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ASSESMENT ON CHALLENGES OF INTERNATIONAL BANKING PRACTICE THE CASE OF UNITED BANK S.C

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ADDIS ABABA

ASSESMENT ON CHALLENGES OF INTERNATIONAL BANKING PRACTICE

THE CASE OF UNITED BANK S.C

A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF GRADUATES STUDIES IN PARTIAL FULFILLMENT FOR THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION IN ACCOUNTING AND FINANCE

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DECLARATION

I, Aymen Sefa, hereby declare that this research thesis entitled ’**AN ASSESSMENT ON CHALLENGE OF INTERNATIONAL BANKING PRACTICE IN CASE OF UNITED BANKS.C’’**itismyownoriginalworkandthatallsourceshavebeenaccuratelyacknowledged, and thisresearch has not beensubmitted or presentedfor partial fulfillmentmaster or degreeinanydepartment and other universitiesin previously.

Researcher’s Name	Date	signature
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CERTIFICATE

I hereby certify that the thesis's entitled**'AN ASSESSMENT ON CHALLENGE OF INTERNATIONAL BANKING PRACTICE THE CASE OF UNITED BANK S.C''** by Aymen Sefa has been prepared after due consultation with me. The Thesis has approval and has to my knowledge, the potential developing in to a comprehensive thesis work. I also agree to supervise the above mentioned thesis till its completion.

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ST MARYS UNIVERSITY COLLEGE

DEPARTMENT OF ACCOUNTING AND FINANCE

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BY:

AYMEN SEFA (SGS/0561/2014)

APPROVED BY THE COMMITTEE OF EXAMINER

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List of Acronyms

ATM	Automated Teller Machine
IB	Internet Banking
NRFCY	Nonresident Foreign Currency
NPLS	Non Performing Loan
PSD	Payment Service Directive
BHCA	Bank Holding Company Act
USD	United states dollar
ECB	Ethiopia Commercial Bank
CMU	Capital Market Union
SPSS	Statistical Package for social Scientist

ABSTRACT

Examining the difficulties associated with United Bank's foreign banking practice is the study's primary goal. The study is based on information acquired from seven branches in Addis Ababa that are currently offering various financial services. Purposive sampling was utilized in the study's non-probability sampling design to choose 50 respondents. The research used a qualitative approach to accomplish its principal goal. In order to examine the numerical data that was acquired using tables, the study used a descriptive statistics data analysis method. The study's findings show that implementing and expanding international banking practices has been extremely difficult. In addition the study show that there are advantages, obstacles, and issues associated with the Bank implementing internet banking; nonetheless, the advantages have been shown to exceed the obstacles and challenges. The study identifies the challenges and operational benefits of implementing new international banking practices. As a recommendation, the bank must ensure that its staff members receive appropriate and ongoing training in knowledge-based methodologies and diverse international banking practices. Additionally, the bank ought to increase its advertising at the branch level by utilizing its staff to inform clients about the advantages of implementing various international banking practices.

KEY WORDS:-International banking practice, Operational and Service benefit

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Banking services involves mobilization of fund in the form of saving, deposits, checking accounts and time deposit that are payable on demand and lending service to the business organization and individual traders. The funds should be employed to produce the maximum benefit to the bank in the form of service charge or interest income for the economic benefit to the community at large (CGFS, 2014).

International trade is concerned with business transaction that takes place between different nations. In other word we are referring to import and export businesses. International trade rise due to uneven distributionof resources in different countries which give rise to relative difference in cost and price of goods and services. International trade demands a flow of goods from seller to buyer and payment from buyer to seller. There is no doubt that importing or exporting goods and services bring exciting new opportunities. Raw material can be cheaper, earning and profit can be higher and dependency on domestic markets can be reduced. Taking this opportunities is not without challenges but banking professional are dedicated to helping people mitigate the risks whether commercial, currency or political. In the globalize world the movement of goods and services from one part of the world to the other part of the world and the process of payment is a day to day routine activity and the progress oftechnology , the discovery of new mineral exploration sites and the emergency of new economic market volumes international trade. With the expansion of the market volume and the parties involved there , the handling of the international trade also become more sophisticated requiring more advance ways of handling procedures.

Cross border trade or transaction entails additional and greater risk than domestic business transaction. International business comprises large and growth portion of the world total business, today, global events and completion affect almost all companies because most sell out put to and secure supplier from foreign countries.

International Financial Conference at Brussels in 1920 passed a resolution to the effect that all countries should establish central banks of their own. In our country National Bank of Ethiopia (NBE) have control over private and governmental banks.

