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DEPARTMENT OF MBA

FACTORS INFLUENCING CUSTOMERS' INTENTION TO USE E-BANKING SERVICE: THE CASE OF COMMERCIAL BANK OF ETHIOPIA SELECTED BRANCHES IN ADDIS ABEBA

BY

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LIST OF ACRONYMS

ATMs	Automated Teller Machines
EFT	Electronic funds transfer
ICT	Information Communication Technology
ISP	Internet Service Providers
ITU	Internet Technology Utilization
CBE	commercial banks of Ethiopia
SPSS	Statistical Package for the Social Sciences
TAM	Technology Acceptance Model
WWW	World Wide Web

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Abstract

The objective of this study is to examine the Factors Influencing Customers' Intention to Use E Banking Service in Commercial Bank of Ethiopia in central district. In addition, the study consider independent variables which are attitude toward behavior, subjective norm, perceived usefulness and perceived ease of use and dependent variable users' intention to use e-banking service to determine whether a relationship exist between the variables.in order to attest the study objectives the researcher use both descriptive and explanatory survey design. A total of 384questionnaireswere distributed to customers of the commercial bank of Ethiopia in the central Addis Ababa district of which 372 was used. The respondents were selected using a simple random sampling technique. The questionnaire was tested for its reliability and found to be reliable enough to study the research questions. The data was collected through questionnaire and by using inferential statistics in SPSS software and presented in the form of descriptive data analysis, correlations and regression analysis. The finding of the study indicates that there is significant positive relation between the independent and dependent variable. The researcher concluded that Perceived ease of use of e-banking had a high significant effect on customer's intention to use electronic banking. This study has implications for research and practice. On the practical side, the results have shown perceived usefulness is a significant driver to the intention to use electronic banking Bank customers are sensitive to risk. The study recommended cultivating awareness to change the perception that e- banking s suitable and time saving with their some problems cultivate awareness to change the perception that e- banking s suitable and time saving with their some problems

***Key words**: Mobile banking (M-banking, Commercial Bank of Ethiopia (CBE), E-Banking (Electronic Banking)*

CHAPTER ONE
INTRODUCTION

1.1 Backgrounds of the study

Banks have begun to offer electronic banking services to improve the effectiveness of distribution channels through reducing the transaction cost and increasing the speed of services. Recently, electronic banking has become the way for the development of banking system, and the role of electronic banking is increasing in many countries. Banks are mostly using electronic channels to receive instructions and deliver their products and services to their customers. It offers opportunities to create services processes that demand few internal resources, and therefore, lower cost. As well as it provides wider availability and possibility to reach more customers. Internet banking allows customers easier access to financial services and time saving in managing their finance (Ayrga, 2011). Introduction of electronic transactions in financial institutions is has benefits on the society and business (Kabanda & Brown, 2015). For despite that most of the acceptance of electronic banking transactions in developing country are still in small amount especially in Africa (Chille et al., 2021).

The rapid development of information and communication technology in the last few years has greatly changed every activity process in organizations and companies so that they can carry out any activities related to data very quickly and easily, especially in the banking industry. With so many innovations that develop rapidly, every organization or company is competing to implement every use of the information technology. Currently banking activities are in the hands of customers or users. The use of information technology is changing every activity and social activity that exists so that the bank must continue to make improvements in terms of services to be able to provide good performance to each of its customers. The increasingly competitive environment in the financial services market has created pressure to develop and use alternative delivery channels. The most recently introduced delivery channel is electronic or online banking, also known as E-banking. Banks and other financial institutions have turned to electronic banking to reduce costs while maintaining reliable customer service (Kolodinsky & Hogarth, 2021).

Bindiya, Manish & Krishna, (2011) all banks are using information technology as strategic vehicle to stay competitive against other players. Banking technology helps in increasing customer satisfaction, customer loyalty, improvised growth, and performance of the banks. The

perception of customers towards the use of technologies with respect to factors such as convenience, privacy, security, ease of use, real time accessibility, and accurate record of varied transaction that enable customer's adoption of Banking Technology. Among various banking technologies, Internet banking, which is the act of conducting financial intermediation on the Internet is the latest banking technology and is one the most fast growing banking technology throughout the world. There is a growing need for the banking industry to keep pace with the emerging requirements of the business world by adopting suitable technology for its effectiveness. The business sectors today want banks that can enable them carry out all their banking transactions anywhere, anytime to anybody with the sole objective of enhancing customer outreach and flexibility in transactions (Bindiya, Manish & Krishna, 2011). Thus, offering multichannel banking has become a competitive necessity and a guarantee of the interaction between banks and their customers (Stoica et al., 2015). Both banks and customers can benefit from e-banking services. Banks can create higher banking efficiency by enabling customers to open accounts, make deposits, transfer funds across accounts and make payments entirely online (Takieddine and Sun, 2016).

Customers can undertake financial processes such as buying and fund transfer with speed and convenience (Ling et al., 2016). In particular, e-banking services offer benefits to customers because they can perform their transactions and other financial activities from home. Despite these e-banking services benefits and the huge investments made by banks into implementing internet banking technology, many customers are reluctant to use these services (Chaouali et al., 2016; Tarhini et al., 2016). Products and services can include the banking account transactions in the form of withdrawing and deposits, banking overdrafts, electronic money transfers via Personal computers, smartphones, Ipads and personal Digital Assistants (Zafar et al., 2021)

Commercial Bank of Ethiopia (CBE) was established in 1942, following the establishment of the State Bank of Ethiopia. February 2, 2023 (FBC) ADDIS ABABA – The Commercial Bank of Ethiopia (CBE) announced that it obtained 13 billion birr in profit in the first half of the current financial year, showing a 15.6% year-on-year growth started the 2022/23 Ethiopian fiscal year. During the press conference, Abbie Sano, President of the Commercial Bank of Ethiopia, said that the total asset of the bank has reached 1.2 trillion Birr.

Commercial Bank of Ethiopia Established in 1942 with a capital of one million Maria Theresa thaler (MTT) and two branches in Addis Ababa, Abie said more than 1.3 trillion birr worth of transactions was made through the bank's various digital payment services. The bank's total deposit also reached 978.8 billion Birr after 88.7 billion birr deposit was made in the first half of the financial year, beginning in July. The bank secured 12.96 billion profits, attaining 102.4% of the target, CBE President Abie Sano told a press briefing on Thursday. The half-year performance report also put CBE's total revenues at 58.7 billion Birr. In the first half of the current Ethiopian financial year, more than 1.3 trillion birr payments were made through the bank's digital service options, the President said. Replacing the Payment in Cash system, the digital system has accounted for 39.3 percent of the total payments of CBE, he added

The bank with 60 Billion Birr paid-up capital currently has a network of 1,879 branches and 70, 000 employees, and serving 38 million customers. 39.3 percent of the total transactions, as the president of the bank said. The number of ATM service active users of 8.7 million while CBE mobile banking service active customers reached 7.9 million. These customers made 365.6 million transactions in the six-month period, up by 105% from last year are 179 million. CBE's total asset value has now reached 1.23 trillion, maintaining its position as the richest entity in Ethiopia

1.2 Statement of the problem

In recent past, banks are challenged by technological up scale that lead to innovative products which stiffed up competition for market share. However, internet technology or internet banking is rapidly changing the way personal financial services are being designed and delivered by commercial banks. Now commercial banks of Ethiopia are trying to introduce internet based electronic banking systems to improve their operations and to reduce costs. The current banking system cannot provide efficient and reliable services in Ethiopia.

As indicated in different publications on electronic banking, some of the problems associated with electronic banking are: low Internet penetration and underdeveloped telecommunications infrastructure. The lack of appropriate legal and regulatory frameworks for electronic commerce and electronic payments is another problem in the practice of new technologies in the banking industry. But risks related to security issues, lack of competition between local and foreign banks, and society's awareness of the electronic banking system has not been resolved. Lazaros Sarigiannidis (2013) found perceived usefulness, security risk and performance risk, perceived

ease of use and quality of the internet connection seemed to have an indirect effect on internet banking adoption in Greece.

Mohammed A. Al-Sharafi (2016) revealed that perceived usefulness and service visibility directly influence Saudi customers' intention to use internet banking in china. Moreover, perceived, trust, system reliability and accessibility significantly influence perceived ease of use of internet banking. According to Andrew Musiime and Malinga Ramadhan (2011), accessing account, usage, advantages accruing from the usage and use account were significant factors influencing customers' adoption of e banking services in Uganda. Kariuki John Gikonyo (2014) revealed that gender difference, awareness, website features and security are the factors that influence the adoption of e-banking services in other countrys.

Bultum(2014) was reported as the security risk, lack of trust, lack of legal and regulatory frame work, Lack of ICT infrastructure and absence of competition between local and foreign banks are the challenges to adopt e- banking services. Besides, previous studies in Ethiopia are limited to perceived benefits and challenges of e-banking adoption of private commercial banks and targeting only bank officials and bank employees as a study population which excluded customers' domain. Thus, this study examines the crucial factors such as trust, cost, security, privacy and Technology as the factor influencing customers' service of e-banking services usage among commercial banks in Ethiopia (Alam, 2010).

The lack of suitable technology infrastructure to support the service is one of the primary roadblocks that usually seen in the electronic banking service. In banking companies also complain about internet issues such as congested connections, security, and service quality (Megersa, 2010). There is also a scarcity of experts with the necessary technological abilities to construct that infrastructure. It may also be difficult to persuade customers, particularly those who are unfamiliar with the internet and who may find it difficult to deal with a service that is complex and annoying. From the standpoint of providing electronic banking services, the commercial bank of Ethiopia has not been extensively explored the facility and other problem to use electronic banking.

Therefore the main target of this research is to fill the gap the previous study was missing such as customer domain instead of focusing only on bank officials and employees and also excluding one of the main factors of e-banking service that is perceived usefulness (PU), Attitude toward behavior, Subjective norm, perceived ease of use (PEOU) and perceived risk (PR), the current

study investigates the factors influencing the use of electronic banking services, by assessing regarding the customer's perceived usefulness (PU), Attitude toward behavior, Subjective norm, perceived ease of use (PEOU), perceived risk on the use of e- banking services in in CBE central Addis Ababa district

1.3 Research questions

Based on the above stated problem statement, the subsequent research questions are going to be answered:

1. How Perceived ease of use affect the intention to use electronic banking service in CBE?
2. How attitude toward behavior of the customer affect the intention to use electronic banking service in CBE?
3. What was the effect of Perceived usefulness on the intention to use electronic banking service in CBE?
4. What was the effect of Subjective norm on the intention to use electronic banking service in CBE?

1.4 Objectives of the Study

1.4.1 General Objective of the Study

The general objective of this study is to investigate factors influencing customers' intention to use e-banking service in case of commercial banks of Ethiopia selected city branches in Addis Ababa.

1.4.2 Specific Objectives of the Study

In addition to the general objective of the study specifically, the study will seeks to:-

1. To identify how Perceived ease of use will affect the intention to use electronic banking service in CBE
2. To investigate how the attitude toward behavior of the customer affect the intention to use electronic banking service in CBE
3. To identify the effect Perceived usefulness on the intention to use electronic banking service in CBE
4. To find out the effect of Subjective norm on the intention to use electronic banking service in CBE

1.5 Significance of the Study

The study's findings was notable they were intended to increase stakeholders' understanding of E-banking service distribution to consumers in Ethiopia, especially in commercial bank of Ethiopia.

To organization: this study will be both practical and theoretical significance for commercial banks of Ethiopia. To evaluate Customers satisfaction and to reduce factors Influencing Customers' Intention to Use E-Banking Service. It enables the institutions management and higher responsible body to be aware about such factors on customer's attitude, behavior, and ease of use E-Banking Service

To other researcher: conductive effective study on Influencing Customers' Intention to Use E-Banking Service on commercial banks of Ethiopia and the experience would help the researcher in order to made other studies. This study served as an input for other interested people in related topic and to acquire broader knowledge about the subject matter under the study.

This study, therefore, plays a role in filling the studier gap related to Assessments of Factors Influencing Customers' Intention to Use E-Banking Service in commercial banks of Ethiopia

Finally, the analysis include guiding for banks on improvements required to accelerate the practice of the system to deliver service to customers through technical innovation, based on the factors discovered bankers' decision on E banking system.

For policy makers: - the findings of this study will use as a reference for policy makers

It also offers evidence on key factors influencing over the intention to use Electronic banking service channels from the perspectives of CBE, customers, and agents. It addresses the technological and organizational difficulties of using E-banking in CBE and offers suggestions for how to overcome them. Decision makers (e.g., department managers), risk managers (e.g., insurances), regulators, and policymakers will all benefit from this study (National Bank of Ethiopia). Furthermore, the study's findings are intended to help other researchers in future research in the field of e-banking.

1.6 Scope of the Study

The scope of this research is to investigate Factors Influencing Customers' Intention to Use E-Banking Service. The study was limited to commercial banks of Ethiopia selected city branches in Addis Ababa. Due to resource constraints, it is impossible or unmanageable to have all branches, including in central Addis Ababa district area. Therefore the study used to assess commercial bank of Ethiopia Mexico, legehar, senga tera and meskel adebabay branches that are found in central Addis Ababa district. The study is done this year 2024.

Sample respondents were selected from commercial banks of Ethiopia central Addis Ababa district customers and different questioners will provide to them. This study conducted by descriptive and explanatory types of research design and used to generate answers to research problems by collecting and analyzing data from customers and employees of the commercial banks of Ethiopia

1.7 Operational definition of terms

Internet banking - Products and services that could define as one of the banks' distribution channel, the definition of Internet banking varies according to the given subject and researchers (Daniel, 1999). Internet banking is services delivered though the Internet

Intention - is the amount of effort one is willing to exert to attain a goal (Ajzen, 1991)

Perceived usefulness - is defined as the subjective probability that a user will increase its productivity using a specific application in its work, this application will help them to do a better and more efficient job (Davis, 1989)

Perceived ease of use - refers to the degree in which the future user thinks that the system use will be free of effort (Davis, 1989)

Attitude toward behavior - is defined as a person's general feeling of favorableness or favorableness for that behavior (Ajzen & Fishbein, 1980).

Subject Norm - is defined as a person's perception that most people who are important to him/her think they should or should not perform the behavior in question (Ajzen & Fishbeing, 1980)

1.8 Organization of the study

The research paper have five chapters; the first chapter includes background of the study, statement of the problem, research questions, objectives, significance, and scope of the study, limitation of the study and also definition of terms. The second chapter was about review of related literature which is related to the study area and it gives a detail description of the study phenomenon by relating other scholar papers on the area. The third chapter will be telling all about methodology of the study in which research approach and method, sources of data, sampling techniques and procedure, method of data collection and analysis and the like were included. The fourth chapter the collected data will be analyzed discussed and interpreted. And the last chapter contains summary of the findings, conclusion, recommendation, references and annex.

CHAPTER TWO
REVIEW OF RELATED LITERATURE

This chapter mainly emphasized on the theoretical and literature part of the study undertaken. On the chapter it tried to see the theoretical base for Factors Influencing Customers' Intention to Use E-Banking Service in case of commercial banks of Ethiopia selected city branches in Addis Ababa. Under this their definition and components under this topic will be discovered. On the later part of the chapter conceptual framework and related research done before by different scholars and their results in terms of the target purpose will be seen.

