

PERCEPTION OF ELECTRONIC BANKING (E-BANKING) ADOPTION ON BANKS' CUSTOMERS SATISFACTION IN OFFA METROPOLIS

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ABSTRACT

Adoption of new technology by banking industry has improved customer service level and tied customers closer to the bank. With the help of technology, Nigerian banks have been able to reduce the waiting time of customers to some extent. This study therefore examines perception of E-banking on customers' satisfaction in Offa metropolis. The study utilized cross-sectional research design. Purposive sampling technique was adopted as questionnaires were purposively administered to customers using E-banking platforms in Offa Metropolis. It was difficult for researchers to determine the actual number of banks' customers that are using E-banking. Therefore, the population of this study is considered to be infinite. The study used Rose, Spinks and Canhoto (2015) formula for an infinite population to arrive at the sample size. Structural Equation Model (SmartPLS2software) was used as technique of data analysis. The result revealed that, both perceived usefulness of Ebanking and perceived ease of E-banking have significant impact on customer satisfaction. While perceived trust has insignificant impact on customer satisfaction. The study concluded that, perception of E-banking adoption have significant impact on the level of banks' customers satisfaction in Offa metropolis. Various recommendations were proffered in line with the findings.

Keywords: E-banking, perceived ease, perceived usefulness, perceived trust, customers' satisfaction

1.1 INTRODUCTION

Business organizations, most especially service-oriented organization are operating in highly competitive environment and they have acknowledged the fact that customers can make or mar their success. This has compelled organizations tailored their attention towards meeting the expectations of customers. In fact, business processes are integrated in such a way as to make customers satisfied. Customer satisfaction indicates the fulfillment that customers derived from doing businesses with a firm. Businesses with very high number of satisfied customers tend to perform better than those with very little number of satisfied customers. Customer satisfaction is the result of the correlation between a customer's assumptions and a customer's feelings (Mustapha & Samuel, 2017). Many organizations are aiming for high satisfaction because customers who are averagely satisfied still find it easy to switch when a better offer comes along, while those who are highly satisfied are much less ready to switch (David, 2010). High satisfaction or delight creates an emotional attraction with the brand and not just a rational preference. The result is high loyalty which in turn results to high profitability for the organization. Customer satisfaction must be taken so seriously by organizations because profits are tied to it. It is important organizations enjoy higher levels of customer satisfaction as it may lead organizations to higher levels of customer loyalty.

The banking industry believes that by adopting new technology, the banks will be able to improve customer service level and tie their customers closer to the bank. It is evident that Nigerian banks have benefited from global technology innovation like the mobile banking, safe token, automated teller machine(ATM), amongst others and the introduction of such technologies have affected employee performance and customers responses. With the help of technology, Nigerian banks have been able to reduce the waiting time of customers to some extent (Oluwagbemi, Abah & Achimugu, 2011). These improvements in improved service delivery and on-time response to customers have been well documented (Dauda & Akingbade, 2011). Thus, banks that want to survive, grow and remain relevant must offer efficient services through the aid of technology.

The rise of information communication technology has radically transformed the world economy. There have been tremendous changes in the banking industry over the years and customers have also rightly demanded world class quality services from the banks. E-banking benefits both, the customer and the banks. It has also helped banks to reduce their operational expenses of maintaining employees and physical facilities (Sardana & Bajpai, 2020). Customers on daily basis always quest for the best services from their banks, and are in most cases not willing to put up with anything less than the best. Therefore, if banks are to obtain the benefits of investing in technology, an identification of how the technology is perceived useful, trustworthy and ease of use by the customer is crucial.

Mobile banking application which is one of the many technologies (E-banking) that have been introduced by banks in recent time is the major focus of this study. This mobile application is downloadable in nature on smart phones and gives a customer optimal protection against online theft, hackers and fraudsters as account users are given opportunity to access their accounts and make transaction on their mobile phone via internet connection. This application made provision for users to have their unique username and password before users can login and make any transaction (Pakojwar & Uke, 2014). Thus, this study therefore examines the perception of E-banking on the level of customers' satisfaction of deposit money banks with special reference to banks customers in Offa metropolis.