United Banks, provide full-fledged international banking service in their branches including facilitation of import and export transaction, handling inward and outward money transfer services, purchase and sell of foreign currencies, and providing deposit services in hard currencies.

However, International banking services products have their own risk and challenges. According to the researcher/student work experience at some selected private banks foreign currency demand is more than supply. Therefore, most of the time banks are operating under scarce foreign exchange conditions. Such situation creates competition for this scarce resource among customers and causes dissatisfaction because of unfair treatment and to the worst may result in corrupt practice.

International banking practices have had a major impact on the global banking sector for more than ten years. The development of international banking practices has helped banks and other financial institutions throughout the world perform better as financial intermediaries (Chang 2002, Haynes &Thompson 2000, Venkates et al .(2003)).

Many commercial banks throughout the world have been able to embrace international banking practices in order to stay major players in the global banking business thanks to advancements in banking service delivery and other practices. The banking sector is using new online communication channels these days to conveniently provide value-added services to its clients Zimucha et al. (2012).International banking practices have been swiftly adopted by numerous banking organizations, which view differentiated practices as a valuable means of facilitating communication between financial service providers and their clientele.

The increasing adoption of international banking innovations by banks has significantly lowered transaction costs and accelerated the delivery of services. Because of the nature of financial intermediaries, banks have been forced to focus on product distribution in order to improve production technology. To put it another way, as demonstrated by developments in Over-The-Counter (OTC), Automated Teller Machines (ATM), Telephone Banking, and most recently, Internet Banking (IB) Yoonh et al. (2007), the evolution of banking practice has mostly been driven by changes in distribution channels.

One of the first banks in the nation to offer a variety of globally recognized financial services is United Bank S.C. Viewing every transaction you make with your bank gives you access to information about current, savings, and overdraft account transactions as well as loan details.
Therefore, the main concern of this study is to assess the practice and challenges of international banking service on selected United banks in Ethiopian and to identify major challenges of international banking service.

1.2 Background of the organization

One of Ethiopia's first large private banks was United Bank S.C. In compliance with the 1960 Ethiopian Commercial Code and the Banking Business Proclamation No. 84/1994 regarding license and supervision, the bank was established as a share company on September 10,1998 G.C.

The bank started out small, with only a few branches and employees. Currently, United is a well-known brand in Ethiopia, with over 400 locations (and counting), more than 5000 staff members, and numerous agents around the country. Additionally, it was the first bank in Ethiopia to offer digital banking services to the country's banking sector. Thanks to its cutting edge technology, the bank is able to consistently lead the way in launching cutting edge financial services and goods.

We were able to be a trailblazing partner with major national companies like Ethiopian Airlines in "Hibir Sheba miles" and Ethiopian Telecom in "Hibir mobile top up" because of our technological advantage and solid reputation.Our extensive nationwide network of branches and agents, together with cutting edge multichannel banking, guarantees us accessibility to consumers. One of the bank's main competitive advantages in the Ethiopian banking market is, of course, its extensive global network of correspondent banks, which supports the bank's international banking. Under the direction of an accomplished group of seasoned bankers, United Bank is constructing a robust financial framework and a mutually beneficial “ecosystem” for its strategic partners and clients through a range of value offerings. Large domestic and foreign corporations, as well as non-governmental organizations and institutions, favor United.

1.3 Statement of the problem

A robust banking sector is critical in every nation today due to the increased competition in all industries and the impact it can have on supporting economic growth through effective financial services. In comparison to the rest of the world, Ethiopia's Banking sector is one of the least developed. Cash continues to be the most common form of trade in Ethiopia, and few people are familiar with, much less utilize, electronic banking.

As a result, many banks are changing their business models to more effectively and affordably reach customers around the world. As a result, banks are working to develop the technologies that will enable them to offer their services and goods through the most economical channels; one such channel is the adoption of electronic banking, also known as internet banking. These services are offered at lower transaction costs than the conventional method. Every company in the globe is receiving knocks at their front doors from the quickly expanding information and communication (Booz & Hamilton, 1997) .The specific features of international banking practice, namely operational, reputational, legal, and strategic risks, have the potential to increase an organization's overall risk portfolio and the levels of risk typical of traditional banks Nicole et al.(2009). Banks are encouraged to assess their current technology and examine their internet banking and e-commerce methods due to a number of issues, including customer service, demographic concerns, and competitive costs.

The major task for banks is to make the most of internet banking technology and make sure its advantages outweigh the costs and dangers of doing business online (internet banking comptroller's manual, 1999).

There are 19 commercial banks registered in Ethiopia, and all of them are using different international banking methods, according to the website of the Central Bank of Ethiopia .One of the private banks that offers its customers a variety of international banking practices in order to meet their needs and outperform the competition is United Bank S.C.