2.1 Theoretical Literature

2.1.1 An Overview of E-banking

Electronic banking (E-banking) is described differently by different experts, Depending on their interpretation of the implementation of electronic banking different scholars have described it in various ways. Mentioned below are a few of them. E-banking is characterized as the electronic, digital distribution of modern and conventional banking products and services directly to customers. Also the term e-banking can be interpreted in many ways. In a very simple form, it means that customers provide information and services to the bank through computers, ATM, telephones, and mobile phones (Daniel, 1999). For example, Burr (1996) describes it as an electronic connection between the bank and the customer to prepare and manage financial transactions. E-banking refers to the platforms that enable customers, individuals, and companies of financial institutions to access accounts, conduct business, and receive information on financial products and services through a public or private network, such as the Internet ATM, debit card, and credit card etc.

In today's market world, electronic banking technologies are a top priority for banks, and the internet has emerged as the primary medium for all financial, banking, and commercial transactions. Magembe and Shemi (2002). It is a priceless and effective tool for fostering production, prosperity, creativity, and competition (Kamel, 2005; Nath, Shrick, and Parzinger, 2008). Banks and other companies are relying on information technology (IT) to boost business

productivity by providing services at a low cost, improving service quality and attracting new consumers. (Nath et al, 2001).

The contribution of technological advances to bank delivery networks has been established. Changes in delivery networks have fueled the advancement of banking technologies, as demonstrated by the automated teller machine (ATM), debit card, credit card, visa card, phone banking, and tele-banking. The use of a computer to retrieve and process banking data is known as electronic banking. (Statements, transaction details, etc.) And to facilitate transactions (payments, deposits, service orders, etc.) with a bank or other financial service provider remotely through a telecommunications network (Yang, 1997, pp.2) the same is shared (Malak, 2007).

E-banking is a mechanism in which a customer's conducts banking transactions through online rather than entering a branch. It is a mixture of two words: mobile banking technology As an umbrella concept, it entails intensive use of information technology that removes the need for the consumer to go directly to the bank It covers a wide range of products and services, including ATMs, debit/credit cards, phone/mobile banking, and PC/Internet banking, among others. Electronic banking has recently emerged as a means of advancing the banking system, and its importance is growing in many countries. It enables the development of service processes that need little internal resources, and As a result, the price is lower. It also gives you more options and the chance to reach out to more people. Customers benefit from electronic banking because it provides them with easy access to financial services and helps them to manage their finances more efficiently. (Almazari and Siam, 2008; Ayrga, 2011; Tan and Teo, 2000).

2.1.2. E-Banking System in Ethiopian Banking Industry

E-banking first introduced in Ethiopia in late 2001 G.C, when the largest state-owned commercial bank in Ethiopia (CBE) launched ATMs to serve local consumers. CBE has been a Visa member since November 14, 2005 G.C, in addition to eight ATMs in Addis Ababa. However, owing to a shortage of adequate infrastructure, it was unable to enjoy the benefits of its membership. Despite being the first to introduce an ATM-based payment system and to obtain visa membership CBE continues to advance at a rapid rate in developing its solution for Card Based Payment system, CBE has been the lone player in the field of E-Banking since 2006 G.C. Gardachew (2010) .

Commercial bank of Ethiopia is an early adopter of E-banking in Ethiopia, has put ATMs in convenient locations for its own cardholders. Commercial bank of Ethiopia ATM is open 24

hours a day, 7 days a week, and 365 days a year, serving Debit Cardholders and International Visa Cardholders coming to the country. Dashen Bank had constructed more than 125 ATMs in its area offices, university compounds, shopping malls, restaurants, and hotels by the end of June 2009. In 2011, payment card providers made huge strides, with commercial bank of Ethiopia ATM operation expanding to 280 and 1654 POS terminals (Annual report of the bank 2011). Commercial bank of Ethiopia ATMs provides the following services: cash withdrawal, balance inquiry, mini statement, fund transfer between accounts linked to a single card, and PIN update. Currently, the bank only accepts Visa cards for debit card transactions. Commercial bank of Ethiopia customers can withdraw up to 10,000 birr in cash and spend up to 8,000 to 13000 birr per day on goods and services.

2.1.3 Types of E-banking

E-banking refers to a range of systems such as internet banking or (online banking), TV-based banking, cell phone banking, and PC (personal computer) banking (or offline banking), through which consumers access these services from an intelligent electronic system such as a PC, personal digital assistant (PDA), automated teller machine, or mobile phone (ATM), POS (point of sale), kiosk, or contact tone phone (Alagheband 2006, p.11). According to Alghaeband, there are various modes of E-banking, with the following being the most basic:

1. **Automated Teller Machines (ATM) -** An ATM is an electronic terminal that allows customers to obtain banking services at virtually any time. A borrower would require an ATM card and a personal identification number to withdraw cash, make deposits, or move funds between accounts (PIN).
2. **Point-of-Sale Terminals (POS) -** The device enables customers to pay for store purchases with a check card, which is a new name for a debit card. This card seems to be a credit card, but there is a major distinction. The funds for the order are moved directly from the debit card holder's account to the store's account (Malak 2007).
3. **Internet banking-** This is an automated home banking system based on online technologies that allows bank customers to make business transactions with the bank using personal computers.
4. **Electronic banking -** Electronic banking is a technology that allows clients to carry out such banking transactions, including bank enquiries and transfers of money, using a quick text message (SMS).

2.1.4 Need for E-banking

One has to approach the branch in person for a cheque or a statement of accounts to be withdrawn or deposited. Any inquiry or sale in true e-banking is processed electronically at any time, without any connection to the subsidiary (everywhere banking). The provision of e-banking becomes more and more "need to" than "good to." In many developing countries, internet Banking is therefore now more a standard than normaly since it is the cheapest means of supplying banking services. Historically, banks have been at the forefront of using technologies to enhance their products, services, and performance. In order to offer a broad variety of value added products and services, they have used electronic and telecom networks for a long time. Directory dial-up links, private networks, etc., and mobile banking and automated teller machines are included in the transmission channels. Because of the prevalence of computers, convenient access to the Internet, and the World Wide Web (WWW), banks are gradually using the Internet as a medium for getting orders and providing goods and services to their clients. This form of banking is commonly known as electronic Banking, although the spectrum and complexity of the goods and services provided by various banks varies greatly. (Singer, Daniel, Albert Avery, Douglas Ross, 2001).

2.1.5 Benefit of E-banking system

Business companies are attempting to discover emerging innovations derived from E-commerce applications that have a lower processing cost as a result of eliminating associations in distribution networks (Salman &Kashif 2010). Any programs, such as information and finished goods information, may be provided at no fee. Low-cost and simple transactions allow for the intention to use of a new trend in technology to trade information among various groups and business parties. Business has been transformed by information and communication technology, which has enabled it to expand from a local to a global scale. However, it has been stated that E-banking is critical in the banking sector of developing countries (Polatoglu and Ekin 2001). The online payment system is relatively new in banking institutions, and the spread of these innovations can result in more competent online banking systems, which has resulted in numerous changes in banking sector technologies. In general, E-banking has advantages for banks, customers, and the economy.

2.1.6 Benefit of E-banking for Banks

It should be remembered that E-banking will provide many advantages to both banks and their customers. It is clear that cost savings, productivity, attracting new client markets, improving the

bank's image, and providing improved customer experience and loyalty are the key advantages to banks (Jayawardhena & Foley, 2000). According to Robinson (2000), the relevant costs of making a financial transaction online are much smaller than those of a main branches. Furthermore, Sheshunoff (2000) contends that one of the most significant considerations driving customers to E-banking practice is the need build up strong barriers to customer exiting. According to the source, once consumers get acquainted with the use of full-service E-banking, it is doubtful that they will go to another financial institution. The banking sector, in particular, has reaped various benefits as a result of the expansion of E-Banking technology. The following was highlighted below: Mols (1998).

2.1.7 Benefit of E-banking for Customers

The advantages of E-banking extend not only to banks but also to their customers. Banking transfers are no longer constrained by time and distance, thanks to the advent of the Internet. Consumers all over the world can easily open their bank accounts 24 hours a day, seven days a week. Customers can take advantage of a wide range of offerings, including those not offered by conventional bank branches (Pham 2010). It is argued that one of the most significant advantages of E-banking is that it is inexpensive, if not free, for consumers to use E-banking products/services. However, some people assume that price seems to be one aspect impeding the spread of E-banking (Sathye 1999). Price controversies often center on geographical gaps and inequalities in the prices of Internet connections and phone call pricing. It is also suspected that E-banks have changed in order to adapt to customers' ever-changing demands (Pham 2010). Customers also do not want to fly to or from a bank branch to make such financial transactions. To put it another way, they tend to use E-banking to save time and money E-banking will increase flexibility and usability, which would boost customer retention and loyalty (Pham 2010). Customers will monitor their financial activities anytime they want and have greater anonymity in their dealings with the bank. Furthermore, by using E-banking, consumers can reap more advantages at lower cost costs (Mols 1998) It is contended by Turban (2008), that E-banking is really beneficial to customers such as:-

Convenience – With e-banking, consumers can conduct their banking transactions anytime they choose. Customers are no longer restricted to the hours of the branch and e-banking is available 24 hours a day, seven days a week. Furthermore, they do not have to fly to the branch and stand in the inevitable queues, allowing you more time to do what you want.

No Fees – Since an e-bank does not have to care about financing a physical bank site, fees may be minimized and are often non-existent. Checking and savings accounts provided by fully online banks usually have no fees.

Mobility – Consumers can conduct e-banking from any location as long as they have an Internet link.

Direct Deposit – Consumers should pay for all new money, such as salary, to be automatically deposited into their bank account by the business sending the money. Customers profit from this in two ways: they don't have to take the time to deposit the check, and the money is deposited into their account faster, allowing them to collect interest faster.

Online Statements– The majority of online banks strive to be as paperless as possible. The majority of statements and communications are completed electronically, minimizing the volume of paper used and forwarded to you. This, too, would continue to reduce the online bank's expenses. As an added bonus, online banking is a great environmentally friendly choice. Be aware that certain banks will bill you for a paper copy of something.

Automated Bill Paid – Consumers may use automatic bill pay to simplify the payment of their monthly bills.

Real Time Account Updates – Since clients can access their accounts at any time, they can offer up-to-the-minute, real-time details about the funds in their accounts.

Transfers – Online transfers between accounts of the same financial institution are nearly instantaneous. Not only is there no restriction on the amount of money that can be transferred, but you can also do so anytime and from anywhere you choose.

2.1.8 Benefits to General Economy

As previously mentioned electronic banking has significantly benefited both the general public and the banking industry. As a result, a stronger supporting climate that promotes development, competitiveness, and prosperity has been developed. Aside from many concrete benefits such as cost savings, faster processing, greater performance, and less waste, an electronically regulated and thoroughly supervised environment discourages many unethical and unlawful activities associated with the banking industry such as money laundering, bribery, and embezzlement. 2010 (Pham). From an economic standpoint, there are many advantages. E-banking provided many advantages not only to the bank but also to society as a whole.(Pham 2010).

E-banking made finance economically possible:

2.1.9 Factors influencing the intention to use electronic banking system

Electronic banking has obviously a cost minimizing target for both financial organizations and customers but the delay of internet and lack of online and virtual support due to lack of skilled bank staffs forced customers incur high cost and that is why most users may not accept internet banking. In addition, the author also states that insufficient trust on financial institutions is a critical perceived credibility issues that lower internet banking acceptance. Customer trust is an essential way to retain existing bank customers as well as encouraging the intentions to use of electronic banking. The factors influencing the intention to use electronic banking are behavioral intention, perceived usefulness, perceived ease of use, availability of internet connection, awareness, security, attitude and subjective norms.

A) Behavioral intention to use

When behavioral intention refers to the cognitive representation of a person's readiness to perform a given behavior, and it is considered to be the immediate antecedent of actual intentin to use behavior (Fishbein and Ajzen, 1975). The direct as well as the mediating effect of intention on users actual intentin to use behavior has been validated in many prior empirical studies conducted by using Theory of planned behavior (TPB) and Technology acceptance model (TAM) and both suggested that a person's behavior is determined by his/her intention to perform the behavior. The best predictor of behavior is intention. There are numerous related past studies that have found a significant relationship between intention and behavior (I. Ajzen, 1985, 1991; Tan et al., 2012; Venkatesh et al., 2003).

B) Perceived usefulness

It is defined as "the degree to which a person believes that using a particular system would enhance his or her job performance (Davis, 1989). The importance of perceived usefulness has been widely recognized in the field of e-banking. According to the previous research studies usefulness is the subjective probability that the application of a new technology would improve the way a user could complete a given task (Singh, 2012). There is also broad research that presents evidence of the significant impact of perceived usefulness on user acceptance of e-banking. The positive effect of perceived usefulness on customers' attitude as well as their intention to use e-banking services (Al-Yitbarek & Zeleke, 2013).

C) Perceived ease of use (PEU)

Perceived ease of use (PEU) is the degree to which a person believes that using a particular information system or information technology would be free of effort (Davis, 1989). Hence, an application perceived to be easier to use than another is more likely to be accepted by users. The significant impact of perceived ease of use on intentin to use intention from the preceding research provided evidence that it is either directly or indirectly through its effect on perceived usefulness and attitude that perceived ease of use would have a positive effect on users' perception of credibility in their interaction with the e-banking systems (Al-Smadi, 2012; Qureshi et al., 2008; Olatokun & Owoeye, 2012; Aderonke & Charles, 2010; Singh, 2012; Poursaleh & Parhizgar, 2014).

D) Subjective Norm

Subjective norms (SNs) refer to the individual's perception that people who are important to him think that he should perform, or steer clear of performing a certain behavior (Fishbein and Ajzen, 1977). Literature shows that studies are not of a consensus as to the subjective norms effects. For instance, no significant effect of subjective norm was found on intention to use in Mathieson's (1991) study, while in Venkatesh and Davis's (2000) study, they revealed subjective norms to have a direct effect on intention to use in a voluntary use setting . Meanwhile, Taylor and Todd (1995) and Abbad (2013) revealed a significant direct effect of Subjective norm on intention towards e-banking use.

2.1.10 Challenges of electronic banking system

According to Harrison (2012), it is hypothesized that many of the factors affecting the successful intentin to use of new technologies such as e-commerce and E-banking are generic in nature and that the successful intentin to use of internet technologies in part depends on how these are used in conjunction with the other technologies and management practices that form a technology cluster. However, the most critical challenges can be ascribed to the very limited information and communication infrastructure available in most developing countries. Reasons vary widely among sectors and countries and are most commonly related to lack of applicability to the business, preferences for established business models, (OECD, 2004).

