarize with the data corpus. Thirdly, having familiarized with the data corpus, the initial

codes generated from the data set carefully. Next, potential themes searched and the initial codes associated with the emerging themes from the data set by moving back and forth over the data set to identify homogeneity and heterogeneity. Subsequently, the potential themes reviewed to refine confounding themes which are not themes but merely pretending and wrongly labeled as themes. Lastly, the refined themes defined and named and reports generated based on the final themes emerged from the data inductively.

3.9. Validity and Reliability of the Study

The issue of validity and reliability is critical in any enquiry. Therefore, prior to collecting the data the interview questions was tested by advisors and later the questions were corrected based on the inputs received from the feedback. And also in the midst of data analysis method triangulation was employed. For example, the information collected from one group in one branch was crosschecked with another group in another branch (data triangulation), which helped in scrutinizing diverse interests among the participants (Tefera & Beyene, 2014). Moreover, to maintain the consistency throughout, all data collection and analysis were carried out by the researcher.

3.10. Ethical Considerations

Ethics is important in research works as it determines the credibility and trustworthiness of the study. The researchers should make their objectives clear for the research area and they should have legal letters from organizations or University for which they conduct the research. To contact the targeted organizations for data collection, the researcher in the current study case was provided with a letter from Addis Ababa University. As a result, the researcher gave a letter to the organizations being studied before to data collection, explained the goals of the study to the participants, and took their agreement into account for the current investigation.

CHAPTER 4

4. RESULTS AND DISCUSSION

This chapter focuses on presenting the result of the collected data and discussions to answer the research questions raised in chapter one. The aim of this study was investigating the impact of digital banking on customer experience and their perception in Abay bank as a case. Hence, a set of semi-structured in-depth interview questions were raised with managers of Abay bank and digital banking officers on different positions. In addition, data were collected by observing the activity of the bank based on their attitude and perception on customers experience on digital banking. The findings of the study are based on these responses from semi-structured in-depth interviews, observations and document reviews. These are presented based on specific objectives in combination with the statements from different sections that have a relation with the research questions.

4.1. Demographic Characteristics Interview Informant

The in-depth interview was conducted for 10 people from which 4 were women and 6 are men. The samples were selected randomly from North-east and South-west districts.

4.2. Interview results

4.2.1. Introduction

The managers of Abay Bank are interviewed with an emphasis on their perspectives on the key issues surrounding digital banking. Ten in-depth interviews were conducted by researchers with respondents who are closely associated with the bank's management, technology, and digitalization.

4.2.2. Managers and digital banking officers perceptions on effects of digital banking on customer's experiences

In summary, banks should support clients and focus on their interests while cultivating a positive image and reputation in the eyes of the public. Banks will enhance client experience and happiness, loyalty, and inclinations to use their services by doing this.

The basic digital banking channels of Abay Bank are; mobile applications, websites, internet banking, card banking, and social media accounts. According to Abay Bank managers, developing the customer's experience with digital banking (mobile banking, ATM, POS, card banking & internet banking) is becoming the prior job of the bank. Currently, the bank wants to implement it in every branch of Abay Bank.

> *We have incorporated digital banking service and automation into our agenda & we are integrating them into the daily operations to improve customer experience and get their loyalty to our service. We also believe that digital banking has a positive impact on Abay Bank's performance. Since the business has many competitors, we should work hard and be proficient in the industry by satisfying customer needs. Moreover, in the banking sector, it's better to attract customers and handle them safely to make them loyal; digital banking is the best method to create loyal & satisfied customers.*

DB improves bank performance to attract new clients and keep existing ones through increased satisfaction. It also has competitive advantage by boosting good will and faster resource mobilization. The marketing & research department works with digital banking department to achieve the bank's vision by assessing various ways to enhance the current platforms and service level. The easiest method to accomplish this is to modernize the currently used channels by bridging gaps and expanding upon the fundamental features of digital banking. Customer experience can be enhanced by offering quality digital banking services, adjusting to different demographics of customers, and meeting their needs.