Despite the fact that there have been several researches on online banking, there have been relatively few studies on the difficulties and advantage associated with the adoption of international banking methods in developing nations. However, to the best of the researcher's knowledge, no study has been conducted to specifically address a determining the factors affecting adoption of international banking in United Bank, Whereas prior studies focused on the difficulty and adoption of E-banking in Ethiopia and heavily focused on the client side of the implementer (Wondwossen and Tsegaye 2005,Garedachew 2010).Therefore, the aim of this study is to investigate the benefit and obstacles related to the adoption of international banking service at United Bank.

1.4 Research questions

The following research inquiries should have responses from the study;

- What are the difficulties in implementing the project for international banking practice in United Bank?
- What are the benefits gained from implementation of international banking practice?
- What are the driving factors behind the creation and implementation of various global banking practices?
- What effects do national bank rules and regulations have on global banking operations?

1.5 Objective of the study

1.5.1 General objective

The overall goal of this study is to evaluate the challenge and difficulties posed by global banking practices in United Bank.

1.5.2 Specific objective

The study's particular goals are;

- ➢ To identify the difficulties associated with implementing various international Banking Practices at United Bank.
- ➢ To identify the benefits associated with implementing various international banking Practices at United Bank.
- ➢ To assess the effect on international banking activities of some specific laws and Regulations created by the government.
- ➢ To assess the factors that led to the development of international banking Services at United Bank.

1.6 Significance of the study

The results of this study are helpful to the management of the bank since they clearly show the difficulties in integrating international banking standards. This study also aids bank management and other banking industry stakeholders in identifying and developing strategies that would advance banking service by putting various banking practices into practice. Additionally, the study serves as a foundation for additional research because the results obtained would be a ready source of literature for other scholars researching international banking.

1.7 scope of the study

The study's geographic focus is only on Addis Ababa's branches, which limits its coverage. The employees of a few selected United Bank branches in Addis Ababa received the questionnaires. Although diverse foreign banking methods are currently being used by the branches, not all employees are taken into account. Consequently, the generalization might not apply to them. Additionally; clients will not be included owing to a time and resource constraint.

1.8 operational definitions of terms

International trade (Foreign Trade): - is the exchange of capital, goods, and service across international borders or territories. (CGFS, 2014)

International Banking service: - banks product which are specially tailored to facilitate international trade transaction i.e. export and imports. (Committee on the Global Financial System 2014).

International Standard Banking Practice (ISBP):- International standard banking practice for examination of documents under documentary credits, like commercial invoice, packing list, certificate of origin and bill of lading/air way bill/ truck way bill. ICC (2006).

Financial services: **-** are defined in the GATS as including any service of a financial nature offered by a financial service supplier, includes all banking and other financial services, as well as all insurance and insurance-related services (Bulto, 2006).

Financial services liberalization: - states to the elimination of discriminatory quantitative or qualitative regulations that discriminate against foreign and domestic financial services providers by limiting market entry or commercial presence (Ageba & Bienen, 2008).

Foreign Bank: - is a kind of International Bank that is obligated to follow the regulations of both the home and host countries.

Foreign Bank entry: - is the expansion of foreign banks in to domestic banking sector abroad.

Letter of Credit (LCs): - It is the most secure instruments available to international traders. Credit means any arrangement, however named or described, that is irrevocable and thereby constitutes a definite undertaking of the issuing bank to honor a complying presentation. (ICC, 2007).

1.9 Limitation of the study

Geographically, this research only comprises city branches. It was not able to gather and include the opinions of eight respondents owing to personal issues or, in some cases, negligence, therefore the methodology of this research focused on sample of respondents. As a result, the research will only be included for the study’s intended population .

1.10 organization of the paper

The study is divided into five chapters. The first chapter contains background data, a problem description, research questions, as well as information about the significance, scope, and constraints of the study.

Chapter two is a survey of the literature on international banking procedures, and Chapter three discusses the study's methodology. Chapter four presents the data analysis findings. A comprehensive conclusion and recommendations are provided in chapter 5.

CHAPTER TWO

2. LITRATURE REVIEW

2.1 Introduction

The research will attempt to review many studies, working papers, journals and other relevant materials in order to have a thorough understanding of the study issue and to compare and support the research conclusions with the empirical evidences. As a result, this chapter examines and contrasts the research from the sources described above in light of the study's theme and goal. The theoretical and empirical backgrounds are the chapter's two main subtopics.