Common challenges include, Network infrastructure, Security and trust factors, Dynamic change in IT and Illiteracy are some Common challenges of electronic banking system

It is however important to note that challenge to e-commerce intention to use work differently according to organizational type and culture. Areas of training and people development need to be addressed Harrison (2012). The study that was conducted by Isaac (2005) indicated that the challenges for the intention to use of E- banking in commercial bank are security, human face i.e. customers still value personalized and responsive services from their bankers, poor and/or lack of technological infrastructure, lack of proper legislation governing e-transactions and preference to paper money, as opposed to "virtual" cash in transactions etc. Ziad et al., (2009) also analyzed E-banking challenges in terms of three categories: economic, socio-political and cognitive. The economic obstacles include several factors that affect the diffusion of e-commerce such as slow internet diffusion and unavailability of credit cards

Network Infrastructure-The most common communication infrastructure for E-banking is computer network such as internet. According to Kumaga (2010), low level of internet penetration and poorly developed telecommunication infrastructure impede smooth development and improvements in E-commerce in developing countries. In this regard, a study made by microfinance Nigeria (2010) indicated that efforts made by the Nigerian Government and other financial & ICT stakeholders to move Nigeria's payment system from cash dependent platform to the global acceptance electronic-driven alternative ways is impeded by shortage of well-developed telecommunication infrastructure. Another major problem that relates to E-banking System is frequent electric power interruption. This will create a lot of problems in E-banking activities which are basically depending on power supply.

Security issue-Security one of the biggest challenges & the basic requirements of E-Banking are ensuring its security. Securing the process in E-Banking involves authenticating data of the customer and banker and protecting the information to be transmitted from interception. According to Garadachew (2010) ,E-banking system must also take into account multilateral security keys i.e. security needs of all participating parties in the E-banking system .

According to Suoranta and Mattila (as cited in Gichana, 2013), as a dynamic change in technology continues to be an important element in electronic banking service system, understanding the factors that influence the intention towards using electronic banking technologies will continue to be an important area of research. While carrying out online transactions there are many instances when the banker might need help of a representative, from the bank. It is also necessary to understand the rights and responsibilities as an online banking

consumer, in order to make a difference to one's own financial well-being (Ruby and Pankaj, 2011) Illiteracy challenge-There are some roles of e-banking sector in e-banking such as online corporate banking electronic fund transfer, automated teller machines (ATM), debit card, credit card etc. bank is the authorized organization which can store and transact money. Commercial bank of Ethiopia faces numerous challenges to fully adopt E-banking. One of the major challenges in Ethiopia is high illiteracy rate. This challenge hinders the intention to use of e-banking service channels.

2.2 Empirical literature review

Freedman (2018) suggests that internet banking and internet money consists of three devices; access devices, stored value cards, and network money. Internet banking is simply the access to new devices and is therefore ignored. Internet money is the sum of stored value (smart cards) and network money (value stored on computer hard drives). In another study conducted by R.A. Oluoch (2012) in Kenya the findings regarding factors which affect the adoption of M-banking in Kenya in the case of Nakuru Municipality "perceived useful-ness is the most important significant factor affecting the adoption of M-banking technology per-ceived risk hinders majority of bank customers from adopting mobile banking Mobile banking service providers should ensure security measures are enforced".

Heikki (2002) in the study "Electronic banking in Finland Consumer Beliefs, Attitudes, Intentions, and Behaviors" By means of 30 in-depth interviews and a mailed questionnaire (1167 responses), we found that 39 percent of the Finnish consumers who responded to this survey were already using Internet banking services in their homes or workplaces. The results of the study indicate the following: (1) beliefs and attitudes toward electronic banking varied between non-users and users of Internet banking. The results suggest that well educated and relatively wealthy segment uses Internet banking services. Internet banking was considered a fast way to take care of banking affairs. (2) Personal banking experience and prior experience of computers and technology were the main factors underlying the formation of attitude toward Internet banking. Attitude toward using computers was found to be the most significant factor affecting intention to engage in Internet banking. Internet banking users had a more positive attitude toward technology, especially toward computers, than did nonusers. (3) A negative attitude toward technology, valuing personal service, and demographic characteristics were found to be most substantial barriers to the adoption of Internet banking in Finland.

Wu (2005) in his study "Factors that influence the adoption of internet banking by South Africans in the Ethekweni metropolitan region" The study presents both the results of the 400 interviews and the analysis of these results, with graphs and figures to determine the extent that the factors studied influence customer adoption of internet banking. The hypotheses of the research were tested with a chi-square test and independent sample t-test. A chi-square test was used to test for relationship between consumers" demographic characteristics and the adoption of internet banking. An independent sample t-test was used to test differences between users and non-users in terms of their perceptions of internet banking.

The key findings revealed that demographic factors including age, income, education level and occupation have a relationship with the adoption of internet banking. Psychological factors including perceived relative advantage, perceived compatibility, perceived complexity, perceived risk, and perceived cost were found to influence the adoption of internet banking. Social influences including opinions of friends, parents and colleagues were not found to be significant factors to influence the adoption of internet banking

In a similar study conducted in Tanzania by A.R. Ishengoma (2011), adoption of mobile banking technology by customers is highly influenced by perceived value of the technology to the custom-ers "the intention to use M-Banking service was brought forward by the perceived value of the M-Banking services, most were registered because of the belief in M-Banking that enabled them to access financial services in an easy way Also, the level of education, age and sex were determi-nants of usage behaviour of the M-Banking system." Mobile banking service allows customers to manage their accounts with ease. (Mols, Bukh, & Neilsen, 1999) stated that the diffusion of electronic banking is more determined by customer acceptance than by seller offerings. Not enough is known regarding how customers perceive and evaluate electronicallydelivered services. Lee and Lin (2005) have also recently highlighted the need for further research to measure the influence of e-service on customer-perceived service quality and satisfaction (Ibrahim et al., 2006).

Karma (2014) in his study to identify key factors affecting the adoption of mobile banking adop-tion among bank customers in Sudan uses Technology acceptance model, however, like others re-searches it includes additional variables beyond the two original independent variables of TAM i.e., perceived usefulness and perceived ease of use as shown in figure six below. As result Karma added two additional important variables in the model as determinant variable these are

perceived trust and perceived risk regarding how customers perceive and evaluate electronically delivered services. Lee and Lin (2005) have also recently highlighted the need for further research to meas-ure the influence of e-service on customer-perceived service quality and satisfaction (Ibrahim et al., 2006).

In addition another study was conducted by Yitbarek et al. (2013) to analyse factors that influence customers' intention to adopt e-banking service channels in Bahir Dar city. The findings revealed that attitude; subjective norm, perceived behavioural control, perceived usefulness and perceived ease of use and perceived risk were significant in affecting users' intention to use e-banking service channels. (Michael, 2013) the study indicated that the major challenges for the development of electronic banking in Dashen and Nib International Banks are lack of information, security risk, lack of trust, lack of legal and regulatory framework, lack of infrastructure, shortage of skilled professionals and lack of awareness. The study also identified perceived ease of use and perceived usefulness as benefits for the development of E-banking in Ethiopia. The study suggests a series of measures which could be taken by the two private commercial banks and to address various challenges identified in the study. (Etsebel, 2014) The this study indicates that there are positive and strong relationships exists between infrastructure, security ,trust, perceived ease of use ,subjective norms , perceived behavioural control and perceived usefulness with cus-tomers' adoption of e-banking. Moreover, the correlation analysis reveals that there is a positive and strong relationship exist among independent variables(security, perceived risk, perceived ease of use, perceived behavioural control, trust, perceived usefulness, subjective norms and infrastructure) and customers adoption of e-banking, however, perceived risk has negative and strong effect on customers' adoption of e-banking followed by security in Commercial Bank of Ethiopia. (Meron, 2016) The result of the study indicated that, the major barriers Ethiopian bank-ing industry faces in the adoption of Electronic banking are poor interconnectivity among banks, lack of technical and managerial skills to use and implement the system, lack of trust from cus-tomer side, lack of sufficient legal framework national level, lack of competition among local and foreign banks and the absence of government support to enhance and encourage E-banking adop-tion. The Result showed that perceived usefulness and trust as most significant factors affecting customers' intention towards using e-banking services. In addition, attitude and perceived behavioural control positively affect the intention to use e-

banking products. On the other hand, perceived ease of use and subjective norm negatively affect usage of electronic bank-ing.

2.3 Conceptual framework

Mugenda and Mugenda (2008) defines conceptual framework as a hypothesized model identifying the concepts under study and their relationship. The study model was developed the conceptual framework which has conceptualized the focal constructs, that is the factors influencing the intention to use of electronic banking services.

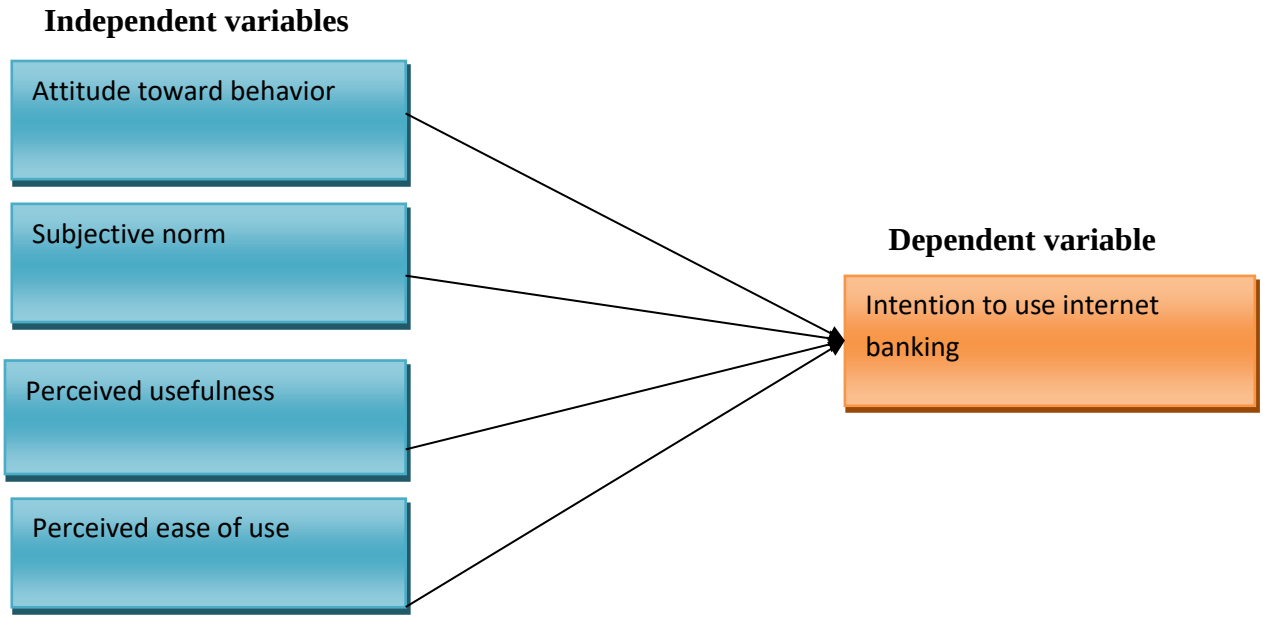

Figure 2.1:- Conceptual Frame work
Source: Owen Developed

CHAPTER THREE
RESEARCH METHODOLOGY

The study will conduct on commercial banks of Ethiopia selected city branches in Addis Ababa. Due to resource constraints, it is impossible or unmanageable to have all branches, including in central Addis Ababa district area. Therefore the study will cover commercial bank of Ethiopia selected city branches in Addis Ababa such as Mexico, legehar, senga tera and meskel adebabay branches that are found in central Addis Ababa district.

3.1 Research Design and Approach

In this research a descriptive and explanatory research design will apply to this study. The descriptive research design aims to describe the current state of the identified variables. Collecting information systematically requires careful selection of the research unit and careful measurement of every variable. (Brewer,2000). Descriptive research is considered appropriate because subjects are generally observed in their natural environment and can produce accurate and reliable information (Britt, 2006). Explanatory research design used to explain and explore the occurrences of phenomena towards the future. Therefore it was useful in describing the intention to use of electronic banking as the dependent variable by exploring different independent variables that are influencing them include, perceived ease, perceived usefulness, subjective norms, behavioral intention, availability of internet connection and attitudes toward electronic banking; challenging factors are affecting the intention to use electronic banking.

This study will use a mixed research approach in order to achieve the study's goal and answer the research questions. In this study Individuals will contacted and questionnaires will distributed, and filled up and returned. With the factor influencing in the intention to use electronic banking will investigate using correlation and linear regression.

3.2. Data sources and types

The study use both primary and secondary data collection procedures. Primary data was directly collected from the field through interviews and questionnaires .On the other hand, secondary data was collected through reading different research, journals and staff records from the other source of the bank. This research will use questionnaire survey for customers and structural interview for managers of CBE.

3.2.1 Primary Data

3.2.1.1. Questionnaires

Primary data for the study is gather by using questionnaires which are managed to the targeted respondents. The choice of using questionnaires as method of data collection considering the fact that the respondent may be very busy working place and employees may have a limited time. Therefore, questionnaires will distribute among the respondents who found their own time to fill them. Also, this method will opted in order to avoid interfere of employees' working hours. For this study the researcher provided questionnaires customers of the central Addis Ababa district of Commercial Bank of Ethiopia

3.2.1.2. Interview

The interview method is additionally used in the study in order to enhance the quality of the information gathered. This method was used because it is the most effective means of obtaining information. Thus it is going to use as complimentary of questionnaires as a way to tap on information that has not been possible to get through asking question on a piece of paper. The method used for obtaining information from heads of departments and other specific personnel. For this study the researcher provide interview for customers and managers of the central Addis Ababa district of Commercial Bank of Ethiopia.

3.2.2. Secondary Sources

3.2.2.1. Documentary Review

Documentary review is a technique to obtain various information from various literature including books, journals, research papers and other documentary source relating to a certain field of study. Normally, it helps to gather both quantitative and qualitative and measure the consistency of information obtained through other techniques (Kothari, 2004). Financial reports, and human resource inventory files, department reports and any other documents that have relevant information to the study will consult

3.3 Population and Sampling Design

3.3.1 Target Population

The target population will be the total customers of the central Addis Ababa district of Commercial Bank of Ethiopia. The target populations from which the sample respondents was selected from the total number of individual who uses e-banking service channels, The number

of users of the four conveniently selected from (Mexico, legehar, sengatera and meskel adebabay branches).

Table 3.1 Total population of the study

No branches	Total population
Mexico	2,380
Legehar	2,370
senga tera	2,350
meskel adebabay	2,400
Total	**9,500**

Source: CBE Digital Banking Department, 2024

3.3.2 Sampling Design

Selecting respondents for a representative of the whole population was what sampling mean. (Mugenda & Mugenda 2003), Sampling was vital since it is impossible to take the entire population because of time, financial factors and errors which can discourage the researcher. For this research random sampling was used for the case of giving equal chance for respondents

3.3.2.1. Sampling Frame

Sampling frame is an objective list of the population from which the researcher can make a selection according to Cox and Hassard (2005). The sampling frame was obtained from special such studded areas and different department of CBE. The sample frame consists of the valid full time customers of CBE.