1.2 Statement of the Problem

Despite the usefulness of E-banking (Mobile Banking) most especially in the area of reducing long and uncomfortable queues in the banking halls, there are still series of untold hardship its adoption is inflicting on users such as debiting customer's account without the success of such transaction. In some cases, transaction will displayed successful but the beneficiary account will not be credited. Although, banks gave poor internet connection as their excuses. This raises concerns as to whether these platform is achieving the objectives it is meant to achieve (efficient service delivery among others).

Banking institutions all over the world have recognized the importance of customer satisfaction and developing and maintaining enduring relationships with their customers as crucial to increased business performance. At the same time, several banking institutions are experiencing high level of customer dissatisfaction (KPMG report, 2016). This dissatisfaction could be because of variety of reasons, which technology is one of them (Mandel & Bhattacharya, 2013). According to a KPMG survey in October, 2016, an average of 66% of banking customers in Africa are not satisfied. The survey stressed further that, bank customers in Africa are looking for more secured service from their banks, as they are increasingly willing to switch banks if they feel they can get better service elsewhere. In October 2016, more than two-thirds of Nigerian bank customers admit to have never used internet banking, that customers still seek enhanced high-quality and more secured service and more innovation (KPMG report, 2016).

Varieties of technologies have been adopted by Nigerian banks so as to increase the speed and accuracy of transactions by customers. One of these technologies is the mobile banking. Thus, the mobile banking application is invariably adopted by banks so as to increase accuracy and speed of transactions performed by customers. It is against this background that this study seeks to examine the perception of E-banking adoption on customers' satisfaction in Offa metropolis.

1.3 Objectives of the Study

The main objective of this study is to examine the perception of E-banking adoption on customers' satisfaction in Offa metropolis. The specific objectives are to access the effect of perceived ease of use of E-banking on deposit money bank customer satisfaction; examine the effect of perceived usefulness of E-banking on deposit money bank customer satisfaction and to evaluate the effect of perceived trust of E-banking on deposit bank customer satisfaction.

2.0 Literature Review

2.1 Customer Satisfaction

According to Khraim, Al-Jabaly and Khraim (2014) customer satisfaction has become an everyday phrase for organisations that seek to create difference and operational excellence at

whatever that it does. Customer satisfaction is a fundamental tool that is used by organizations particularly financial institutions for enhancing customer loyalty which ultimately translates to organizational profitability. Satisfaction is also defined by Khan (2013), as the feature or characteristics that contend the need or want of a consumer in a better way than the competitors. Kukoyi and Iwuagwu (2015) stressed that, satisfied customers will make a great profitable return for the business, and they may bring their business associates and friends. It is therefore, necessary to keep the customers satisfied.

2.1.1 Perceived Ease of Use of E-banking

Perceived ease of use is also seen as the process which can be instrumental to the utilization of technology and contribute to the individual by reducing transfer costs and improving work performance (Nasri & Zarai, 2014). Perceived ease of using a particular technology is the degree to which people believe that using a particular system would be relatively easy (Beldad, DeJong & Steehouder, 2010). Perceived ease of use is defined as the degree to which self-service banking transactions are regarded as easy to comprehend and operate (Rose & Fogarty, 2006).

2.1.2 Perceived Usefulness of E-banking

Perceived usefulness is defined as the extent to which a person believes that using electronic banking will create value for them (Nasri & Zarai, 2014). Perceived usefulness according to Juniwati (2014) is defined as individual perception that using internet as shopping media will increase their shopping performance.

2.1.3 Perceived Trust of E-banking

Trust is seen by Trif (2013) from the customer's cognitive perspective as the willingness to rely on a service provider based on specific evidence of its reliable conduct. According to Utami (2015), trust arise as a result of earned credibility of the banks on the part of the customers that it has the desired expertise to perform a task.

2.2 Review of Empirical Studies

Li, Lu, Hou, Cui and Darbandi (2021) examined the factors influencing the satisfaction of customer with e-banking services. Four factors that can drive customer satisfaction towards e-banking are cloud services, security, e-learning, and service quality. This study has utilized the structural equation modeling method to evaluate the causal model with the measurement model's validity and reliability. The research model is analyzed based on the data which are collected from the questionnaires using SMART PLS 3.2. The results have shown that cloud services, security, e-learning, and service quality are four significant factors influencing customer satisfaction in using Internet banking services.