2.2 Theoretical Literature

According to early views of international trade, nations engage in commerce for the same purposes as industrial trade. Like people, nations are not able to produce all the goods and services that they want or desire. If each nation focuses on manufacturing the goods it is greatest at creating and trades with other nations to meet their needs and wants, then both nations and individuals stand to gain. The global output of commodities and services is higher than it would be in the absence of trade due to specialization and trade (Sawyer and Sprinkle 2005).

Adam Smith, a prominent proponent of free trade, argued that free trade encouraged the global division of labor, allowing countries to focus their production on the goods they could produce most cheaply and reap the benefits of this division of labor. Smith was a classical economist. Each country gains from specialization in the production of the good that it produces at a cheaper cost than the other nation while importing the good that it produces at a higher cost, according to Smith's concept of absolute advantage (Carbaugh, 2004).

David Ricardo developed the theory of comparative advantage, which builds on Adam Smith's work on absolute advantage and considers a nation's capacity to provide an item at a lower opportunity cost than another nation (Sawyer and Sprinkle 2005).

The idea of reciprocal demand, which was further developed by John Stuart Mill, contends that the interplay between the demands of the trading partners determines the real price at which trade occurs. According to contemporary trade theory, regional variations in supply and demand control the structure of global commerce (Carbaugh, 2004).

2.3 International banking

As part of international banking, banks deal with credit and money transfers across national boundaries. It is also known as international or offshore banking. Put differently, international banking includes cross-border banking operations. It focuses on providing financial services through correspondent banking, representative offices, limited branches, subsidiary banking, acquisitions, and mergers with other foreign banks, as well as on the international exchange of cash. All of the basic ideas and methods employed in domestic bank management are applicable to international banking. International banking encompasses all financial transactions, both private and public, involving two or more nations. Private Banks operate in this sector for financial gain, occasionally in return for public assistance.

2.4 International banking service

Banks provide a variety of services to support international trade, including working capital provision, risk reduction, and foreign payment administration, according to the Committee on the Global Financial System (2014). The term "trade finance" describes bank products created especially to facilitate imports and exports, or international trade. (CGFS, 2014).

Moreover, (Cherunilam, 2006) emphasizes the delicate nature and intense competition of the international market, making bank credit facilities for buyers one of the most important elements in the success of an export company. Furthermore, international trade exposes buyers and sellers to significant risks due to the foreign residence of the trading partner and the difficulty of enforcing contract enforcement (Niepmann and Eisenlohr, 2014). The goal of the trade finance solutions that banks develop and offer is to lower the risk associated with international trade. Furthermore, banks play a crucial role in international trade by offering trade finance solutions that lower the risks associated with exporting commodities.

Furthermore, banks provide trade finance loans secured by letters of credit or other transaction-related documentation to help buyers and sellers meet their working capital needs (CGFS, 2014).

In fact, Niepmann and Eisenlohr (2014) have suggested that trade financing has the ability to restrict exports, especially to the weaker countries during times of crisis.

Less LCs were available in 2008–2009, which led to a decline in exports to the smaller and less developed nations. This was brought on by a fall in bank lending. Consequently, there was a shortage of trade finance.

2.4.1 Reasons for engaging in international banking

Banks engage in international business in order to diversify their operations, increase their sources of income and profits, or obtain resources from other nations. The native market's saturation, the discovery of profitable opportunities elsewhere, and a desire to increase operation volume in order to achieve economies of scale are some specific motivations for extending operations abroad.

The following are some other justifications for doing business abroad.

- Commercial risk might be distributed across different nations.
- Facilitation of global commerce and business
- Participation in global banking can enhance the experience curve impact.
- There may be space for economies.
- Lower service delivery costs
- Popularity and reputation

2.4.2 Modes of international banking

There are numerous ways to enter the world of international finance. This includes subsidiary banks, limited branches, limited representative offices, correspondent banks, bank mergers, and bank acquisitions.

2.4.2.1 Correspondent banks

Commercial banks create a network of foreign correspondent banks to supplement their own facilities globally in order to adequately supply the necessary international banking services. The expenditure of opening a new banking institution, such as an overseas branch, is frequently not justified because there aren't enough transactions being completed for the bank's international customers.

Account partnerships are thus formed with foreign banks to permit international payment methods between the institutions in order to provide service while keeping expenses to a minimum.

Deposit accounts are formed at the correspondent banks, allowing them to send money directly abroad by debiting and crediting the appropriate accounts with settlement to be done later. Such accounts are known as (orvnostro) due accounts. Accounts and due from (orvostro) accounts on the banks books.

In addition to payment accounts, correspondent bank relationship facilitates transactions such as letter so credit, documentary collection, foreign exchange services, and loan services for banks international clients. Thus, the correspondent bank relationship gives the domestic bank a presence in oversee as markets, which permit international transactions to be concluded.