3.3.2.2 Sample size

According to Cooper and Schindler (2008), sample size was described as a smaller set of elements from the larger population. Mugenda (2003) argued that the choice of sample size was governed by the confidence you need to have in your data, level of certainty, and the accuracy. You require for any estimates made in your sample, the type of analysis you are going to undertake and finally the size of the total population from which your sample is drawn. The sample computation will be as follows. Using all population for data collection is difficult for one researcher. So it is difficult to use all population, and the researcher using formula developed by (Yamane, 1967).

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

Where N= number of total population

n= sample

e=level of precision (5%)

$$n = \frac{N}{1+N(e)^2} = n = \frac{9500}{1+9500(0.05)^2} = 383.84 \sim 384$$

Therefore My Sample size is =384

If N = 8,500; respondent

Each branches =?

For example, N = 9,500 = 384 respondent

Mexico (2,375) =?

Then, by using the cross Math multiplication we get,

Table 3.2 sampling size

No branches	Total population	Sample size
Mexico	2,380	96
Legehar	2,370	96
senga tera	2,350	95
meskel adebabay	2,400	97

Source: CBE Digital Banking Department, 2024

3.3.2.3 Sampling technique

The sampling method used in drawing samples from a population was driven by the objectives of the research activity. The sampling process has been guided by the parameters in the population in line with specific objectives of the study (Cooper and Schindler, 2011). The study adopted simple random sampling to ensure that every one had an equal chance of being sampled, and also to ensure that different age groups will represent. Semi-structured questionnaires have been then administered to obtain the necessary data.

Using a convenience selection technique, four branches from the CBE's central Addis district has been chosen for this study, namely mexico, legehar, senga tera and meskel adebabay, based on relative size, year of operation, cost, and availability of time for the study.

The number of sample units was large, and time and cost-constrained samples are drawn from the target population. Therefore, it is difficult to know central Addis Ababa district e-banking user list, which uses probability sampling. This study uses probability sampling because this study was more quantitative and each respondents have equal chances of being selected, and it is difficult to personally arrive at the randomly selected sample based on the customer list. In order to increase the representativeness of the sample, the same number of respondents has been selected from four CBE branches in order to avoid lower responsiveness, and the questioners were collected through the direct help of researchers. The right sample size was determined in order to draw confident generalizations about the construct under research. Size of the sample the act of determining the number of observations or repetitions to include in a statistical sample is known as sample size determination.

3.4 Data collection techniques

The data collection techniques used in this research include: questions which involve collecting data from a sample of customers who use e-banking service in case of commercial bank of Ethiopia through questionnaires. In addition to questionnaires, Interviews also involve direct interaction with participants to collect in-depth information on their experiences, opinions, and perspectives. Both structured and unstructured questionnaires and Interviews will use in this research. Document analysis will use to reviewing and analyzing existing documents, records, reports, or other written materials to extract relevant data about factors influencing customers' intention to use e-banking service in case of commercial bank of Ethiopia. The Researchers select the most appropriate data collection methods based on their research questions, objectives, and study design and this study will use both questionnaires and Interviews for the purpose of achieving the research objectives.

3.5. Variables of the study

Dependent variable: - the dependent variable for this study is the intention to use e-banking and it may be affected by different known and unknown factors, but in this study, the relative impact of four certain factors on the use of e-banking will be evaluated. The intention to use of e-banking is the

result of a combination of different factors, which can be measured by the comprehensive effect and significant relationship of factors such as regression and related analysis.

Independent variable:- Although the intention to use e-banking is affected by different known and unknown factors, the known factors that have a direct impact on the intention to use of e-banking in the study are perceived ease of use, subjective norms, perceived usefulness, attitudes toward behavioral intention. The value of the independent variable is measured using the frequency, average, and standard deviation of the respondents‟ agreement with e-banking services.

3.6 Validity and Reliability

3.6.1 Validity

The extent to which a difference is found with a measuring instrument that reflects true differences among those being tested in defined as validity. The content and construct validity is the process of determining the most appropriate operational measurements for the concept being examined. It was reviewed by researcher's advisor and double checked by experts in the field.to assess the instrument's validity of the research. It facilitates the testing and verification of survey questionnaire prior to conducting a large-scale survey.

3.6.2 Reliability

Reliability test is the degree to which a construct's measure is consistent or reliable. Cronbach's alpha coefficient was used to perform the reliability test and items that scored higher than the acceptable value were kept. Dennick & Tavakol (2011) if a test has more than one idea or construct, reporting alpha for the entire test may not make sense because the higher number of questions will invariably inflate the value of alpha. As a result, rather than calculating alpha for the entire test or scale, alpha should be determined for each of the concepts. The alpha coefficient ranges from 0 to 1, with a value of 0.5 or below indicating unsatisfactory internal consistency dependability and unacceptability (Ramayah, 2011). Scales with coefficient alpha between 0.6 and 0.7, according to Zikmund et al. (2000), imply fair reliability and acceptability. A questionnaire adapted and constructed from this

study has been pretested by using Cronbach's alpha coefficient through SPSS v 24 was found to be more than 0.60. Based on the above range all the variables designed were found to be a good measure of the dependent variable.

Reliability is fundamentally concerned with issues of consistency of measures whereas validity is the degree to which an instrument measures what it is supposed to measure. (Bryman and Bell, 2003). The total number of complete feedback received was 240 sample populations. In order to confirm the reliability of the data, Cronbach‟s Alpha was calculated for each variable. As below table indicate, all variables Cronbach‟s alpha test result shows to be larger than 0.7 which is known to be satisfactory.

Table 3.3 Cronbach's Alpha Result

Scale	**Cronbach's Alpha**	**Number of Items**	**Remarks**
Attitude toward behavior	0.892	12	Accepted
Subjective norm	0.781	7	Accepted
Perceived usefulness	0.986	5	Accepted
Perceived ease of use	0.885	8	Accepted
E-Banking Service	0.891	6	Accepted

Source: SPSS output own survey, 2024

The overall Cronbach's alpha for the four categories which is 0.849. The findings of the pilot study showed that all the four scales were reliable as their reliability values exceeded the prescribed threshold of 0.7 (Bryman and Bell, 2015).

3.7. Methods of data analysis

The Statistical Package for Social Sciences (SPSS) will get to be used to analyze both qualitative and quantitative collected data. The descriptive statistics (frequencies distribution) was applied to the intention to use e-banking service in case of CBE. Data analysis that was conducted involved reducing the collected data to a manageable size, by developing summaries, through the utilization of data analysis techniques (Cooper and Schindler, 2008). The quantitative data was analyzed using both descriptive and inferential statistics.

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3.8. Ethical Considerations

Some ethical considerations had been examined by the researcher. Respondents have the option of participating or not participating in the survey, and the survey enumerator has informed them of the poll's aim as well as the confidentiality of their responses. Emerging ethical considerations were evaluated and addressed during the study's execution. The objective and importance of the study, as well as confidentiality, were stated in the introduction section of the questionnaire for this purpose. Respondents were advised that they had complete freedom to fill out the questionnaires or withdraw from the study at any time, with no negative consequences, and that their participation or non-participation would not hurt them. Structured questionnaires were given to obtain primary data. To shield their responses from predisposition, only generic information was written in the paragraph of the questionnaire. Respondents' confidentiality was maintained, and their identities were not revealed. Finally, by recognizing every reference used, all research findings have not been concealed and are free of plagiarism. Furthermore, the study was conducted in an open-minded manner, with attitudes expressed as they are. Nothing was changed or modified. As a result, the material that will be acquired will be provided as is, and all of the literatures gathered for the purpose of this study will be appreciated in the reference section.

CHAPTER FOUR
DATA ANALYSIS, FINDINGS AND DISCUSSION

The fourth chapter deals with the analysis, discussion and findings of the research study work that deals about assessment of Factors Influencing Customers' Intention to Use E-Banking Service Channel. The chapter included the response rate, demographic data, the result or findings, the interpretation and discussion, data presentation tools statically symbols, summery of the chapter and the link between chapter four & five based on the research study report section. The quantitative data that was gathered and organized and coded would be analyzed. Accordingly the result of the coded data was translated to a tabular data using frequency and percentages in accordance with the value given for the coded categories above and below the median. As high & low and then the analysis of the tabular data was explained under it.

4.1 Response Rate

A total of 384 questionnaires were personally handled to the respondents with close follow up and guide in filling the questionnaire and 372 respondents filled and returned their questionnaire. Thus constituting 96.875% of the questionnaires are returned, while 12 of the respondent's didn't respond and never returned the questionnaire and constituted about 3.125%. An inferential data analysis method was used to present, analyze and interpret the data, about factor that influence over the intention to use of electronic banking. Frequency tables along with frequencies and percentages were used to present and analyze the response of respondents‟ bank employees and customers of Commercial Bank of Ethiopia.

4.2 Demographic characteristics of respondent

The main demographic characteristics of respondents such as gender, age in year, level of education, work experience, occupation, marital status and the most frequently used e-banking service were discussed and presented respectively below in the table 4.1

Table 4.1 Demographic characteristics of respondent

Characteristics	Attribute	Freq.	%
Gender	Male	190	51.1 %
	Female	182	48.9%
	Total	**372**	**100%**
Age	18-25	42	11.3%
	26-35	120	32.25%
	36-45	106	28.5%
	> 45	104	27.95%
	Total	**372**	**100%**
Education Level	Certificate and below	48	12.9%
	College diploma	84	22.58%
	Bachelor Degree	160	43%
	Masters	54	18.28%
	Above masters	26	3.2%
	Total	**372**	**100 %**
Work Experience	Below 1 years	40	10.75
	1-3 years	72	19.35%
	3-6 years	116	31.18%
	6-12 years	108	29.03%
	Above 12 years	36	9.68%
	Total	**372**	**100%**
Marital status	Single	88	23.65%
	Married	250	67.2%
	Divorce	34	9.14%
	TOTAL	**372**	**100%**
Occupations	Government Employee	96	28.81%
	Private Sectors	116	31.18%
	Owen Business	104	27.96%
	Other	56	15.05%
	Total	**372**	**100%**
Most frequently used E-banking Service	ATM	106	28.5%
	POS	68	18.3%
	Mobile Banking	84	22.6%
	Internet Banking	52	13.98%
	CBE birr	62	16.67%
	Total	**372**	**100%**

Source: SPSS output own survey, 2024

The above result shown that, the male respondents formed majority of the target sample with a total of 190 representing 51.1%, while 182 respondents were female representing 48.9%. This shows that respondent's gender was approximately equal distribution but in some extent total numbers of male respondents is larger than females. While the age group of respondent's

participation in the study was categorized as between age 18-25,26-35,36-45 and above 45. Majority are 120 (32.25%) were in the age range of 26-35 years, this was followed by 106 (28.5%) in the age 36-45. In addition to this the remaining respondents age ranges below 25 are 104 (25.96%) and above 45 are 42(11.3%) from this the majority of respondents are from 26 to 35 which are the productive and active age group who have knowledge on Factors Influencing Customers' Intention to Use E-Banking Service.

Results show that the majority of respondents 160 (43%) were bachelor's degree holders while the next 84(22.58%) were diploma holders, 54 (18.28%) were masters holders and the reaming certificate holders tied at 48(12.9%) each, and to the last 26 (3.2%) were above masters holders. This implies that most respondents were in a position to give a very fair assessment of Factors Influencing Customers' Intention to Use E-Banking Service. This is an indication that majority of the people who patronize E-Banking Service in Ethiopia are well educated. They also likely to understand the complications of the intellectual processes which they go through when doing business through the electronic media Thus, although E-Banking Service deploy different methods in convincing consumers, they are able to interpret these campaigns and make purchases on various electronic platforms.

The work experience of the respondents were classified as below 1 year,1-3 years,3-6 years,6-12 years and above 12 years. we can see that 31.2% of the total respondents are 3-6 years of Work experience and 29.03% of respondent is well experienced for 6-12 years whereas 19.35 % of such respondents have 1-3 years of experience. In addition to this 10.75 % the respondents have below 1 year of experience. To the last and finally 9.68 % of such experiences are respondents of more than 12 years of experience. This implies that the cumulative experience indicates respondents are well experienced and will help the researcher to gathered reality data through their work experience on assessment of Factors Influencing Customers' Intention to Use E-Banking Service.

From the above table, Respondent asked to indicate their Martial states. This done to understand the Martial status of the respondents since an individual's Martial status was consideration in the selection of respondents in this study. From the total respondent's considered 67.2% of the respondents are married where as 23.65% of the given respondents are single and finally the remaining respondents of 9.14% are divorce.

When we see the occupation of the respondents about is 31.18 %(116) of the respondents are private employees whereas 27.96 % (104) of such respondents are Owen business workers and 25.81% (96) the remain respondents are government employees and to the last 15 .05 % (96) of the respondents are occupation in other ways. Generally the occupation backgrounds of the respondents indicate that most respondent's occupation is private employees, Owen business workers and government employees respectively. In addition to this factors that are influencing on e-banking intention to use can be considered as different in different sex, age and education level and occupation of the respondents.

As shown in the above Table, according to the respondents most frequently used electronic banking service were Automated Teller Machine (ATM) that is 28.5% or 106 of the total respondents. Next to ATM about 84 (22.6%) of the respondents are frequent users of Mobile banking services thirdly about (18.3%) or 68 respondents are using POS in their electronic banking service. CBE BIRR service and internet banking having a (16.67%) or 62 respondents and (13.98%) or 52 respondents respectively most frequently used electronic banking service were POS and CBE BIRR service channels. Therefore, the largest E-banking service in Commercial Bank of Ethiopia (CBE) was Automatic Teller Machine (ATM). This is because ATM was the pioneer E-banking instrument used in Ethiopian banking industry and as the result almost most of the customers of the bank know about the purpose and function of ATM.

4.3 Analysis of collected data

4.3.1 Descriptive Statistics

The table below displays the means and standard deviations of the various variables used and these indicate the extent to which the respondents disagreed or agreed with the statements in the questionnaire. The mean results of the variables indicate how each statement performed from the respondents 'points of view. Descriptive statistics (mean and standard deviations) of the respondent scores have computed the reason for using descriptive statistics was to assess of factors influencing customers' intention to use E-Banking service to answer the research specific objectives of to assess Factors influencing customers' intention to use E-Banking service channels in Commercial Bank of Ethiopia. And to determine the customer's

choice for banking in the halls versus electronic banking service delivery platforms as well as to identify the major challenges of electronic banking service in commercial bank of Ethiopia and to know about what looks like the attitude of the customer towards the intention to use electronic banking channels..

4.3.2 Attitude toward behavior

Attitude toward a behavior involves the degree to which the performance of behavior is positively or negatively valued. According to the expectancy value model, the attitude toward a behavior can be predicted by studying the accessible behavioral beliefs which involve the behavior's consequence and other attributes Fishbein & Ajzen (1975). Harris (1998) also claims that the attitude is important and, in order to reduce the prejudice and discrimination, the attention must be on the behavior. Nevertheless, there have not been many progresses concerning the prediction of the behavior and one of the significant issues of the previous studies has been about the attitude which is useful when predicting a person's behavior when the person has no problem. The analysis of the Attitude toward a behavior was assessed by using means and standard deviations from the results. The results of the means were interpreted based on: 1-1.49 = Very Low; 1.5-2.49 = Low; 2.5-3.49 = Moderate; 3.5-4.49 = High; 4.5-5.0 = Very high.