Khatoon, Zhengliang and Hussain (2020) investigated the relationship between the dimensions of electronic banking (E-banking) service quality and customer purchasing intentions with the mediating role of customer satisfaction. Data were collected from employees and customers, working in different banks of Qatar through a validated

closed-ended questionnaire from a sample of 235. Correlation analysis and regression analysis were implied to the obtained data to test the study hypothesis, and the report provided accurate results as per our expectations. The results of the study indicate that reliability, efficiency, responsiveness, communication, security, and privacy have a significant and positive impact on customer purchasing intentions. Customer purchasing intentions are significantly increased when the customers are satisfied with E-banking service quality. The mediating role of customer satisfaction was established for E-banking service quality and customer purchase intentions. Customer satisfaction tested as a mediator has shown a partial impact on the relationship between information technology (IT), E-banking service quality, and customer purchasing intentions. The study has significantly contributed to the area of research primarily within the domain of behavioral finance. The study also provided significant implications for academicians and practitioners.

Bashir, Ali, Wai, Hossain and Rahaman (2020) explored the mediating role of the Customer perceived value (CPV) role between customer satisfaction (CS) and service quality (SQ) in the E-Banking sector of Bangladesh. A conceptual model is developed by using Theory of Planned Behaviour (TPB) to show the relationship between dependent and independent variables adopted from the existing literature. The data are collected from 323 e-banking customers taken from the four major cities of Bangladesh using structured questionnaire. Descriptive statistics including mean, standard deviation (SD), reliability, and correlation analysis are determined by using SPSS V23.0 where multi-group Confirmatory Factor Analysis method are applied by AMOS V23.0 to assess the effect of mediator variable. Results show that there is a positive relation between the SQ and CS. Similarly, SQ has positive relationship with CPV and CPV have significant positive relationship with CS. It is also found from the results that CPV partially mediate on the relationship between SQ and CS. The study concluded that, the relationships among service quality, customer satisfaction and customer perceived value helped the services sector especially banks to improve their service quality which leads to customer satisfaction through their perceived value.

Sharma, Singh and Singh (2020) measured the impact of E-banking service quality on customer satisfaction. Primary data method is used to collect data by using the interview method over 504 respondents. The random sampling technique has been taken up for the survey by keeping due care for the availability and easiness of the customers. The Multiple regression technique has been employed to measure the effect to service quality dimension on the customer satisfaction. The paper examines the relative strength of each dimension affecting customer satisfaction. It has been found that the overall regression model has been a reasonable fit and there is a statistically significant association between service quality dimension (Credibility, Understanding, Responsiveness, Tangibility, Security, Competence, Communication, Access, Reliability) and customer satisfaction.

Madavan and Vethirajan (2020) examined the customer satisfaction on the electronic banking services of public sector and private sector Banks in Puducherry Region. The sample size of the study is 478; the data is gathered from both the primary and secondary information. Non Probability sampling techniques are applied in this research article and particularly purposive sampling technique applied for the study. Some of the statistical tools like, independent sample t-test, ANOVA, correlation, Mean and Standard Deviation are used in this research article. The result of the study shows that customers of Public Sector Banks have lesser perception of the various dimensions of e-service quality compared with the private sector

Banks. The study recommends that the wider use of IOT based applications in banking services will make better banking Sardana and Bajpai (2020) examined the determinants of ebanking service quality and their impact on customer satisfaction. Based on convenient sampling, the study used primary data of two private sector banks in Delhiregion to produce a 5-factor structure. The exploratory factor analysis produces dimensions of efficiency, trust, fulfillment, responsiveness and systems critical to e-service quality satisfaction. Regression results show trust and privacy as the most critical factor influencing e-banking service quality perceptions. Further, the study provides theoretical and managerial recommendations for increasing online banking adoption and improving overall customer satisfaction. Limitations and future scope of research are further discussed.