2.4.2.2 Representative offices

All foreign banking that operates globally uses representative offices, yet they are both the most prevalent and have the fewest capabilities. Then, an overseas representative office serves primarily as a point of contact between correspondent banks and the parent bank. Generally speaking, representative offices are not permitted to carry out general banking operations, but they are permitted to accept checks forwarded to the main office, seek out loans for the home office, and cultivate client relationships. But they might not get loans from depositors. Representative offices typically serve as the first step in banking activities since they are a natively affordable way to establish in a new place.

2.4.2.3 Branches and agencies

A branch organization may be established, depending on the scope of services the institution desires to provide. The U.S. international banking act of 1978 contains the fundamental definition of "branch ‘and agency pay." A branch is any location where deposits are accepted by a foreign bank. On the other hand, an agency is any location where deposits from Americans or residents of the United States are not permitted if they are not involved in international business, but where credit balances may be kept. Therefore, the fundamental distinction between agencies and branches is that the latter can only keep credit balances relating to their foreign operations and cannot accept deposits from U.S. citizens or residents. Aside from serving as custodians for specific clients, agencies are not permitted to engage in fiduciary or financial advice activities.

Agencies do carry out a range of activities, like managing letters of credit, to fund foreign trade. Agency and branch activity is primarily focused on the global market.

Due to the larger scale of their operations, branches, as extensions of the parent bank, are typically subject to more state control than agencies. The range of a federal branch's capabilities is comparable to that of a national bank; in addition to other trust authorities, these branches have full deposit-taking, loan, and commercial banking authority.

They are also subject to obligations, constraints, and rules akin to those of a national bank set up in the same manner.

2.4.2.4 Limited branches

A so-called limited federal branch is another method through which a foreign bank may participate in the foreign banking market in accordance with the international banking activities. Essentially, this is an office established by the comptroller of the currency, subject to the requirement that the foreign bank enter into an agreement with the country representative office. Of all foreign banking operations worldwide, this one is both the most widely used and the most constrained in terms of its capabilities. Then, the primary role of the worldwide representative office is to act as a point of contact for correspondent banks and the parent bank. Representative offices often aren't allowed to carry out routine banking operations, but they are allowed to accept checks for the home office to cash, apply for loans for the home office to take out, and cultivate client relationships.

They are not permitted to offer loans or accept epos, though. Since representative offices are a very inexpensive way to establish a presence in a new location, they typically serve as the first step to other forms of banking activity. Regulatory bodies such as Sapex Bank may limit the branches' deposit-taking activities to those that are allowed by law. This office may be created outside the home state of the foreign bank, hence they are only allowed to engage in international deposit-taking activities.

2.4.2.5. Subsidiary banks

By founding new institutions or purchasing existing domestic banking businesses, foreign banks are able to take control of subsidiary banks, and these subsidiaries typically have access to the complete range of banking services.

The terms "baqn" and "subsidiary" have the same definitions as those set forth in Section 2 of the Bank Holding Company Act (BHCA) with respect to the designation of a foreign bank subsidiary.

A national bank or a state bank can both be a subsidiary bank of a foreign bank. While national banks are chartered by the comptroller of the currency under the national bank act, state banks are governed by the laws of the state in which they are located .For instance, although there are no restrictions on foreign ownership in the United States, non-U.S. citizens are not permitted to form a majority on a national bank's board of directors.

2.4.2.6 Bank acquisitions

Firms willing to gained access to international banking operations may also adopt the acquisition approach by acquire in indigenous or domestic banks. However, the acquisition process is guided by stringent conditions. For instance, under the United States bank holding company act, the Federal Reserve board must approve the acquisition.

2.4.2.7 Bank mergers

Another alternative available to individuals who want to offer international banking services in other nations is a bank merger. A foreign bank merging with a domestic bank might happen for a variety of reasons. For instance, this offers a quick and affordable way to enter new markets; it also makes it simpler to establish one's identity across the state, and the bank is able to keep running its regular operations with experienced management and staff.

2.5 The international banking services and operations of united bank

International money transfer

- The cash transferred will be deposited to the account held in our bank within a few minutes of the message being transferred because our bank uses Swift for its financial communications.
- When the money to be transferred to your organization is deposited in one of our accounts held in our correspondent banks, the message will be immediately communicated to us and the money will be deposited to your account held with us in a matter of minutes.