Table 4.2 Attitude toward a behavior

Attitude toward behavior	SA	A	N	D	SD	Mean	Sd. Deviation
I will continue to use-banking services.	108(29%)	148(39.8%)	44(11.8%)	60(16.13%)	12(3.2%)	3.7527	1.13419
I believe that e-banking will be more relevant in the future	120(32%)	182(48.9%)	45(12%)	20(5.3%)	5(1.34%)	4.0538	.88248
I still prefer to use e-banking than branch based banking services.	132(35.5%)	136(36.5%)	40(10.7%)	38(10.2%)	26(6.7%)	3.8333	1.21499
I intend to increase my	128(34.	166(44.	39(10.5	31(8.33	8(2.15	4.0081	.98913

use of e-banking.	4%)	6%)	%)	%)	%)		
Using e-banking for banking transactions is a good idea	110(31 %)	177(48 %)	70(18 %)	10(2.6 8%)	5(1.3 4)%	4.0134	.84505
E-banking is better than the traditional banking system.	140(37.6 3%)	172(46. 24%)	35(9.4%)	15(4.03 %)	10(2.7 %)	4.1210	.92808
I encourage others to use e-banking services.	131(35.2 %)	168(45. 16%)	42(11.3 %)	22(5.9 %)	9(2.42 %)	4.0484	.95890
E-banking makes it easier for customers to do banking activities.	123(33.0 6%)	174(46. 77%)	39(10.48 %)	23(6.2 %)	13(3.5 %)	3.9973	1.00000
Based on my experience, I am very likely to return to use e- banking services	106 (28.49%)	154 (68.28 %)	57(1. 5%)	42(11. 3%)	13(3.5 %)	4.0 69 9	1.21 334
Provided that if I have access to e- banking system in future, I will use it	97(26.0 7%)	146(3 9.24%)	52(13.9 8%)	53(14. 24%)	24(6. 45%)	3.642 5	1.1946 1
I will use e- banking on a regular basis in the future	102(35.2 %)	169(35. 2%)	41(35.2 %)	38(35.2 %)	22(35. 2%)	3.7823	1.13195
I will intend to use E-banking system as often as needed	89(23.9 %)	156(41. 93%)	42(11.3 %)	54(14. 5%)	31(8.3 3%)	3.5860	1.23105
aggregate mean and						3.909	1.06024

standard deviation							

Source: SPSS output own survey, 2024

The aggregate mean and SD of statements listed response from the despondence is (M=3.909 and SD =1.06024). This indicates that respondents were highly agreeing on Attitude toward a behavior that Influencing Customers' Intention to Use E-Banking Service.

From the given table 4.4 above when we see the mean values on the Attitude toward a behavior, the highest mean value of 4.121 in which respondents stated that E-banking is better than the traditional banking system and the second mean values of 4.0699, respondents Based on my experience, I am very likely to return to use e- banking services and the third highest means of 4.0538 respondents believe that e-banking will be more relevant in the future.

According to the table 4.4 given above regarding to Attitude toward behavior, the majority of the respondents argue that there is different aspect of Attitude toward behavior for Factors Influencing Customers' Intention to Use E-Banking Service Channels. Based on this the respondents believe that e-banking will be more relevant in the future. Hence 182 (48.9%) the respondents agree that e-banking will be more relevant in the future whereas 108 (29%) respondents strongly agree on the relevant of E-Banking Service Channels in the future but the remain respondents are neutral 44(11.8%), disagree 60(16.13%) and 12 (3.2%) of respondents strongly disagree on the idea that e-banking will be more relevant in the future. On the other hand regarding to Attitude toward behavior for Factors Influencing Customers' Intention to Use E-Banking Service Channels in case of commercial banks of Ethiopia 177(48%) the respondents agree that Using e-banking for banking transactions is a good idea whereas 110 (31%) respondents strongly agree on the use of e-banking for banking transactions but the remain respondents are neutral 70(18%), disagree 10(2.68%) and5 (1.34%) strongly disagree such that Using e-banking is a good idea for banking transactions.

While conducting this study on the Attitude toward behavior regarding to Factors Influencing Customers' Intention to Use E-Banking Service Channels, 174(46.77%) the respondents agree that E-banking makes it easier for customers to do banking activities such as payment like university fees ,DS TV, water bill payment, electricity, traffic penalty and others whereas 13 (33.06%) respondents strongly agree on this banking activities but the remain respondents are neutral 39(10.48%), disagree 23(6.2%) and 13 (3.5%) strongly disagree that E-banking makes it easier for customers to do banking activities. In addition to this Commercial Bank of Ethiopia

has designed various strategies to achieve its vision. This is because the services like: ATM, POS, CBE birr, internet banking and Mobile Banking have reduced the inconveniences occurred in the traditional banking system of serving customers. Accordingly 72(46.24%) the respondents agree that E-banking is better than the traditional banking system whereas 140(37.63%) respondents strongly agree but the remain respondents are neutral 35(9.4%), disagree 15(4.03%) and 10(2.7%) strongly disagree.

In general regarding to Attitude toward behavior, the majority of the respondents argue that e-banking will be more relevant in the future, Using e-banking is a good idea for banking transactions, E-banking makes it easier for customers to do banking activities, E-banking is better than the traditional banking system and this are major Influencing factors of Customers' Intention to Use E-Banking Service Channels regarding to Attitude toward behaviors.

Commercial Bank of Ethiopia has designed various strategies to achieve its vision. Accordingly, respondents were asked to give their attitudes whether E-banking service is better than the traditional one and According to the above table, 148(39.8%) the respondents agree that they will continue to use-banking services whereas 108 (29%) respondents strongly agree but the remaining respondents are, neutral 44(11.8%) disagree 60 (16.13%) and 12(3.2%) strongly disagree. On the other hand, the less favorable the possible consequence is, the weaker the intention to do the behavior will be. The respondents also claim that the attitude is important and, in order to reduce the prejudice and discrimination, the attention must be on the behavior. Nevertheless, there have not been many progresses concerning the prediction of the behavior and one of the significant issues of the previous studies has been about the attitude which is useful when predicting a person's behavior when the person has no problem.

Furthermore according to the respondents 136 (36.56%) the respondents agree that they will still prefer to use e-banking than branch based banking services whereas 132(35.5%) respondents strongly agree but the remaining respondents are neutral 40 (10.7%) disagree 38(10.2%) and 26(6.7%) strongly disagree use e-banking than branch based banking services. On the other way regarding to Attitude toward behavior, 166 (44.6%) the majority of the respondents argue that they intend to increase their use of e-banking whereas 128 (34.4%) respondents strongly agree but the remain respondents are neutral 39(10.5%) disagree 31(8.33%) and 8(2.15%) of the respondents strongly disagree on intend to increase their use of e-banking finally 168(45.16%) the respondents agree that they encouraged by others to use e-banking services whereas

131(35.2%) respondents strongly agree but the remain respondents are neutral 42(11.3%), disagree 22(5.9%) and 9(2.42%) of the respondents strongly disagree discourage by others to use e-banking services.

Regarding to the Intention to use, the majority of the respondents argue that there is different aspect of Intention to use, for Factors Influencing Customers' Intention to Use E-Banking Service Channels such that 169(35.2%) the respondents agree that they will use e- banking on a regular basis in the future whereas 102(35.2%) respondents strongly agree on using e- banking on a regular basis in the future but the remaining respondents are neutral 41(35.2%) disagree 38 (35.2%) and 22(35.2%) strongly disagree on the use of e- banking on a regular basis in the future. In addition to this 154(68.28%) the respondents agree that Based on their experience they are very likely to return to use e-banking services whereas 106 (28.49%) respondents strongly agree but the remaining respondents are neutral 57 (1.5%), disagree 42 (11.3%) and 13 (3.5%) strongly disagree. On the Intention to use 146 (39.24%)the respondents agree that Provided that if they have access to e- banking system in future, they will use it whereas 97 (26.07%) respondents strongly agree but the remain respondents are neutral 52 (13.98%) disagree 53 (14.24%) and 24 (6.45%) of the respondents are strongly disagree respectively.

Similarly when we see the Intention to use on Factors Influencing Customers' Intention to Use E-Banking Service Channels 146 (39.24%) the respondents agree that Provided that if they have access to e- banking system in future, they will use it whereas 97(26.07%) respondents strongly agree but the remaining respondents are neutral 52(13.98%) disagree 53(14.24%), strongly disagree 24(6.45%). Here again 156(41.93%) the respondents agree that they will intend to use E- banking system as often as needed whereas 89(23.9%) respondents strongly agree but the remaining respondents are neutral 42 (11.3%) disagree 54 (14.5%) and 31(8.33%) Of the respondents are strongly disagree Generally, finding a person's attitude toward a physical object, an institution, an ethnic or religious group, etc. can help predicting the person's behavioral pattern or multiple-act criteria. It can be claimed then that the attitude toward a behavior is a good predictor of an action and it can be adopted by the researcher to examine and analyze data for this study concerning Internet banking. Using electronic banking channels Customers can easily make transactions at any time. They have access to get the bank service from where they are. When they are at home and when they are at any other places specially now a days a

payment like, DS TV, water bill payment, electricity and traffic penalty payment can easily be pay by using Mobile banking and CBE birr service channels

4.3.3 Subjective norm

Subjective norm able to forecast consumer behavior especially on customers' intention which it can be the key factor to improve on the new distribution channel that provide by financial industry. Subjective norm is a predictor of intention to perform a behavior and that intention is a predictor of actual behavior. Subjective norm is associated with behavior because when a person considers whether to perform an action or not, other people's perceptions about the action have a great influence on the person's decision. In other words, the approval or disapproval of other people affects the person's behavior. The analysis of the Subjective norm was assessed by using means and standard deviations from the results. The results of the means were interpreted based on: 1-1.49 = Very Low; 1.5-2.49 = Low; 2.5-3.49 = Moderate; 3.5-4.49 = High; 4.5-5.0 = Very high.

Table 4.3 Subjective norm

Subjective Norms (SN)	**SA**	**A**	**N**	**D**	**SD**	Mean	Std. D
My decision to use e-banking is influenced by my colleagues and friends.	76(20.43%)	82(22.04%)	44(11.82%)	88(23.65%)	82(22.04%)	2.9516	1.46948
My decision to use e-banking is influenced by my family.	87(23.38%)	78(20.96%)	54(14.52%)	89(23.93%)	64(17.2%)	3.0941	1.43850
My decision to use e-banking is influenced by other service users.	82(22.04%)	71 (19.08%)	50(13.44%)	97(26.07%)	72(19.35%)	2.9919	1.45644
E-banking services channels are secure and I believe in it.	123(33.06%)	148(39.78%)	32(8.6%)	37(9.946%)	32(8.6%)	3.7876	1.24409
The dynamic change in IT is a serious challenge for	129(34.7%)	162 (43.55%	24(6.45)	31(8.33%)	26 (6.99)	3.9059	1.16982

understanding about E-banking		)					
Network failures are serious problem to use E-banking.	132(35.5%)	174(46.77%)	20(5.376%)	27(7.26%)	19(5.1%)	4.0027	1.07783
High rate of illiteracy affect the easy practice of E-banking service	117(31.45%)	166(44.62%)	24(6.45%)	35(9.4%)	30(8.06%)	3.8199	1.20526
aggregate mean and standard deviation						**3.49972**	**1.2945**

Source: SPSS output own survey, 2024

The aggregate mean and SD of statements listed response from the despondence is (M=3.4997 and SD =1.2945). This indicate that respondents were moderately agree on Subjective Norms that Influencing Customers' Intention to Use E-Banking Service. From the given table above on Subjective Norms of Factors Influencing Customers' Intention to Use E-Banking Service the highest mean of 4.0027 in which Network failures are serious problem to use E- banking. Whereas the second highest means of 3.9059 the dynamic change in IT is a serious challenge for understanding about E-banking and the third highest means of 3.8199 High rate of illiteracy affect the easy practice of E-banking service.

On the other hand according to the table given above regarding too Subjective Norms, the majority of the respondents argue that there is different aspect of Subjective Norms for Factors Influencing Customers' Intention to Use E-Banking Service Channels. Based on this 71 (19.08%) the respondents agree that Provided that their decision to use e-banking is influenced by other service users whereas 82 (22.04%) respondents strongly agree on this issue but the remaining respondents neutral 50 (13.44%) disagree 97 (26.07%) and 72 (19.35%) strongly disagree on the use of e-banking which influenced by other service users. In addition to that 78(20.96%) the respondents agree that provided their decision to use e-banking is influenced by their family whereas 87(23.38%) respondents strongly agree but the remaining respondents are neutral 54 (14.52%), disagree 89 (23.93%) and 64 (17.2%) such respondents strongly disagree on the use of e-banking which is influenced by their family and other service users.

On the other hand 82 (22.04%) the respondents agree that respondents decision to use e-banking is influenced colleagues and friends whereas 76 (20.43%) respondents strongly agree about use e-banking is influenced by my colleagues and friends but the remain respondents are neutral 44 (11.82%) disagree 88(23.65%) and strongly disagree 82(22.04%) respectively. Subjective norm is formed by normative belief and motivation to comply, regardless of the person's perception. It can probably be concluded that "the importance of people around him/her and their opinions on how they should act will determine the behavioral outcome" (Ajzen & Fishbein, 1980). Subjective norm is associated with behavior because when a person considers whether to perform an action or not, other people's perceptions about the action have a great influence on the person's decision. In other words, the approval or disapproval of other people affects the person's behavior

When we see the Challenges of electronic banking Customer's respondents were asked to give their intention towards the challenges of e-banking services of Commercial Bank of Ethiopia. Accordingly 174 (46.77%) the respondents agree that Network failures are serious problem to use E- banking whereas 132 (35.5%) respondents strongly agree but the remain respondents are, neutral 20 (5.376%) disagree 27 (7.26%) and strongly disagree 19 (5.1%) respectively. Here again 166 (44.62%) the respondents agree that High rate of illiteracy affect the easy practice of E-banking service whereas 117 (31.45%) respondents strongly agree but the remain respondents are neutral 24 (6.45%) disagree 35 (9.4%) and strongly disagree 30 (8.06%) respectively.

According to the data in the above table, a customer respondent on 162 (43.55%) the respondents agree that the dynamic change is a serious challenge for understanding about E-banking whereas 129(34.7%) respondents strongly agree but the remain respondents are, neutral 24(6.45) disagree 3(8.33%) and strongly disagree 26(9.99) respectively. To the last when we see Subjective Norms on the factor Influencing Customers' Intention to Use E-Banking Service Channels 148(39.78%) the respondents agree that E-banking services channels are secure and I believe in it whereas 123(33.06%) respondents strongly agree but the remain respondents are, neutral 32 (8.6%) disagree 37(9.946%) and strongly disagree 32(8.6%) respectively.