> *Customers demand digital banking, like mobile banking and ATMs, significantly more than the previous years. Generally, customers enjoy the digital experience and are happy to use our digital banking. They are using it because it helps to save their time and effort with improved experience. Digitalization is our key strategic initiative & improving every aspect of customer experience is central to that strategy. We are offering customers a wide range of options and ensure our website is optimized so customers can have a better experience when they wish to look for or purchase our products online.*

Customers want digital banking because of the benefits the technology offer. "Visiting branches is avoided, saving time, trouble, and money. Therefore, the primary marketing objectives of digital banking should be to boost customer experience by providing consumers with value and

ensuring their satisfaction and loyalty. "Digital banking is appealing because of the service suitability; as a result, banks must provide customers with access from any location. Customers may now check their account balances, recent transactions, make payments, send money, and many other services with the help of digital banking services. Meeting service expectations and improving the customer experience are two things that DB excels at. Respondents said that;

> *Customers preferred digital banking because it allowed them to access services much more quickly than they could at physical branches and because they were improving their experience. Digital banking is time-efficient & convenient, and the usage can be affected by functionality. According to clients' service feedback, it is generally agreed upon that digital banking enhances the customer experience. The managers highlighted upgrading the design, adding more value-added services, enhanced security, and personalizing the service to improve the user experience and keep customers. Strategically digital banking is vital for banks, but customers need more digital banking service choices and optimization to improve their experience.*

The main objective of Abay Bank's short- to medium-term goal is to expand digital banking and replace conventional business practices with modern technologies. All participants in the interview felt that they were lagging in digitalization of their services. They contend that before implementing nice-to-have features that might provide the bank a competitive edge, they should first set up and feel comfortable with digital banking's core requirements and have a user-friendly application with improved design and usability. The development of automated platforms, improved productivity, and expertise with self-service technology is defined as the characteristics of the next level.

> *Respondent [2] these newly emerged technologies suggest that managers ought to devote more time and focus on mobile banking services. Banks need to strike a balance between user preferences and security and design considerations as more mobile banking technologies become available to improve customer loyalty and experiences. [7] the most frequent transaction for the major services provided by digital banking is used for checking balance, followed by money transfer through an easy way. This assists banks with strategic service marketing by letting them know which digital channels to prioritize*

and which value-added services to offer. [8] By providing a positive customer experience, banks can increase their financial performance, which improves loyalty.

Digital banking Improvement helps meet customer demands and improves their experience. In order to maintain their competitiveness and avoid losing customers, banks must innovate. Banks may differentiate themselves, satisfy client requests, provide value for both themselves and their customers, and offer value-added services through innovation. Given the availability of digital infrastructure, banks' advanced skills will determine how well they integrate digital banking into their marketing plan;

Customers should find it simpler to locate what they need and be able to quickly and efficiently perform financial transactions with accurate information. By providing safe, dependable, advantageous, and practical services, banks will build trusting relationships with their clients. Financial institutions want to enhance their digital banking offerings to retain clients over an extended period. Digital tools have to have a nice look, be simple to use, have a beautiful design, and have intuitive navigation. Customers should be able to quickly and easily contact their banks via digital means anytime they need assistance. Financial institutions ought to leverage social media platforms to augment their promotional tactics and elevate client contentment.

Apart from standard banking transactions like deposits and withdrawals, there has been an improvement in the usage of digital banking, indicating that bank clients are adjusting to it with ease.

Customers have asked for more personalized digital banking services which further show their adaptability. Few clients complained about using digital banking, which suggests that they could complete transactions and had adjusted to the new financial technologies. It was found that banks used a variety of methods to spread information about digital banking so that customers could easily adjust to the various digital channels. These methods included using road shows and promotions to raise awareness of digital banking and encourage its adaptability, as well as sending text messages about new digital products and how to use them, as well as advertising in print and electronic media.

According to the bank managers, the most important thing to be considered about initial digital banking is Potential for higher service quality. DB provides more accurate and superior customer

service capabilities compared to the branch technique. There are dependable services and a large number of transactions.