- The incoming transfer service of our bank is effective with a very short processing time. You will be informed about this right away,
- Any account in a bank that has a bilateral key exchange agreement with our bank allows for the transfer of foreign currency;
- In accordance with NBE directives, United Bank can process and execute payments to nation around the globe in any major currency. We can provide links to London, United Kingdom, global currencies.
- In addition, the aforementioned international money transfer companies (such Western Union and Money Gramm) will be used to facilitate international money transfers.

Exchange rate

- Offers foreign exchange services through its branches and forex bureaus, and
- UB manages any foreign exchange transaction with legitimate sellers or buyers in accordance with NBE directions and anti-money laundering regulations.

Foreign currency deposit and other accounts

- In accordance with NBE laws, esteemed organizations may open nonresident foreign currency accounts (NRFCA), nonresident birr accounts (NR birr), and non-transferable birr accounts at one of our branches.
- Businesses can open a variety of manageable accounts in popular currencies like the US dollar, the British pound, the euro, and the birr,
- You will receive two sorts of checks when you open an account, one for the local currency and the other for the foreign currency you opened. You are allowed to move foreign money abroad up to the amount of your account's balance. There is no minimum cash out amount for USD accounts as long as it stays within your account balance cap, local payments must be made in local currency (converted to birr by the prevailing exchange rate),
- The bank is permitted by Ethiopia's central bank to open nr/nt accounts, and
- The bank can issue foreign currency bank drafts at your request.

Forex bureau service

- At all of our branches, we buy and sell convertible currencies in cash notes and traveler's checks.
- We also offer clearing services for personal checks and bank drafts that are Denominated in convertible currencies.

Trade finance service

- By leveraging the correspondent banking relationships we established with more than 98 well-known and highly reputable institutions worldwide, enable payments and finance import and export transactions.

- We provide the subsequent overseas bank guarantees.

  -Guarantee for upfront

  -A bid bond's assurance

  - A guarantee of performance

Money transfer service

- Representing the following money transfer businesses in Ethiopia, such as Manifold Money Exchange
- providing effective money transfer services in accordance with the national bank of Ethiopia

Treasury service

- Manage foreign currency accounts in Dollars, Pounds, and Euros in accordance with Ethiopia's central bank's instructions.

2.6 Challenges of international banking practice

In comparison to the rest of the world, Ethiopia's financial sector is one of the least developed. Cash continues to be the most common form of trade in Ethiopia, and few people are familiar with, much less utilize, electronic banking.

All Ethiopian banks, with the exception of one, are already too far behind to keep up with technology advancements and changes in international banking norms, and they should clearly lay out a timeline for doing so.

The main force behind the global developments is thought to be international banking practices. The globe banking sector is seeing a new phenomenon of unprecedented kind of competitiveness backed by contemporary information and communication infrastructure due to a pervasive and continuously growing information and communication technology.

E-commerce has become a catchphrase for businesses over the past few years as knowledge of the benefits of embracing worldwide banking methods has grown.

In the current corporate environment, information and communication applications are of utmost importance to banks, and the internet has evolved into the main platform for all financial, banking, and business activities. According to statistics, Africa is trailing behind in the adoption of online shopping.However; South Africa, Egypt, Morocco, and Tunisia appear to be leading the way in terms of e-commerce activity in Africa, according to Jensen (2003a). Most rural areas in Africa, where the bulk of small and medium-sized enterprises are located, lack internet access, making it impossible for these locations to do online business. Except for South Africa, the majority of African nations, according to Jensen (2003), only have internet infrastructure in their big cities."

There are a variety of factors that have been suggested as the cause of the sluggish adoption of e-commerce, some of which may be specific to the African continent. In recent years, a number of African nations have advanced their e-commerce connections in order to join the global connectivity roadmap (Magembe, Bas, and Shemi A.P 2002).With the creation of new financial software applications, trading relationships and service delivery within the financial sector are changing quickly. Ethiopian banks would never be unusual in the face of the fast expanding information and communication technology that is knocking on the doors of every enterprise worldwide.

International banking methods are employed extensively in wealthy nations and are spreading quickly in under developed nations. The international banking system is still in its infancy in Ethiopia, where cash remains the preeminent form of exchange.

Ethiopia's banking industry cannot continue to be an exception in growing the use of the system given the rapid spread of electronic payment systems throughout the developed and developing worlds. Thus, the following goals guide the conduct of this study.

• To carry out a survey on the way Ethiopian banks now operate.

• To assess Ethiopia's current international banking practices

• To look into Ethiopia's international banking prospects and major difficulties.

• To suggest the best course of action for implementing various international banking standards inEthiopia.

Due to the physical distance between the parties, different time zones, different currencies, different legal regulations that may apply to the transaction, and the possibility that the parties may not know one another particularly well, international trade exposes the trading partners to a variety of challenges and hazards. Through a range of products, including managing their foreign payments, reducing risks, and providing working capital, banks help to facilitate global trade.