Most of the customers are not recognize that the dynamic change in IT is a serious challenge for understanding E-banking services. This shows that there was lack of enough in understanding the impact of the dynamic change in IT on the intention to use e-banking service channels so the

dynamic change in it adversely effect on the intention to use e-banking. The network challenge was one of the causes for the failure of smooth running of e-banking.

4.3.4 Perceived usefulness

Perceived usefulness is one of the important issues when speaking of Internet banking. Researchers have found the impact of perceived usefulness on user acceptance of Internet banking. In the study of Pikkarainen et al. (2004), perceived usefulness is found to be a determinant of users' real behaviors concerning the use of Internet banking which allows them to have autonomy in doing many banking activities such as performing banking transactions, seeking financial advices, or purchasing products. However, these activities are limited by the banks as they can choose the services they want to offer to clients via the Internet. In the banking context, perceived usefulness is the degree to which a client thinks that delivery channel of a bank, such as ATM banking, is more beneficial than the former services.

Table 4.4 Perceived usefulness

Perceived usefulness	SA	A	N	DA	SD	Mean	Sd. D
E- banking is convenient, in terms of 7 days and 24 hours services	119(31.99%)	176(47.3%)	28(7.5%)	26(6.99%)	23(6.166%)	3.9194	1.10814
Information technology Improve customer service	138(37.1%)	173(46.5%)	33(8.87%)	18(4.84%)	10(2.688%)	4.1048	.94157
Electronic banking is convenient, in terms of time saving	142(38.17%)	186(50%)	26(6.66%)	13(3.5%)	5(1.34%)	4.2016	.82069
In my opinion E-Banking Increases the productivity of the bank.	115(30.914%)	171(45.96%)	37(9.946%)	29(7.8%)	20(5.37%)	3.8925	1.09360
In my opinion e-banking Reduce number of customers come to the banking hall	123(33.06%)	166(44.62%)	33(8.87%)	32(8.6%)	18(4.84%)	3.9247	1.09384

aggregate mean and standard deviation						4.008	1.01147

Source: SPSS output own survey, 2024

The aggregate mean and SD of statements listed response from the respondence is (M=4.008 and SD =1.01147). This indicates that respondents were highly agreeing on Perceived usefulness that Influencing Customers' Intention to Use E-Banking Service.

When we see each mean values of respondents on Perceived usefulness of Factors Influencing Customers' Intention to Use E-Banking Service the highest mean value is 4.2016 in accordance with respondents opinion Electronic banking is convenient, in terms of time saving and the second highest mean values of 4.1048 in which respondents stated that Information technology Improve customer service and on the third highest mean of 3.9247respondents believed that e-banking Reduce number of customers come to the banking hall.

On the other hand according to the table given above regarding to Perceived usefulness, the majority of the respondents argue that there is different aspect of Perceived usefulness for Factors Influencing Customers' Intention to Use E-Banking Service Channels. Based on this 186 (50%) the respondents agree that Provided that Electronic banking is convenient, in terms of time saving whereas 142 (38.17%) respondents strongly agree but the remaining respondents are neutral 26 (6.66%) disagree 13 (3.5%), strongly disagree 5 (1.34%) respectively. On the other hand 176(47.3%)the respondents agree that E- banking is convenient, in terms of 7 days and 24 hours services whereas 119 (31.99%) respondents strongly agree but the remaining are neutral 28 (7.5%) disagree 26 (6.99%), strongly disagree 23 (6.166%) respectively.

This is the major influencing factors of Perceived usefulness for Factors Influencing Customers' Intention to Use E-Banking Service. This study found that it had a significant positive relationship with intention to use internet banking in commercial banks of Ethiopia. The findings show that respondents were enthusiastic on the benefits that a system provided to them 173 (46.5%)the respondents agree that information technology Improve customer service whereas 138 (37.1%)respondents strongly agree but the remain, neutral 33 (8.87%) disagree 18 (4.84%), strongly disagree 10 (2.688%) respectively. Further to this 171(45.96%) the respondents agree that in my opinion E-Banking increases the productivity of the bank whereas 115 (30.914%) respondents strongly agree but the remaining, neutral 37(9.946%) disagree 29(7.8%) and strongly disagree 20 (5.37%) respectively. In addition to this 166 (44.62%) the respondents agree

in their opinion e-banking Reduce number of customers come to the banking hall whereas 123(33.06%) respondents strongly agree but the remaining, neutral 33(8.87%) disagree 32 (8.6%) and strongly disagree 18(4.84%) respectively.

In general this study found that it had a significant positive relationship with intention to use internet banking. The findings show that respondents were enthusiastic on the benefits that a system provided to them.

However the research's results be able to used and assist banks better recognize commercial banks of Ethiopia intention to adopt Internet banking the intention to use internet banking as well as outcomes recommend that relationship between perceived useful and the intention to use internet banking in the conceptual model is significant and be able to develop the model on the variance of perceived usefulness (PU).

4.3.5 Perceived ease of use

Perceived ease of use (PEOU) is one of the important factors of the technology acceptance model. It is used to predict the tendency of the use of technology In terms of Internet banking, Mathieson, (1991) states that perceived ease of use is the consumer's perception that online banking requires only little effort. For Consult (2002), perceived ease of use is the consumer's ability to experiment with a new innovation and evaluate its benefits easily

Table 4.5 Perceived ease of use

Perceived ease of use	**SA**	**A**	**N**	**DA**	**SD**	**Mean**	**Sd. D**
I think that learning to use electronic banking service would be easy.	86 (23.11%)	108 (29.03%)	57 (15.32%)	68 (18.28%)	53 (14.24%)	3.2849	1.37537
I think that interaction with electronic banking service does not require a lot of mental effort.	64 (17.2%)	86 (23.12%)	55 (14.8%)	98 (26.34%)	69 (18.55%)	2.9409	1.38795
I think it is easy to use electronic banking service to accomplish my banking tasks	96(25.8%)	114(30.64%)	38(10.2%)	76(20.43%)	48(12.9%)	3.3602	1.39089

Availability of quality internet/ network connection (AQIC)	88 23.656%	176 47.3%	37 9.95%	42 11.3%	29 7.795%	3.6828	1.18227
For me accessing internet service is easy.	88(23.65%)	106(28.5%)	43(11.5%)	73(19.62%)	62(16.67%)	3.2285	1.43087
The Internet/ network connection enables me to handle my bank transactions quickly.	118 (31.7%)	146 (39.25 %)	37 (9.95%)	42 (11.3%)	29 (7.8%)	3.7581	1.23103
Most of the time there is internet/ network interruption while using e-banking services.	143(38.44%)	182(48.9%)	20(5.4 %)	16(4.3 %)	11(2.95 %)	4.1559	.92430
The Internet/ network connection enables me to access the bank's website 7 days a week and 24 hours a day.	66 (17.74 %)	80 (21.5 %)	58(15.6%)	92(24.73%)	76(20.43%)	2.9140	1.40968
Aggregate means and SD						3.416	1.292

Source: SPSS output own survey, 2024

The aggregate mean and SD of statements listed response from the despondence is (M=3.416 and SD =1.292). This indicate that respondents were moderately agree on Perceived ease of use That Influencing Customers' Intention to Use E-Banking Service

From the above table when we see the highest means of the given Factors Influencing Customers' Intention to Use E-Banking Service of Perceived usefulness the highest mean is 4.1559 in which respondents stated that Most of the time there is internet/ network interruption while using e-banking services and the 2nd highest means of 3.7581 in which the Internet/ network connection enables me to handle my bank transactions quickly and the 3rd highest means of 3.6828 and availability of quality internet/ network connection (AQIC).

In addition to that according to the table given above regarding to Perceived ease of use, the majority of the respondents argue that there is different aspect of Perceived ease of use for Factors Influencing Customers' Intention to Use E-Banking Service Channels. Based on this 114 (30.64%) the respondents I think it is easy to use electronic banking service to accomplish my banking tasks whereas 96 (25.8%) respondents strongly agree but the remaining are neutral 38 (10.2%) disagree 76 (20.43%) and strongly disagree 48 (12.9%) respectively. In addition to this 108 (29.03%) the respondents agree that learning to use electronic banking service would be easy whereas 86 (23.11%) respondents strongly agree but the remaining neutral 57 (15.32%) disagree 68 (18.28%) and strongly disagree 48 (12.9%) respectively believe that the use electronic banking service would be easy in commercial banks of Ethiopia.

According to the given table above when we see Perceived ease of use 86 (23.12%) the respondents agree that interaction with electronic banking service does not require a lot of mental effort whereas 64 (17.2%) respondents strongly agree but the remaining, neutral 55 (14.8%) disagree 98 (26.34%) and strongly disagree 69 (18.55%) respectively. Perceived ease of use effect on Intention to use internet banking, the more uncomplicated of using internet banking the more likely client has motivated to continue to use internet banking.

Also, the more long term using internet banking the more likely client fined it easy to use. However, if the use of customer was complicated on system they might be more likely found internet banking was difficult to use finally they will reject to use internet banking. Regarding to the Availability of quality internet/ network connection (AQIC) 146(39.25%) the respondents agree The Internet/ network connection enables me to handle my bank transactions quickly whereas 118(31.7%) respondents strongly agree but the remaining are , neutral 37 (9.95%) disagree 42 (11.3%)and strongly disagree 29(7.8%)respectively. Here again of such respondents 143(38.44%) the respondents agree Most of the time there is internet/ network interruption while using e-banking services whereas 64 (17.2%) respondents strongly agree but the remain, neutral 20 (5.4%) disagree 16 (4.3%) and strongly disagree 11 (2.95%) respectively.

Furthermore 106 (28.5%) the respondents agree for me accessing internet service is easy whereas 88 (23.65%) respondents strongly agree but the remain, neutral 43 (11.5%) disagree 73 (19.62%) and strongly disagree 62(16.67%)respectively. In additional to this 80 (21.5%)the respondents agree The Internet/ network connection enables me to access the

bank's website 7 days a week and 24 hours a day whereas 66 (17.74%) respondents strongly agree but the remain, neutral 58 (15.6%) disagree 92 (24.73%) and strongly disagree 76 (20.43%)respectively. The study examines the influence of perceived ease of use the result found that perceived ease of use have positive effect on the use of Internet banking. The results of the regression analysis conducted on the factors. Certainly perceived ease of use has long been recognized as a basic requirement for designing the system. It is meaning that the difficulty of using online system is becoming less the use of online system was increasingly as user friendly. Furthermore, this study shows that since online systems were more common, standardized and easy use. The online system has become more public and increasingly. On this research the researcher had summarized all the finding of previous research resulted as mentions were all significant determinant on behavioral intention to use internet banking and perceived ease of use is the important variable refer to TAM theory which be able to predicted significantly on clarification consumer acceptance technology.

4.3.6 E- Banking service

Table 4.6 E- Banking service

E- Banking service	SD	D	N	A	SA	Mean	Sd. D
I will continue to use e-banking services	12 3.2 %	83 22.2%	90 24.3%	156 41.9%	31 8.4	3.2984	1.00923
I still prefer to use e-banking than branch based banking services	10 2.7 %	99 26.8%	65 17.6%	170 45.7%	28 7.3%	3.28763	1.025580
I intend to increase my use of e-banking	6 1.6%	99 26.5%	49 13.2 %	164 44.1%	54 14.6%	3.4328	1.08073
I recommend others to use e-banking service	7 1.9%	82 21.9%	95 25.7%	136 36.5%	52 14.1%	3.3871	1.03348

I usually use e-banking services for banking transaction activities	14 3.8%	106 28.4%	65 17.3%	147 39.7%	40 10.8%	3.2500	1.09612
I am satisfied with usage of e-banking services	6 1.6%	95 25.4%	54 14.6%	163 43.8%	54 14.6%	3.4409	1.07118
Aggregate mean score and total percentage	3.35	1.052	2.47	25.2	18.78	3.2984	1.00923
aggregate mean and SD						3.35	1.052

Source: SPSS output own survey, 2024

According to table 4.8 shows the aggregate mean of all E-banking service usage behavior of customers based items indicate 3.35 with standard deviation 1.052, which lies between the range of [2.62-3.41] and it felt average/moderate/ mean range section. This implies majority (41.95%) of the respondents was agreed and 11.63% were strongly agreed with items of E-banking service usage behavior of customers, whereas 25.2% of the respondents were disagreed and 2.47% of them strongly disagreed with these items. The rest 25.2% was neutral. The researcher can conclude that most respondents have an interest to continue to use e-banking services, they still preferred to use e-banking than branch based banking services, they intend to increase their use of e-banking, they usually use e-banking services for banking transaction activities, they recommend others to use e-banking service and they are satisfied with usage of e-banking services. Additionally this result was confirmed by key informants' interview (study banks e-banking service focal persons). They explained that number of their customers did not use frequently all e-banking services provided by them due to lack of interest, lack of trust, knowledge and lack of confidence in the e-banking services.

4.4 Correlation Analysis

In order to decide the relationship between independent variables of the study with E-banking service usage of customers and to evaluate strength of this relationship, the product moment correlation coefficient was used. The product moment correlation coefficient is the most widely used method of measuring the degree of relationship between two variables (Kothari, 2004). This

coefficient assumes that there is linear relationship between the two variables. Positive values of "r" indicate positive correlation between the two variables (i.e., changes in both variables take place in the statement direction), whereas negative values of 'r' indicate negative correlation i.e., changes in the two variables taking place in the opposite directions. A zero value of 'r' indicates that there is no association between the two variables. According to Bartz (2009) a correlation coefficient enables to quantify the strength of the linear relationship between variables. This coefficient is usually denoted by 'r' and can take only the value from -1 to +1.Ifr = +1 there is perfect positive relationship between variables. Table 4.9 shows interpretation of R range.

Table 4. 7 Interpretation of R

Range of R	**Description**
1.00	Perfect relationship
0.80 or higher	Very strong
0.6 to 0.8	Strong
0.4 to 0.6	Moderate
0.2 to 0.4	Low
0.2 or lower	Very low
0.00	No relationship at all

Source: Bartz, (2009)

Table 4.8 Correlations analysis result

Variables		Attitude toward behavior	Subjective norm	Perceived usefulness	Perceived ease of use	E-banking service
Subjective norms	Pearson Correlation	1	.448**	.356**	.416**	.523**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	372	372	372	372	372
Attitude toward behavior	Pearson Correlation	.448**	1	.437**	.483**	.607**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	372	372	372	372	372
Perceived usefulness	Pearson Correlation	.356**	.437**	1	.536**	.637**
	Sig. (2-tailed)	.000	.000		.000	.000

	N	372	372	372	372	372
Perceived ease of use	Pearson Correlation	.416**	.483**	.536**	1	.712**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	372	372	372	372	372
E-banking service	Pearson Correlation	.523**	.607**	.637**	.712**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	372	372	372	372	372

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

Source: SPSS output own survey, 2024

As indicated in Table 4.10 the relationship among all the variables was found by using Pearson's correlation coefficient. The correlation value r = 0.523 shows that there is a moderate relationship between subjective norm and E-banking service usage of customers of CBE, and the p-valueshowed that the relationship is significant.