> *Services are more and more pervasively available; the technology like DB is becoming available to any customer no matter where they are. In the same way by reaching a very large number of customers through the web you are exposing the company. Certainly they are not less reliable than any other services. What people forget is that there are fewer single points of failure in digital channels than other channels. DB is quicker and it is more direct and more accurate. Therefore the quality of service from it is reliable. DB channels help meet customers' needs and improve their experience. It enables direct and faster services to be available and accessible, meeting different customers' service expectations. Younger customers are used to clicking with their mobile phones and prefer banking on the move. There is consensus that banks are meeting many customer requirements through DB capabilities. DB cannot achieve the "perceived usability and value" for customers if the "service quality" is inefficient, showing how these three themes are related.*

Customers should be involved in the deployment of DB services to gather information that will support their needs. This guarantees the fulfillment of client demands.

> *We conduct repeated research on various client groups and use their input to determine how consumers are feeling and what they are searching for, as well as to ensure customers are up to date on digital banking services. Employee-customer interaction through response is critical to delivering a positive customer experience. Managers interact with consumers, test new services, and collect feedback to better understand the impact on customer experience during deployment. Some banks provide real-time online service to consumers, demonstrating the need of interactive involvement. Employee customer involvement assists in understanding the demands of customers, which are answered through digital banking improvements, demonstrating their relationship. Engaging customers during the design process of digital banking adds to a positive experience and satisfied customers.*

Customers have typically gone into branches to obtain information and services, which requires substantial time and resources. DB boosts customer service speed, which boosts client loyalty and satisfaction. Despite its insignificance, DB generates cash for the bank through service charges.

> *Customers tell us that the DB service has strong content and information and that it is especially easier and more accessible when they travel. The customer values the convenience and speed of the service. While the industry is becoming more adaptable, with faster transactions and a better awareness of client Information as well as specifications, we should not be expecting customers to submit data that we already know about them. Customers have more options and faster access to banking via digital banking, which improves their experience. People prefer digital channels to in-person communications, according to our observations. Customers benefit from better goods, instant access, and more options since service availability occurs faster than in traditional banking. Banks may offer a shorter customer path and respond to client demand almost quickly via digital. They can swiftly offer services without investing in the entire digital infrastructure. The consensus is that digital banking improves customer value and well-being by making banking faster and more convenient. Service speed boosts "convenience" and "perceived value," demonstrating their link.*

Nowadays, Internet banking is the most popular way for customers to obtain services because it puts the bank closer to them. Even though internet banking is still a relatively new concept in Ethiopian banking, all banks are making great efforts to serve every consumer. Internet banking enables bank customers to get access to their accounts and general information on bank products and services through the use of banks website. Abay Bank is making a lot of effort to grow the number of consumers as well as enhance their experience. They can make bundle transfers, upload salary reports, and access their accounts.

4.2.3. The effect of having DB department in the organizational structure

Previously, if a person wanted to transfer a balance, they had to physically visit branches, which could take several minutes before they could process the transaction. As more people use mobile phones, there is a greater demand for information and services at all times and places. Customers can self-serve 24/7, including holidays, via digital banking. The rising demand for digital

banking indicates that customers are having a better experience. Customers choose their DB service based on its convenience, ease of use, and service speed. DB development enhances the customer experience by making it more convenient to use and faster to get services. It enables banks to satisfy and retain consumers' requests. The managers believe to fulfill client demand and enhance services, innovation should rise.

> *Abay Bank's investment in digital innovation research and development has increased from time to time which helps to improve customer experience. We are investing in both web and apps. Optimizing the customer experience may be achieved through research and development, strategy, and investment in digital innovation. If banks do not improve digital experience there is a chance they are going to lose business. Banks need to support innovation to stay competitive; otherwise, businesses will go to more innovative competitors.*

The presence of a DB department within an organizational structure facilitates the resolution of digital issues. It also facilitates knowledge transfer and the implementation of new technologies, as well as the effective monitoring of branch performance. It increases the banks accountability and transparency. For better user experiences, innovation must be widespread throughout digital platforms. Consequently, despite other high-priority regulatory needs, the bank places a high premium on DB innovation, implying that DB is the way of the future. Effectiveness and efficiency are the primary factors that go hand in hand with higher profitability when choosing new initiatives. Respondents clarified that;

> *There is a good level of collaboration and communication between technology and business departments to develop an understanding of the purpose of development and creation. The technology department is well aware that there has to be a demand from the customer side; the responsible explained that there is a trap that companies may tend to create needs to try out new technologies. A younger employee thinks the future will be explored by knowing what a customer needs before they even know it. To match with current needs, test groups are being used to determine whether the functionality is desired or not, and then accordingly new products/services have been shaped before the release. A user experiences designer mentioned that it is challenging to include customers in those kinds of tests. Aside from customer tests, the only customer listening*

method is the monthly customer service meetings where different departments become aware of real customer reactions; complaints are collected to improve experiences and revert negative feedback. There is only one person responsible for the customer experience feeding several different departments with input, on its own the customer experience is not yet a unit.