The study, a descriptive study that employs the survey method, evaluates the trade service practices of a few private commercial banks in Ethiopia in order to spot issues, expose fraud, show instances of non-compliance with international standard banking practices, highlight risk areas, and pinpoint knowledge gaps among bank staff according to the research, after releasing the shipping documents sent on a documentary collection basis, the majority of banks do not immediately influence payment to the remitting bank.

Additionally, it can be deduced that the majority of banks do not conduct a thorough evaluation of the consumers of Ethiopian commercial banks who have missed out on the benefits of the banking industry's technical advancements that have been enjoyed everywhere in Africa and the rest of the globe. The Ethiopian banking industry is new to the use of contemporary e-banking tools as ATMs, debit cards, credit cards, Telebanking, Internet banking, mobile banking, and others. Ethiopia is not familiar with e-banking, which is the use of contemporary technology to enable consumers to access banking services electronically, whether it is to withdraw cash, transfer funds, to pay bills, or to acquire business information and advices.

There is no doubt that Ethiopia's banking sector is underdeveloped, and as a result, there is an urgent need to start developing capacity and modernizing the financial system using the most advanced technology available. The current banking system is unable to provide effective and dependable services due to an increase in import-export businesses, international trade, and international relations; as a result, all banks operating in Ethiopia should recognize the necessity of introducing electronic banking systemsto fulfill the demands of quickly developing local and international trades, boosting international trade, and satisfying their customers' needs.

There are various challenges facing the banking sector:

- Regulatory Challenge
- Payment Challenge
- Market Challenge

2.6.1 The payments challenge

The influence of innovative, disruptive technology on banks' retail payment businesses, or the so-called "rise of the Fintech," is one of their main problems. Of course, there has always been competition from non-banks for retail payments services. The well-known non-bank providers are Western Union and Money Gram. But what's new now is that a number of variables are converging in a way that threatens the dominant position that banks now hold in the retail payments sector.

The first step in expanding market access is regulation. The range of tasks that payment institutions are permitted to perform has been widened under the updated Payment Services Directive (PSD), which now includes initiating payments. Additionally, they can offer account details for accounts maintained with other payment service providers. This will eventually and purposefully reduce the market strength of banks.

Additionally, customer preferences are evolving quickly. The ability to connect e-commerce, social media, and retail payments is now expected by consumers. Additionally, they anticipate being able to transfer between digital platforms with ease. These are not strong points for many banks because historically they have prioritized system security and resilience over user experience enhancement due to their stricter compliance requirements.

Third, payments technology is developing at a previously unheard-of rate. Online payments, Smartphone payments, and contactless cards are all growing in popularity. Banks will need to make significant investments to keep up with these technologies, and they must also fight with the reality that their new rivals, like Apple and PayPal, already have a technological advantage.

This payment disruption may have the initial effect of reducing the importance of cash payments, which won't have a significant impact on banks. However, in my opinion, banks should not approach this situation casually.

Deloitte predicts that in 2015, bank revenues from retail payments will equal about €128 billion, or about 25% of all European retail banking revenues. Banks can hardly afford to start seeing margins being squeezed and market share lost in other sectors when profits from lending activities are already low.

Therefore, banks would be wise to take on this threat head-on. If they want to have a long-term business strategy, companies must keep up with technological progress, whether through joint ventures or increased investment. However, banks contributed about 20% of the €10 billion in total investments in Fintech in 2014, and partnerships between banks and non-banks contributed another 20%.The remaining 60% was made up of non-banks, which is a gap that needs to be filled.

The retail payments sector has benefited greatly from new entrants in the past, as history demonstrates. For instance, in the 1930s, merchants were the primary forces behind the introduction of payment cards in the US. More recently, a mobile network provider in Kenya was successful in establishing mobile payments as a common practice in that nation. Because there is no justification for the regulatory structure to safeguard bank rents, PSD was created.

However, policymakers must also pay close attention to how these innovations affect the entire system. Consumer protection shouldn't be compromised in the name of innovation. They do not want an environment where unregulated non-banks put pressure on highly regulated banks to compete on price, which could be dangerous for consumer security.

They also don't want banks that are required to adhere to stricter consumer protection regulations to suffer any disadvantages. Therefore, going forward, authorities must make sure that the regulatory environment is just, not penalizing established operators or strangling new ones.

In the end, having faith in payments implies having faith in money as a trustworthy medium of trade. Consumers must be completely certain that their money can be traded safely for a currency to be considered sound.