Regarding to E-banking service usage of customers and Attitude toward behavior, r=0.607, which shows a strong relationship between the two variables, and the p-value indicates that the relationship is significant. When Coming to the relationship of E-banking service usage of customers with Perceived usefulness, the r=0.637 showed a strong relationship between the two variables, also p-value shows that the relationship issignificant.

The value of r=0.712 for E-banking service usage of customers and Perceived ease of use shows a strong relationship, and the p-value indicates a significant relationship between them. The result of correlation analysis shows that all study variables have positive and significant relationship with E-banking service usage of customers in the study area

4.5 Regression Analysis

Multiple regression analysis studies the relationship between a dependent (response) variable and independent variables (predictors, repressors', IV's). In this study multiple regression analysis was used. Regression analysis is a statistical method that relates one dependent variable to a linear combination of one or more independent variables. Regression identifies how much each independent variable has an effect on dependent variable. Multiple regression analysis calculates multiple correlation coefficients and R-square (Kerlinger and Lee, 2000).

4.5.1Testing assumptions of multiple regression model

Before conducting multiple regression analysis the study assessed whether the collected data satisfied multiple regression model assumptions or not. According to Dhakal, (2018) any fit of a multiple regression model is valid, if and only if it should satisfy assumptions of linear relationship between, data must not show multicollinearity, Homoscedasticity, and the residuals (errors) are approximately normally distributed. The tested assumptions are shown as follows:

Assumption 1: Linearity Test

Linearity means the relationship between dependent and independent variables is to be linear. Thisrelationship characterized by a straight line. Linearity allowed the researcher to predict the dependent variable based on one or more several independent variables. The assumption was checked through a scatter plot by looking at whether the two variables approximately form a straightline. As presented figure 3 there was linear relationship between dependent and each of independent variables in the study area.

Figure 4.1 Linearity test

Source: SPSS output own survey, 2024

Assumption 2: Multi collinearity Test

Multi-collinearity is the undesirable situation when one independent variable is a linear function of other independent variables or high correlations between the independent variables (Gelman, 2006). Andy (2006) suggests that a tolerance value less than 0.1 almost certainly indicates a serious collinearity problem. According to Liu, (2010) a VIF value greater than 10 is because for concern. In this study the researcher was checked this assumption with tolerance and VIF statistics. As it canbe observed from Table 4.11 taking in to account the Variance Inflation Factor

not to exceed the allowable value (10) and Tolerance value greater than(0.1) for all independent variables. Therefore,multi-collinearity problem does not exist.

Table 4.9 **Table Multi collinearity Test**

Model	Collinearity Statistics	
	Tolerance	VIF
Subjective norm	.721	1.387
Attitude toward behavior	.603	1.659
Perceived usefulness	.661	1.513
Perceived ease of use	.605	1.654

a. Dependent Variable: E-banking service usage

Source: SPSS output own survey, 2024

Assumption 3: Normality Test

Most statistical analysis works on the assumption and requirement of normality (Kline, 2016). Pallant (2011) explained normal distribution as it describes a symmetrical bell-shaped curve that portrays the greatest frequency of scores in the middle, with smaller frequencies towards the extremes.

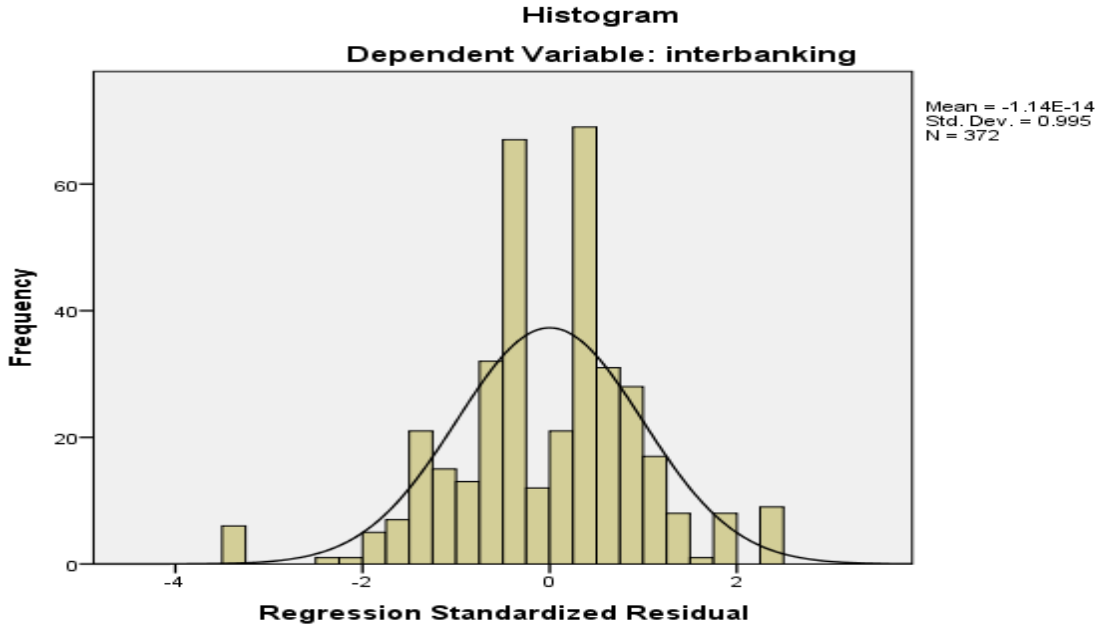

Figure 4-2 Normality test

Source: SPSS output own survey, 2024

Assumption 4:7 Homoscedasticity Test

This is the assumption that the variation in the residuals (or amount of error in the model) is similarat each point across the model. In other words, the spread of the residuals should be fairly constantat each point of the predictor variables (or across the linear model). It can be getting an idea of thisby looking at our original scatter plot but to properly test this, we need to ask SPSS to produce a special scatter plot for us that includes the whole model (and not just the individual predictors). To test this assumption, we need to plot the standardized values our model would predict, against the standardized residuals obtained. As shown in figure 5 the spread of the residuals were fairly constantat each point of the predictor variables or our plot of standardized residuals vs standardized predicted values showed no obvious signs of funneling, suggesting the assumption of homoscedasticity has been met.

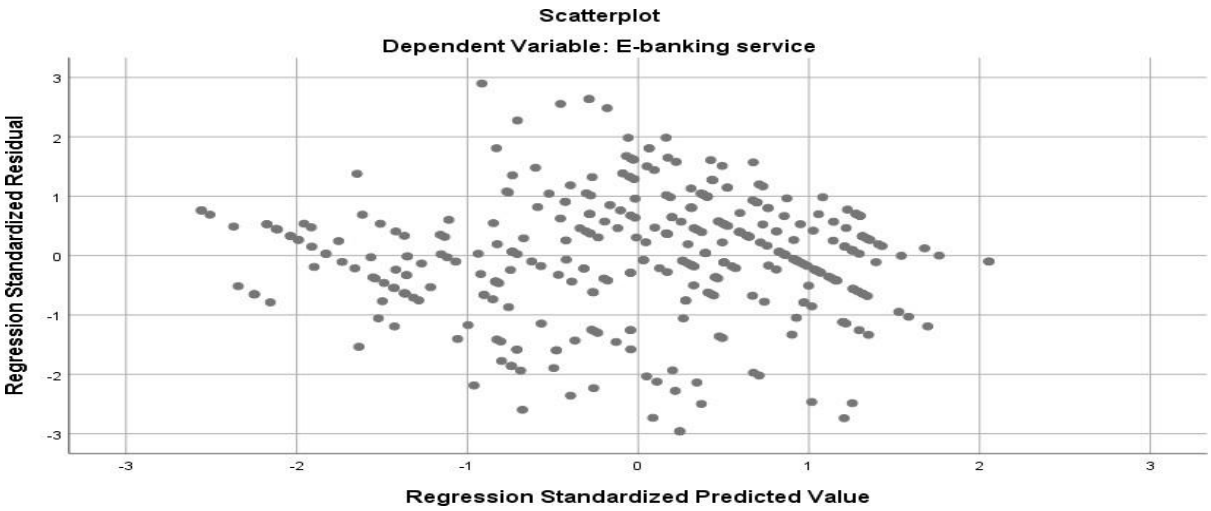

Figure 4-3 Homoscedasticity Test

Source: SPSS output own survey, 2024

4.5.2 Result of Regression Analysis

Multiple regression analysis calculates multiple correlation coefficients and R-square. The contribution of independent variables towards dependent variable is measured by Beta value and can be explained on bases of p or t values. From the study finding each point were presented below:

Table 4.10 Model Summaries

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate

1	.824[a]	.678	.674	.51762

Predictors: (Constant), Attitude toward behavior, Subjective norm, Perceived usefulness, Perceived ease of use

Dependent Variable: E-banking service

Source: SPSS output own survey, 2024

In Table 4.12 R value represents the correlation strength between dependent variable and independent variables of the study. The value 0.824 shows strong correlation between variables tested (dependent and independent variables) R-square is the coefficient of determination and measures the proportion of variance in dependent variable (E-banking service) that is explained by independent variables (Attitude toward behavior, Subjective norm, Perceived usefulness, Perceived ease of use) in commercial banks of Ethiopia.

Table 4.11 ANOVA

Model		Sum of Squares	Df	Mean Square	*F*	*Sig.*
1	Regression	205.811	5	41.162	153.632	.000[b]
	Residual	97.525	364	.268		
	Total	303.336	369			

a. Predictors: (Constant), Attitude toward behavior, Subjective norm, Perceived usefulness, Perceived ease of use

b. Dependent Variable: E-banking service

Source: SPSS output own survey, 2024

Table 4.13 shows whether the test carried out was statistically significant for the regression model used in the study using ANOVA and degree of variability. Since the sig = .000 which is less than 0.05, the model is good fit of the data tested i.e. the independent variables (Attitude toward behavior, Subjective norm, Perceived usefulness, Perceived ease of use) statistically significant to predict the dependent variable (E-banking service usage of customers) at commercial banks of Ethiopia and The F calculated at 5% level of significance is 153.632 this shows that the overall model is significant.

Table 4-12 Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.109	.134		-.812	.417
Attitude toward behavior	.165	.039	.150	4.274	.000
Subjective norm	.209	.040	.198	5.162	.000
Perceived usefulness	.260	.036	.265	7.236	.000
Perceived ease of use	.353	.036	.378	9.896	.000

a. Dependent: Variable: E-banking service. Source: SPSS output own survey, 2024

According to Kabir (2016) one of the approaches used to test a research hypothesis is *p*-value approach. In this approach, researchers compute the p-value on the basis of a test statistic and thencompare it with the significance level (test size). If the p-value is smaller than the significance level, researches reject the null hypothesis. A p-value is considered as amount of risk that researchers have to take when rejecting the null hypothesis. This study used the test size of $\alpha = .05$ which is at 95% confidence level or 5% level significance. Pallent (2016) states the general rule to reject Ho if $p < 0.05$ and accept Ho if $p \geq 0.05$. Table 4.14 above presents regression coefficientresult. According to Dhakal (2018) unstandardized coefficients indicate how much the dependent variable varies with an independent variable when all other independent variables are held constant.The regression coefficient provides the expected change in the dependent variable for a one-unit increase in the independent variable. In order to measure the contribution of each independent variable on the dependent variable the study considers the following model specification by using unstandardized coefficient values.

Where: x1, x2, x3 and x4 are independent variables of the study (i.e. Attitude toward behavior, Subjective norm, Perceived usefulness, Perceived ease of use) respectively. From the above regression equation the researcher understands that keeping all other variables constant: For every one-unit increment on Attitude toward behavior, the percentage of E-banking service usage increases by 16.5% in the study area. For every one-unit increment on Subjective norm, the percentage of E-banking service usage increases by 20.9%. For every one-unit increment on Perceived usefulness, the percentage of E-banking service usage increases by 26%. For every one-unit increment on Perceived ease of use, the percentage of E-banking service usage increases by 35.3%. As it can be seen from the regression result, out of four independent variables, the

effect of Perceived ease of use is the most significant, followed by Perceived usefulness, Subjective norm and then Attitude toward behavior

4.6 Interview questioners

1. **How was customer's intension to use E- banking service?**

According to the bank managers of CBE E-banking also allows TO customer's check and print balance inquiries, view transaction histories, transfer cash, pay online utility bills, and make online purchases, among other things. Customers can also seek many forms like mortgage, auto, and equity, home, personal loans and students through E-banking. Its Fast, cost-effective, widely accessible, and service hours are the main concern of customers in choosing their online banking and performance expectancy, effort expectancy, and social influence as significant factors influencing customers' intention to adopt Internet banking by customers. Beliefs, attitudes, and intention-behavior explained and predicted technology acceptance among potential users most important factors affecting customer satisfaction in the internet banking identified, include: efficient and reliable service, fulfillment, security / trust, site aesthetic, online responsiveness / contact, ease of use and website navigability,

2. **How the bank knows whether customer satisfied or not in E- banking service?**

The bank use Periodic surveys that can track customers' overall satisfaction directly and ask additional questions to measure repurchase intention, likelihood or willingness to recommend the company and brand to others, and specific attribute or benefit perceptions likely to be related to customer satisfaction. CBE measure customer satisfaction regularly because it is one key to customer retention. A highly satisfied customer generally stays loyal longer, buys more as the company introduces new and upgraded products and services, talks favorably to others about the bank, pays less attention to competing brands and is less sensitive to price and costs less to serve than new customers because transactions can become routine. Banks used to measure the quality of service were: Access, Communication, Competence, Kindness, Credibility, Reliability, Responsiveness, Security, Tangible Elements, Understanding / Knowledge of the Customer

3. **Which factor mostly influenced your customer in using E- banking service?**

In CBE according to the manager Perceived ease of use and perceived usefulness are the main factors which influence the intention to use of e-banking. E-banking services should be easy to use in order to ensure customer use. One of the reasons for the failure of e-banking in the USA is the difficulty of use regarding the technological innovation of e-banking services. These factors

include useful- ness, convenience, security, design, trust, quality, and value. These factors influence electronic banking adoption rates, customer satisfaction, and customer loyalty also influenced customer in using E- banking service

4. What measures are used in CBE to sustain customer satisfaction in E- banking service?

To sustain customer satisfaction in E- banking service CBE used different methods this are Simple account opening process: as the traditional onboarding process often requires multiple paper forms and in-person checks, customers expect an optimized way to go through those steps remotely. For the banking and finance industry, digitalizing the way customers onboard is a game-changer as it minimizes time and effort spent on the initial session.

Effortless accessibility: f smartphone users prefer checking their financial activities through mobile apps. Thus, banks and financial institutions need to develop easy-to-use digital platforms that can be simply accessed across multiple devices, especially via mobile phones. Usually, users look for a broad range of banking features, seamless experiences, and convenient monitoring of all financial transactions.

Tailor-made services: users are always behind personalized services and relevance. They are more likely to engage with the products that match their needs, such as credit, investment, savings, and more. You can identify customers' major requirements and provide personalized support to help shape their banking experience. Data security: undeniable, the BFSI sector is sensitive to security. When sharing personal information and data, banking users usually want to keep it confidential. Hence, it's vital for you to build trust to withstand a healthy relationship with them

Make application registration simple: reduce the number of unnecessary or duplicated steps and create a straightforward design that releases stress for users while registering. Design clear transaction history: checking balance is one of the preferable activities of banking customers when using mobile apps. So, it's vital to make this section clear and easy to understand. Build on customers' familiarity with smart devices: based on the operating systems (iOS or Android) that the app is designed for, you can build banking apps with patterns familiar to users.