4.2.4. Banks marketing strategies to attract customers to use DB

Banks' digital services help to recruit new consumers, retain existing customers, and provide a positive customer experience. Even if their DB offers are average, clients get comfort in being affiliated with the brand. Some clients are drawn to and remain loyal to banks because of the brand name, image, trust, and experience they provide. Banks should care about their clients by providing them with the greatest possible experience while staying within their budget.

The marketing methods of Abay Banks aim to encourage clients to utilize the DB service with least effort and learning. It promotes the DB service provided by using various mass-oriented DB methods such as newspapers, TV, radio, and social media. To boost the perceived usability of the DB service, the bank additionally enters into arrangements with various businesses such as airlines, schools, utility payments, and so on. DB should be simple to use and navigate in order to make customers' lives easier and provide them with the best possible experience. The bank introduced new digital banking technology to improve client experience and make it simple and intuitive. With the correct user interface design, digital banking should provide users with quality information and trouble-free services.

Banks should continuously improve the DB futures by occupying latest technologies, making it user- friendly with minimum security threats. These can boost customer experiences and get comparative advantage over competitors. They also should have a skilled man power that can provide adequate information to customers about DB usage & answer misunderstanding. The managers thought the bank should have its own DB marketing department, because there is low knowledge and habit of using digital banking in the community. So the bank should have its own DB marketing department to aggressively work on creating awareness, promote the benefits and figure out problems related with the technology. On the other hand, some contend that bank personnel can work as marketing representatives for the bank to sell the DB service it offers to its advantage, reducing unnecessary costs.

Abay Bank's staff ambition and attention to selling DB products and recruiting new users is quite strong, because it is part of the bank's annual strategic goal that must be attain. As a result, they are working hard to introduce DB products to old and new clients by describing how the system is simple, straightforward, user friendly, and useful for day-to-day operations. Customers visiting branches are given information about all DB products and receive all necessary help.

4.2.5. Perceived threats

The potential security and privacy threats associated with growing DB usage, such as fraud and theft, should be taken into account in the development process. The effectiveness of the banks is impacted by these risks, and they make investments to protect customer money.

> *We should be able to provide our customers assurance on security and customer personalization, which are the key drivers to increase the confidence on the technology. Our bank invests heavily in security and safeguarding the system fire walls and all components to keep our customers' money safe. With personalization we are able to have a key identification of the customer. We have to keep monitoring traffic events and incidents as they happen and tackle them straightway.*

Since DB are accessible around-the-clock, they are more vulnerable to dangers, necessitating that banks build firewalls to prevent crimes that harm their brand and customers' experiences. To avoid financial loss, protect their reputation, and keep client confidence, banks take security issues very seriously. Although there is general agreement over perceived danger issues, banks can mitigate them and safeguard digital channels by promoting service personalization, allowing customers to be immediately recognized by their mobile information. Supposed risk has a relationship to "brand trust" and is crucial for enhancing the user experience and safeguarding the brand name.

Digital banking is customized to improve customer experience although the managers thought that it isn't personalized enough to the point where all users are satisfied. Mobile technologies offer the opportunity to tailor services to different users.

> *We need to strive to customize our services to our customers, and in doing these we will enhance their experience. Although the current digital runs on the mobile & PC, it doesn't have strong security protection. It is possible to have a single sign-on for*

several products and services, allowing users to access the system and see multiple products. We can offer customized services and minimize restriction on services offered through the mobile. Service customization enables DB to be designed around different customer groups and products they may purchase. It enables customer's security details to be recognized by bank systems through their mobile, giving them personal experience. This shortens the customer journey by cutting down on login time and assists banks with strategic marketing, as well as with customizing services and interface design to meet the demands of their clientele. Customers can use their mobile devices to automatically visit the bank's entry page and complete transactions. Both security and customer service access speed are improved by this.

