



**ST. MARY'S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES:**

**ASSESSMENT ON OPPORTUNITES AND CHALLENGES OF E
BANKING ADOPTION;
THE CASE OF DASHEN BANK S.C**

BY

SELAMAWIT ADMASU (SGS/0056/2008B)

**JANUARY, 2018
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**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY COLLEGE,
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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of **Teklegiorgis Assefa (Asst. Prof)**. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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ENDORSEMENT

This thesis has been submitted to St. Mary's University College, School of Graduate Studies for examination with my approval as a university advisor.

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ACRONYMS

ATM(s)	Automatic Tellers Machine(s)
AVR	Automated Voice Response
BT	Banking Technology
CBE	Commercial Bank of Ethiopia
CSFs	Critical success factors
DB	Dashen Bank S.C
DIT	Diffusion of innovation theory
E-banking	Electronic Banking
EBS	Electronic Banking Service
EBSD	E- Banking Services Department
E-commerce	Electronic commerce
EFT	Electronic fund transfer
E-payment	Electronic payment
ICT	Information Communication Technology
IT	Information Technology
M-banking	Mobile banking
NBE	National Bank of Ethiopia
PC	Personal Computer
PEOU	Perceived ease of use
PDA	Personal Digital Assistant
PIN	Personal Identification Number
POS	Point of Sale
PSBs	Public service banks
PSS	Premium Switch Solutions
PU	Perceived usefulness
S.C	Share Company
SMS	Short Message Service
SPSS	Statistical Package for the Social Sciences
TAM	Technology Acceptance Model
TOE	Technology- Organization –Environment

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ABSTRACT

This thesis aims to examine benefits and challenges in the adoption of E-banking services with respect to Dashen Bank S.C. A mixed research approach was used to answer the research questions that emerge through the review of existing literature and the experiences of the researcher in the context of E-banking system in Dashen bank. 155 Samples were taken from Dashen Bank clerical staffs' using convenience sampling technique and the study statistically analyzed data obtained from the survey questionnaire. Integrated research framework developed based on technology-organization-environment framework (TOE) and Technology acceptance model (TAM) to guide the study. The study also identified perceived ease of use and perceived usefulness as a driver of adopting E-banking system. The findings of the study were all consistent with prior researches. The study revealed areas of improvement with possible solutions that mitigate the identified major challenges, which includes continuous reviewing and up grading of the existing security system, emphasis for appropriate promotion, and collaboration with other banks to have government support especially to the environmental factors of ICT infrastructure. The study suggests a series of measures which could be taken by the bank and by the government to address various challenges identified in the thesis. These measures include, establishing a clear set of legal frame work on the use of technology in banking industry, supporting banking industry by investing on ICT infrastructure and banks needs to be focused on technological innovation competition rather than traditional bases of retail bank competition.

Keywords: E-banking, e banking Adoption, benefits of e banking, Challenges of e banking, Dashen bank