5. How customers and the bank work together E- banking service?

In CBE the relationship between a banker and a customer can be considered as a principal-agent relationship, in which the customer entrusts the bank or the banker with their money and other financial assets, and the bank or the banker acts on the customer's behalf to manage and invest

those assets. For customer-centered banks, customer satisfaction is both a goal and a marketing tool. Banks need to be especially concerned with their customer satisfaction level today because the Internet allows consumers to quickly spread both good and bad word of mouth to the bank

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

This is the fifth and last chapter. This chapter constitutes the summary of major finding, conclusions based on findings and relevant recommendations based on finding as follows.

5.1 Summary of major findings

This research was undertaken to explore the relationship between attitude toward behavior and customer's intention to use internet banking, subjective norm and customer's intention to use internet banking perceive usefulness and customer's intention to use internet banking and perceive ease of use and customer's intention to use internet banking. The most important finding was of course that attitude toward behavior, perceived usefulness and perceived ease of use was important for developing customer intention to use internet banking. It is not possible to build customer's intention to use internet banking without attitude toward behavior, perceived usefulness, and perceived ease of use. However, subjective norm less influence customer's intention than the others, these finding results are area of particular importance for finance institution like banking. The finding from the inferential analysis indicates that attitude toward behavior (ATB) and Subject Norm (SN) has a positive effect on the intention to use Internet

banking. In addition to this Perceived usefulness (PU) and Perceived ease of use (PEOU) has also a positive effect on the intention to use Internet banking proved by the analysis. In this section, each of these relationships are discussed in some detail demonstrating that these finding were consistent with the expected out comes and identifying potential reason why these findings may have been seen. It is supreme importance to ensure that people actually intention to use the system.

- The sample size of 384 questionnaires was distributed and 372 responses have correctly filled and returned which accounted 96.875% of response rate.
- Majority of the respondents 51.1% are males and the majority of this respondents 120 (32.25%) were in the age range of 26-35 years. On the other hand the majority of respondents 160 (43%) were bachelor's degree holders and 29.03% of them have well experienced for 6-12 years
- From total respondent's considered 67.2% of the respondents are married and 31.18 % of the respondents are private employees. When we see their income majority of 38.2% respondents are between 6000-8999. ATM was the pioneer E-banking instrument used by 28.5% of the total respondents.
- The result of the aggregate mean of all Attitude toward a behavior related items was 3.909 with standard deviation 1.06024, which lies between the range of [3.5 - 4.49] and it felt high mean range section and Attitude toward a behavior of customers in order to use E-banking service.
- The result of the aggregate mean of all Subjective Norms related items was 3.4997 and standard deviation of 1.2945 which felt average/moderate/ mean range section.
- The aggregate mean of all Perceived usefulness related items was 4.008 with standard deviation 1.01147, it felt average/high/ mean range section and showed Perceived usefulness of e-banking service usercustomers in the study banks were high level.
- The aggregate mean of all Perceived ease of use related items was 3.416 with standard deviation 1.292, it felt average/moderate/ mean range section and showed Perceived ease of use of e-banking service user customers in the study banks were moderate level according to views of respondents
- The result of correlation analysis shows that there is a strong positive significant relationship between three independent variables (Attitude toward behavior, Perceived usefulness,

Perceived ease of use) and E-banking service usage of customers. The rest independent variables Subjective norm had a moderate strong positive significant relationship E-banking service usage of customers.

- All the variables were found by using Pearson's correlation coefficient. The correlation value r = 0.523 shows that there is a moderate relationship between subjective norm and E-banking service usage of customers of CBE, and the p-value showed that the relationship is significant.
- Regarding to E-banking service usage of customers and Attitude toward behavior, r=0.607, which shows a strong relationship between the two variables, and the p-value indicates that the

  relationship is significant. When Coming to the relationship of E-banking service usage of customers with Perceived usefulness, the r=0.637 showed a strong relationship between the two variables, also p-value shows that the relationship is significant. The value of r=0.712 for E-banking service usage of customers and Perceived ease of use shows a strong relationship, and the p-value indicates a significant relationship between them. The result of correlation analysis shows that all study variables have positive and significant relationship with E-banking service usage of customers in the study area
- The regression analysis indicated that the p- value of Attitude toward behavior p =0.000, which is less than 0.05, Subjective norm its p value = 0.000 which is less than 0.05, Perceived usefulness its p value = 0.000 and Perceived ease of use its p value = 0.000, which is less than 0.05 at 5% of significant level. The result indicated that all independent variables (i.e., Attitude toward behavior, Perceived usefulness, Perceived ease of use) had significant effect on the dependent variable (E-banking service usage) in commercial banks of Ethiopia.
- As it can be seen from the regression result, out of four independent variables, the effect of Perceived ease of use is the most significant, followed by Perceived usefulness, Subjective norm and then Attitude toward behavior

5.2. Conclusion

This study paper provides an insight on the factors influencing intention to use electronic banking in commercial bank of Ethiopia. This study was undertaken to explore the relationship between attitude toward behaviors and customer's intention to use internet banking, subjective norm and customer's intention to use internet banking perceive usefulness and customer's

intention to use internet banking and perceive ease of use and customer's intention to use internet banking in commercial banks of Ethiopia.. The research objectives for this study were: To identify how Perceived ease of use will affect the intention to use electronic banking service in CBE, To investigate how the attitude toward behavior of the customer affect the intention to use electronic banking service in CBE, To identify the effect of Perceived usefulness on the intention to use electronic banking service in CBE, To find out the effect of Subjective norm and technology infrastructure on the intention to use electronic banking service in CBE

These objectives were undertaken using a quantitative survey of 372 respondents in commercial banks of Ethiopia using data collected. The quantitative survey was fist analyzed descriptively. All of these objectives were achieved using linear regression between predictor variables (attitude toward behavior, subjective norm, perceive usefulness and perceive ease of use) and the outcome variable (Customers' intention to use internet banking). Perceived ease of use of e-banking had a high significant effect on customer's intention to use electronic banking. This study has implications for research and practice. On the practical side, the results have shown perceived usefulness is a significant driver to the intention to use electronic banking Bank customers are sensitive to risk. Therefore, banks should seek ways and means to build trust in order to alleviate this risk. When customers trust the bank, they would continue conducting financial transactions over the e-banking banking channels even it is risky because that have confidence in banks to act in their favor.

Electronic banking is expected to attract new technologically savvy customers which would increase the customers' base, and eventually increase revenues and profitability. Based on this study ATM's, mobile banking and CBE BIRR banking are the most popular channels for conducting personal financial transactions nowadays, it is expected that electronic banking becomes the potential channel for future banking services. However, commercial banks of Ethiopia need to offer more electronic banking services and increase awareness of their intention of the customers. This can be done by advertising in their websites, newspapers, social media, TVs, or through SMS messages; which can be an effective way of spreading the use of mobile banking services. So, increased marketing efforts, especially through advertising, would help banks to increase customer awareness and attract more customers who would use electronic banking services channels.

5.3. Recommendation

Electronic banking service may be a few decades banking progression in Ethiopia and in commercial bank of Ethiopia its expansion from time to time is high, so it is a key issue, because it have a significant impact on the full banking activity, at the identical time it is difficult and wish lots of efforts to be adopted and accepted by customers of commercial bank of Ethiopia, so it need an integrated efforts to the intention to use e-banking. The researcher recommends the subsequent possible solutions that may help to indicate the most influential factor over the intention to use E-banking. As per the findings from the analysis of the collected data; the subsequent recommendations are forwarded for the bank so as to provide efficient and effective e-banking service to their customers.

- Commercial bank of Ethiopia should adapt user friendly technologies for the benefit of the users and improving their compatibility of e-banking technology with the customer understanding and educational level.
- Prior service awareness creation is very essential for the customer about E- banking service and security issues before using e-banking service channels. This is often good for the customer to protect themselves from theft
- Majority of respondents generally suggested that electronic banking service might not perform well and process payments incorrectly then CBE should must follow up their e-banking delivery channels frequently
- Making close relation with Ethiopia Telecommunication Corporation to expand Information technology infrastructure and access of internet broadband internet connection the down of internet in ATM machines, POS, mobile banking, internet banking and CBE birr web based platforms.
- As the results of the study show perceived usefulness, ease of use are the most important dimensions that the bank must give attention on how to ease e-banking technology and how to expand the usefulness of e-banking for more achievements
- The commercial bank of Ethiopia should create the notice of the general public to maneuver in to e- banking products and make cash less society.
- Finally this type of research is important in CBE because that would to extend their customers intention to use e-banking services the same as suggestion of findings. A positive attitude amongst customer towards intention to use e-banking by promoting trust

and by decreasing the risk level Thus it could also be more generally relevant because by pointing out the aspects of this study like in this research study on the intention towards to use e- banking and their influence of the independent variables that are perceived usefulness perceived ease of use and subjective norms moreover the intention to use e-banking helping for better understanding the implication and meanings of the customer behavior regarding to intention to use e-banking in CBE.

5.3.1 Limitation and directions for future researchers

The study isn't without limitations one of the limitations that lack of co-operation to provide data from the organization. When we come in to the future direction the future researchers could undertake a more in-depth in cross sectional data. Future researches are also conducted by further extending and refining TAM and test it within the upcoming contexts. As the use of the technology based e-banking service is get accustomed by customers and its application is fully employed within the future, the behavioral intentions like the tendency to modify, barriers and other similar issues are often examined. Therefore further research is needed to understand the group differences for the relationship of attitude and intention adoption between pre-behavior and post-behavior users. Furthermore, the nature of networks that influenced the evolution of banks may have an effect upon attitude, even on the intention to use e-banking. This may provide a meaningful research area for the future researchers. Although this study used a cross-sectional design, one possible direction for future studies is to conduct a longitudinal study to see whether or not the variables and their relationships are consistent with time.

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APPENDIX

ST.MARY'S UNIVERSITY

DEPARTMENT OF MASTER OF BUSINESS MANAGEMENT

QUESTIONARY TO BE FILLED BY RESPONDENT

Dear respondent

I am carrying out a research & in this regard, I need your truthful & valuable opinion through this questionnaire. My research interest is in the (Assessment of Factors Influencing the intention to use of E – Banking: in the case of commercial bank of Ethiopia.) you can help me on current research project by completing the attached questionnaire. I request 10 to 15 minutes of your time to fill these questioners. It is being distributed to you purely for academic purpose and all the responses will be secret. Your neutral choices will be highly appreciated and make this valuable research. Please read the instructions carefully and answer all the questions.

Yours faithfully

By:

Mobile:

Advisor:

Directions for filling the questionnaire

There is no right and wrong answer of the options provided. Therefore, you are kindly requested to fill your real opinion regarding each question. Your response is utilized only for the purpose of this survey.

► Please put a "√" mark on your choice in the space provided
► No need of writing your name

Part (1):-**Demographic factor related questions**

1. **Gender.**

a) Female ☐

b) Male ☐

2. Age group

a) 18-25 years old ☐ c) 36 -45 years old ☐

b) 26 - 35 years old ☐

e) Above 45 years old ☐

3. Educational Qualification

b) certificate and below ☐ e) above masters ☐

c) College diploma ☐

d) Bachelor degree ☐

e) Master ☐

4. Work experience E-Banking Service

a) Below 1 years ☐

b) 1-3 years ☐

c) 3-6 years ☐

d) 6-12 years ☐

e) Above 12 years ☐

5. Marital Status ☐

a) Single ☐

b) Married ☐

c) Divorce ☐

6. Occupations

a) Government Employee ☐

b) Private Sectors ☐

c) Owen Business ☐

d) Other ☐

7). which type of electronic banking service channels most frequently do you use? ☐

(A). ATM ☐ (c) Mobile banking ☐ (e) CBE birr

(b). POS ☐ (d).Internet banking ☐

Part II Questions regarding factors influencing the intention to use of electronic banking

Below are lists of questioners relating to factors that are influencing in the intention to use of E-banking? Please indicate whether you agree or disagree with each statement by ticking (√) on the spaces that specify your choice from the options that range from "strongly agree" to "strongly disagree".

Keys:-SA=strongly agree A=Agree N= Neutral SD= Strongly Disagree D= Disagree

Tick the symbol (√) from the following choices

Factors	**Strongly disagree (1)**	**Disagree (2)**	**Neutral (3)**	**Agree (4)**	**Strongly Agree (5)**
Attitude toward behavior					
I will continue to use-banking services.					
I believe that e-banking will be more relevant in the future					
I still prefer to use e-banking than branch based banking services.					
I intend to increase my use of e-banking.					
Using e-banking for banking transactions is a good idea					
E-banking is better than the traditional banking system.					
I encourage others to use e-banking services.					
E-banking makes it easier for customers to do banking activities.					
Based on my experience, I am very likely to return to use e- banking services					
Provided that if I have access to e- banking system in future, I will use it					
I will use e- banking on a regular basis in the future					
I will intend to use E- banking system as often as needed					

Subjective Norms (SN)					
My decision to use e-banking is influenced by my colleagues and friends.					
My decision to use e-banking is influenced by my family.					
My decision to use e-banking is influenced by other service users.					
E-banking services channels are secure and I believe in it.					
The dynamic change in IT is a serious challenge for understanding about E-banking					
Network failures are serious problem to use E- banking.					
High rate of illiteracy affect the easy practice of E-banking service					
Perceived usefulness					
E- banking is convenient, in terms of 7 days and 24 hours services					
information technology Improve customer service					
Electronic banking is convenient, in terms of time saving					
In my opinion E-Banking Increases the productivity of the bank.					
In my opinion e-banking Reduce number of customers come to the banking hall					
Perceived ease of use					
I think that learning to use electronic banking service would be easy.					
I think that interaction with electronic banking service does not require a lot of mental effort.					
I think it is easy to use electronic banking service to					

accomplish my banking tasks					
Availability of quality internet/ network connection (AQIC)					
For me accessing internet service is easy.					
The Internet/ network connection enables me to access the bank's website 7 days a week and 24 hours a day.					
The Internet/ network connection enables me to access the bank's website 7 days a week and 24 hours a day.					
The Internet/ network connection enables me to access the bank's website 7 days a week and 24 hours a day.					
E- Banking service					
I will continue to use e-banking services					
I still prefer to use e-banking than branch based banking services					
I intend to increase my use of e-banking					
I recommend others to use e-banking service					
I usually use e-banking services for banking transaction activities					
I am satisfied with usage of e-banking services					

Interview questioners

1. How was customer's intension to use E- banking service?
2. How the bank knows whether customer satisfied or not in E- banking service?
3. Which factor mostly influenced your customer in using E- banking service?
4. What measures are used in CBE to sustain customer satisfaction in E- banking service?
5. How customers and the bank work together E- banking service?

Thanks for your cooperation!