The most frequent issues with Abay Banks digital banking that customers bring up are network issues, poor system performance, inability to print receipts, thefts and frauds, and forgetting or failing to use passwords and PIN s. Even if there are certain customer-side skill gaps, low technology usage habit and trust issues, digital banking offers service convenience and removes the stress from branches. Customers can access services at any time and place with quick service delivery than branches and more options.

Recently, increasing number of customers are using mobile phones, increasing the demand for DB usage and transactions anytime and anywhere. So convenience, ease of use and speed are mandatory for service excellence. Strong & safe passwords customization like dual verification can increase customers' satisfaction & as well increase their loyalty to the bank.

4.3. Discussions

Managers' perception influences improving customer experience on digital banking services; hence managers are near to getting customers' responses and emphasizing the importance of customer feedback in DB in encouraging favorable customer behavior. Interview results showed that Organizational structure, perceived risks, and service convenience have a great effect on enhancing customer DB perceptions and experience.

Jun and Palacios (2016) discovered that security has an impact on the level of service provided by mobile banking. Customers' behavior is influenced by perceived risks, which may be reduced with improved security. According to Liang et al. (2009) and Levy and Hino (2016), "trust" influences consumer decisions and raises satisfaction and loyalty. This suggests that brand has a

stronger relationship with contentment and loyalty than database experience, which is based on users' perceptions of application interfaces. ‘Perceived Usability’ affects tele-banking experience in Jordanian banks (Alalwan et al., 2016) and e-commerce experience (Klaus, 2013). While innovation plays a significant role in service development, clients are more focused on the advantages than the innovation itself. It suggests that DB advance should focus on the perceived value customers derive from innovation, and confirms Patsiotis et al.’s (2012) study which suggests that understanding the impact of digital banking on customers is of potential benefit to banks. ‘Customer Experience’ is positively related to ‘Satisfaction’ and ‘Loyalty’, as well as ‘Satisfaction’ being related to ‘Loyalty’. The result between customer satisfaction and loyalty alone relates to Jun and Palacios’s (2016) finding on mobile banking study in the USA, and Amin (2016) and Raza et al.’s (2015) studies of internet banking in Saudi Arabia and Pakistan, hence showing similarity of customers across countries in terms of customer satisfaction and loyalty. This research confirmed customer experience, satisfaction and loyalty representatives in digital banking. The above customer experience elements determine how the outcomes will be managed. When adopting digital banking, managers at banks should take into account the elements that influence a customer's decision to choose one bank's digital banking over another. Enhancing these elements can aid in attracting and keeping consumers, persuading them to adopt DB and stick with it, which will boost financial success. Perceived values—such as financial savings, improved offers, online engagement, enjoyment, and time savings—are very important. Banks should provide value-added services, enhance service quality, functional quality, and security, and enhance overall customer experience. Employees at banks should communicate with consumers via feedback regularly to understand their needs.

CHAPTER 5

5. CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusion

This study presented DB's customer experience and managers' perception. The research demonstrated how banks can improve customer perception and experience on DB, highlighting the relevance of smooth relationship between customers and employees and improving customer experience in DB marketing from managers' perception. The research helps Abay Bank to know customer expectations on DB from managers' perceptions for improving customer experience, knowing customer requirements, and closing perception gaps. Due to the growing customer acceptance of services through digital devices and Abay bank managers' opinions, banks should make sure their marketing approach satisfies customer demands. To win customers allegiance, banks should provide more DB services, since they are seeking more value. Customers are moving toward digital banking, according to the study, therefore banks should make investments and expand their multi-digital service offerings to enhance the caliber of services provided in this domain. To help banks and future research, the study provides DB attributes that improve customer experience and perception.