2.3 Theoretical Framework

The theory underpinning this study is the expectation confirmation theory, the structure of the theory was developed in a paper by Oliver (1980). It is a cognitive theory which seeks to explain post purchase and post adoption satisfaction as a function of expectations, perceived performance and disconfirmation of beliefs. The expectation confirmation theory explains that consumers firstly form an expectation prior to adoption, and then build perceptions about the performance of the adopted technology after a period of initial use. Next consumers will decide on their level of satisfaction based on the extent to which their expectation is confirmed through comparing the actual performance of the technology against their initial expectation of the performance.

The theory assumes that positive confirmation will lead to customer satisfaction. Consequently, satisfied customers will form re-adoption intentions. Similarly, when customers have confirmed their expectation that a technology is useful, easy to use and trustworthy, they will be satisfied with the use. The theory relates the independent construct to the dependent construct in the sense that there is an expectation in the form of trust, ease of use and usefulness of a technology that must be in place prior to adoption. Consequently, if their expectations are met, they will form a re-adoption which indicates that customers are satisfied.

3.0 Methodology

The paper employed cross-sectional survey design. The researcher couldn't determine the actual number of bank customers that use mobile banking to perform their E-banking in Offa metropolis. Therefore, the population of this study is considered to be infinite. The study used Rose, Spinks and Canhoto (2015) formula for an infinite population to arrive at the sample size of 400. 20% was added to the minimum sample size (making 480) to take care of attrition. Data was collected through primary source as questionnaires were distributed to respondents. The study utilized Structural Equation Model to test each perception of Ebanking (perceived usefulness, perceived ease to use and perceived trust) on customers' satisfaction (CS).

4.0 Results and Discussion

Table 1: Path Coefficients

Hypothesis (Adj. R ² 46.5)	B Value	Std. Error	T Statistic	P Value	Decision
Perceived Ease to Use>CS	0.710	0.226	3.142	0.049*	Rejected
Perceived Usefulness >CS	0.233	0.125	1.871	0.018*	Rejected
Perceived Trust>CS	0.062	0.0275	2.2572	0.054	Accepted

P value* < 0.05

From (Table 1) it has been shown that perceived ease of use of E-banking has significant effect on customer satisfaction, significant at ($\beta=0.71$, $p<0.049$). This result implies that, Ebanking is perceived to be simple to operate by customers and it will influence the satisfaction of bank customers. A newly developed technology, will influence customer satisfaction where such technology is easy to use, and most especially enhance their banking transaction in terms of providing more security services to customers. This finding is in line with that of Sharma, Singh and Singh (2020) that found the effect of technology adoption (Ebanking) on customer satisfaction to be significant.

Similarly, perceived usefulness of E-banking has positive and significant effect on customer satisfaction at ($\beta=0.233$, $p<0.018$). This simply explained that, mobile applications developed by banks are perceived to be useful by customers which make customers satisfied. This is so because where customers feel a technology will ease their banking services, such technologies will enhance their satisfaction. This finding is similar with the result of study conducted by (Gitau & Nzuki, 2014).

Finally, perceived trust of E-banking has insignificant effect on customer satisfaction at ($\beta=0.062$, $p>0.05$). This shows that customers are skeptical on the safety of E-banking as series cases of hackers and internet fraudsters are reported on daily basis. This finding is consistence with that of Gulati and Kadyan (2015); Sikdar (*et. al*) (2015) that found trust as one of the major factor influencing the online adoption as security and privacy as the major concern areas of e-banking customers.

Adjusted R square is 46.5%, meaning that 46.5% variance in customer satisfaction is accounted for by for the set of variables considered for E-banking (perceived ease of use, perceived usefulness and perceived trust of E-banking).

5.0 Conclusion and Recommendations

The main intention of this study was to investigate the perception of E-banking adoption on customers' satisfaction when viewed from the deposit money bank customers' perspective. The study concluded that, perceived ease to use E-banking and perceived usefulness of Ebanking significant and positive relationship with customer satisfaction. While, perceived trust of using E-banking has insignificant effect on customers' satisfaction.

Recommendations were proffered as follows; Banks should continuously design a userfriendly interface will be allowing consumers to feel free of mental effort when using Ebanking; Banks should make E-banking more useful by adding numerous usable features and Banks should build trust with consumers by assuring them on the safety on using E-banking

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