5.2. Recommendations

Based on the results presented in this study's chapter four, the following are recommendations:

- Abay banks must spend more on strong, dependable systems to lower the likelihood of unsuccessful transactions and transactional mistakes in ATMs, mobile banking, online banking, and point-of-sale (POS) terminals to facilitate speedier operations in digital banking. The majority of bank services, including loan repayment, loan expenditure reporting, and queue management systems, should be further automated.
- Abay Bank must develop a way to improve the mobile banking application to make it user-friendly, and improve safety & security; like a dual verification code, to safeguard customers and improve satisfaction.
- To enable staff to embrace technology, more ICT skills facilitation is required. Banks may influence ICT skills by educating people and collaborating with educational institutions on the rapidly evolving field of banking technology.
- Assessing customer satisfaction promptly is necessary to determine how users are adjusting to new technologies. The proper methods have to be developed per consumer preferences rather than bank convenience.

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Appendix-I

INTERVIEW QUESTIONS

This interview aims to assess the Customers' Digital Banking Experience from Abay Bank Managers' Perceptions. The answers to the questions in this section will be used to answering the research questions.

Part I:- General Questions

1. What is the Name of your Branch?
2. What is the level of your Branch?
3. Where is the location of your branch? How long has it been since it is opened?
4. How long have you been working for the bank?
5. What is your position?

Part II:-

6. What are the impacts of DB on banks performance?
7. Do you believe there has been an increase in deposit in the in the branch since inception of digital banking especially on the era covid-19? Why?
8. How can DB improve customers experience, satisfaction, & loyalty?
9. What is the effect of having DB department by itself in the organizational structure?
10. Does the Banks' marketing strategies are targeted to attract customers to use DB? And how hard are they working to make it successful?
11. Do you think DB should have its own marketing department? How could it contribute to the DB uptake?
12. What factors do you consider to be the most important when introducing digital banking to the customers?
13. What are the common security & privacy issue raised by customers related with DB?
14. How do you see the initiative & dedication of the staffs towards advertising DB product and recruit new users?
15. What do clients find to be the most difficult aspect of using digital banking?
16. What aspects of digital banking make customers feel insecure?

17. What are the most repetitive problems that users of digital banking have?
18. What are the main challenges to reliable digital banking service? And what is the customers' opinion on the issue?
19. How did the bank handle legal & audit discrepancy issues related with DB?
20. What are the legislation and laws relating to digital banking that customers are uncomfortable with?
21. As a senior member of the bank, what are your suggestions on what the bank should do to scale-up and increase marketing DB?
22. Do you have anything else you would like to say?

Appendix-II

Whole Interview	
1. What is the impact of DB on banks performance?	
Code 1: positive impact	Positive impact Many participants mention DB has a positive impact on bank performance by increasing customer satisfaction. Some mention that it can boost performance by attracting new & satisfying the existing customers. Others speak it can Increase income from service charges and good will for the bank. In both cases, DB seems to help to Increase customer satisfaction, competitive advantage, resource mobilization, simplicity and employment. Participants frequently mention the opportunity to DB can creat a positive image for the bank which can have a positive influence on the bank performance in general.
Code 2: negative impact	Negative impact Some participants mention that dispute and network failures while using the DB service can affect the bank performance adversely.
2. Do you believe there has been an increase in deposit in the branch since inception of digital banking especially on the era of covid-19? Why?	
Code 1:increment	Deposit increment Most participant mentioned in time of Covid-19 customers don't frequently visit branches so, DB helps to pay & receive payments from their home which give the bank a competitive advantage.

Code 2:no increment	No change in deposit Some participant mention in the time of Covid-19 most of the business industries were slow down & so as the business transactions. With this regard there has not been a pertinent change in the deposit of the bank. The DB quality and number of users of the bank was also pointed by participant as a reason that the expected changes in deposit isn't fulfilled. But the participant mentioned the number of DB users significantly increased in the time of covid-19.
Code 3: decrement	Deposit decrement This code was hardly used in the analyses, which may partly have to do with its being much related to 'No change in deposit'.
3. How can DB improve customers experience, satisfaction, & loyalty?	
Code 1:quality of life	Quality of life Many participants mentioned DB can improve customer's quality of life by providing efficient & reliable service 24/7. It decrease the time wasted to visit branches and increase customer satisfaction.
Code 2:quality of service	Quality of service Participant mentioned DB can improve the quality of service provided by the bank to improve customers experience, satisfaction, & loyalty. The bank should adopt Fast & updated technologies to make the system user friendly and safeguard the users from fraud and theft.
4. What is the effect of having DB department by itself in the organizational structure?	
Code 1:positive	Positive effect Many participants mentioned having a DB department by itself

	in the organizational structure helps to provide the service professionally by expanding knowledge through training & development. It also helps in monitoring branches performance, giving unparalleled support to branches and solves DB related problems easily. Participant also mentioned that it can help in facilitating the adoption of new technologies and, making the DB process accountable & transparent.
Code 2:negative	Negative effect Not surprisingly, the participants don't mention any negative effects of having DB department in the organizational structure.
5. Does the Banks' marketing strategies are targeted to attract customers to use DB? And how hard are they working to make it successful?	
Code 1:targeted	Targeted to attract new customer The participants mentioned the banks marketing strategy is targeted to attract new customers to use DB services provided by the bank. Some also mentioned that the strategy also try to include existing customers who aren't currently using the DB services. In both cases, the bank is using deferent social media platforms to promote the services, and also making different agreements with governmental & non-governmental companies like airlines, schools, and utility payments (water, electricity…). Another aspect was there are continuous improvements in the DB futures to make it user friendly.
Code 2: not targeted	Not targeted to attract new customer This code was hardly used in the analyses, because all participants seem to agree that the marketing strategy is

	targeted even though it's not accomplishing the target.
6. Do you think DB should have its own marketing department? How could it contribute to the DB uptake?	
Code 1:marketing dep't	DB marketing dep't Many participants mentioned having DB marketing dep't by itself can have a positive impact. In our country the habit & knowledge of using DB is so low. So the bank should have its own DB marketing dep't to aggressively create awareness & promote the benefits. It also helps to figure out problems related with the technology and makes the marketing much easier.
Code 2: no marketing dep't	No DB marketing dep't Having DB marketing dep't was mentioned as wastage of resources of the bank by some participants. They thought all bank staffs especially branch staffs who have direct contact with customers can act as a marketing agent to the DB dep't. These resources can be used to improve awareness and knowledge of staffs so as they can promote products more efficiently.
7. What factors do you consider to be the most important when introducing digital banking to the customers?	
Code 1:marketing	Marketing Marketing strategy is frequently mentioned by the participants as a most important factor for DB introduction. Promotion and awareness creation about the advantages and befits of DB can have positive impact on the consumption.
Code 2:DB system	DB system Participant mentioned occupying latest technology in the DB system can have comparative advantage over competitors. The

	DB system should be user friendly, easy to use and effective. Creating a clear & simple procedure & policies for DB is also mentioned as a mandatory issue to consider while introducing products.
Code 3:bank staffs	Bank staffs Having a well experienced man power can help in providing adequate information for the customers about the benefits, usage of DB products & answering all customers questions and fears. The participants mentioned bank staffs have direct contact with the banks end user and can create a positive image in the customers' mindset.
8. What are the common security & privacy issue raised by customers related with DB?	
Code 1: fraud & theft	Fraud & theft Most participants mentioned fraud & theft are raised by many customers as security & privacy issue not to use DB service. The increasing number of fraud through DB service makes user to limit their usage to safeguard themselves. Not having a dual verification method is also pointed as an exaggerating factor for the theft.
Code 2:trust issues	Trust issues Trust issues in the DB system rose from lack of information and skill gap is also frequently mentioned by the participants. Customer's lack of proper & sufficient information about the benefits & usage of the system affect their trust to use DB.
9. How do you see the initiative & dedication of the staffs towards advertising DB product and recruit new users?	
Code 1:dedicated	Dedicated Bank staffs initiative and dedication to advertise DB products & recruit users is very high. It's integrated as one part of the

	branches annual performance measurement that should be achieved. So they are working aggressively to introduce DB products to old & new customers by explaining how the system is clear, simple, user friendly and helpful for day to day activity. Participants mentioned that customers visiting branches are asked if they are using DB, if not they are offered with all DB products & get all the support needed.
Code 2:not dedicated	Not dedicated This code was hardly mentioned in the analyses, which may partly have to do with the banks aggressive initiative to expand DB usage and the staffs' resilience to act up on it.
10. What do clients find to be the most difficult aspect of using digital banking?	
Code 1: DB system	DB system Most participants mentioned network issues and poor system performance as the most difficult aspect of DB for both customers and staffs. Participants also mentioned that most customers claim inability to print receipts and disproportionate Service charges as a challenge. Customers claim the system isn't user friendly and easy to use. Whereas some participants claim customers come to branches with system issues like delay in transaction and system failures which leads to dissatisfaction of customers.
Code 2:skill gap	Skill gap Participant frequently mentioned a skill gap from the customer side as a challenge to use DB. Most customers are illiterates which make marketing of DB very difficult because it can lead to thefts. Some participants also mentioned forgetting or failing to use passwords and PIN s properly and sharing security codes with family/friends lead to an increase in fraud

	and theft are the potential security and privacy threats.
11. What aspects of digital banking make customers feel insecure?	
Code 1: fraud	Fraud Most participant repeatedly mention customers feel insecure to use the DB service because of frauds.
Code 2:	
12. What are the most repetitive problems that users of digital banking have?	
Code 1: DB system	DB system Most participant mention poor efficiency of the system as a huge problem raised by users. Network issues and poor system performance, inability to print receipts, delay in transaction and system failures are also frequently mentioned by participants. Disproportionate Service charges and internet usage are also brought up by customers.
Code 2:privacy issues	Privacy issues A privacy & trust issue related with the DB system is frequently mentioned as a problem of the users by participants. The mobile banking system show passwords of user to others which may expose to theft. Not having a dual verification method was also mentioned by some participants as a problem.
13. What are the main challenges to reliable digital banking service? And what is the customers' opinion on the issue?	
Code 1: system wise	System wise Participants mentioned different system wise challenges related with reliable DB service. Password usage, system failure & interruption, verification process and cyber-attack are frequently mentioned complaints of users by the participants.
Code 2: customer wise	Customer wise

	Many participants mention skill gap of customers, wrong attitudes towards DB, low technology usage habit, habit of holding hard currency and trust issues on the system as a customer wise challenge to a reliable banking service.
14. How did the bank handle legal & audit discrepancy issues related with DB?	
Code 1:policy and procedure	Policy and procedure Many participants mentioned the bank handles all legal aspects & audit discrepancies related with DB according to the banks Policy and procedure. All customers are offered with appropriate information about the policies and sign a contract before using the service. They also mentioned the bank make a day to day auditing and rectifying any discrepancies related with DB service.
Code 2: organizational structure	Organizational structure The participant mentioned the DB department has its own dispute & settlement sub division which facilitate the response given to customers about any discrepancy issues related with DB. The department receives any discrepancies which aren't resolved by the system with in 24hr's and handle it with the specified number of date. This facilitates response and increase accountability & transparency of the bank.
15. What are the legislation and laws relating to digital banking that customers are uncomfortable with?	
Code 1:	Many participants mentioned the legal contract protect mostly the banks benefit rather than customers. Whereas most participant mentioned majority of the customers agreed and sign the agreements willing full.
Code 2:	
16. As a senior member of the bank, what are your suggestions on what the bank should do	

to scale-up and increase marketing DB?	
Code 1:system wise	System wise Many participant advices the DB system should be updated to answer the current customer need. They mentioned the system should be customized with updated technology & make it user friendly. Some of the participant also mentioned dual verification by using text message to the registered phone no and updating the mobile banking application to make it easier for use.
Code 2:staff wise	Staff wise The participant mentioned the DB department should have well experienced staffs with updated knowledge about the globally implemented DB services. These can be achieved through continuous training for all staffs on technological & business aspects of DB. The trainings should also be provided to other members of the bank so, they can act as a marketing agent to the bank.
Code 3: marketing	Marketing strategy The participants mentioned the bank should continue the aggressive marketing strategy to attract new customer and maintain the existing ones. Mass awareness creation for customers (like DB advertisements, TV & radio adverts, brochures, posters) can help to address the intended target groups and achieve the planned target.
17. Do you have anything else you would like to say?	
Code 1:	