2.6.2 The markets challenge

International investors are starting to get more interested in investing in equities markets and government bonds in frontier countries like SSA. Such inflows can aid in the growth of domestic capital markets, but since the majority of investors are likely to focus on a small number of the more developed frontier markets in SSA (like Nigeria and Kenya), the majority of such inflows are likely to be concentrated there.

Although this process is expected to be gradual, the expansion of capital markets in these nations will eventually contribute to a reduction in the dominance of banks in their national financial sectors.

But non-banks are also progressively entering the lending sector in the euro region, in addition to the retail payments market. This the second issue facing banks in the Euro zone: the market challenge.

Since a few years ago, the euro area has seen a trend toward greater capital market-based financing, which is being fueled by both bank deleveraging and the extremely cheap cost of market lending. By, among other things, making it simpler for young enterprises to access risk capital and smaller firms to issue bonds, as well as by expanding markets for high-quality securitization, the Capital Markets Union (CMU) project has the potential to further deepen market finance in Europe in the future. So what will this mean for European banks?

Long-term, more competitive financial services may result from deeper capital markets, which would reduce banks' market dominance. For instance, research examining the pre-crisis period reveals that banks charge greater margins for lending to some borrowers when there is less competition in their domestic markets, and that effect grows in financial systems that are more bank-based. If small businesses had additional opportunities to diversify, such as through effective private placement markets or further development of crowd funding, that situation would improve.

However, there are valid reasons why banks are the main source of funding for SMEs in the majority of national markets.

Banks are unlikely to be replaced by non-banks for a while because they already have the client contacts, information database, and domestic networks required for that type of lending. Therefore, the issue faced by CMU is not about survival, at least not right away. Instead, it's about thriving. CMU offers banks a chance to regain profitability and carve out a position for themselves in the expanding market for new financial products in Europe.

More disinter mediated finance will require banks to act as the major market makers because the euro region uses a universal banking architecture. With CMU approaching, banks have an opportunity to focus on particular products, dominate their markets, and increase their non-interest income.

For banks, the growth of the securitization markets in particular presents substantial opportunities. The need for a conduit between non-bank investors seeking exposure to small businesses and small businesses looking for fresh sources of funding is evident.

Using European securitization markets as an example, one may envision a scenario where smaller, local banks originate loans while larger, international banks issue securities and market them. Additionally, a true CMU would result in the convergence of some insolvency law provisions and the expansion of the markets for distressed debt, both of which would help banks resolve nulls more rapidly in the future and thereby boost the banking industry's shock resistance. Furthermore, if bank finance becomes less significant over time, this may also induce much-needed banking sector contraction, which would, in my opinion, be good for the actual economy. As weaker banks distort competition and make it difficult for other banks to re-price loans, we can observe that overcapacity is currently a barrier to the recovery of bank profitability.

But whether any of this actually happens depends critically on how expansive the CMU initiative is. Many areas for additional work have been proposed in the commission's action plan for CMU, but each will take years to implement. Therefore, it is uncertain what kind of CMU will ultimately develop. Tomorrow, I'm confident commissioner Hill will provide us with further direction on this.

2.6.3 The regulatory challenge

In formulating banking sector laws, SSA governments must strike a balance between the unique objectives of fostering financial sector inclusion, innovation, and development, reducing threats to financial sector stability, and offering sufficient protection to consumers who may not be fully informed. While it would be risky to compromise on the goal of guaranteeing financial sector stability, policymakers and regulators must also be receptive to financial innovation, enabling experimentation and fostering competition from a variety of sources. The knowledge gained from the joint assessments of the SSA financial sector conducted by the IMF and the World Bank identifies a number of areas where strengthening regulatory control in SSAcountries is now required. A pressing reform priority in these circumstances is to increase funding for supervision, provide adequate legal protections and corrective powers to supervisors, and address the under-resourcing of supervision activities and inadequate legislative frameworks that are present in many countries.

Even when these flaws have been fixed, financial conglomerates' unified supervision—which includes both bank and non-bank operations—usually requires greater attention.

As previously mentioned, the growth of pan-African banking associations suggests that home country regulators must pay close attention to the overseas activities of these groups, coordinate their efforts with those of host country supervisors, and share information with them.

However, Banks will continue to be the dominant source of some funding in the euro region throughout the medium term. Therefore, we must ensure that there are no pointless barriers in the way of that process. This gets to the third problem that banks are facing: the regulatory problem. Without a doubt, the regulatory agenda since the crisis has been vital. Bank failures cost society too much due to banks' excessive leverage, lack of capital, and reliance on short-term finance.

The measures that have already been implemented have improved resilience and, in the worst case scenario, reduced the cost of bank resolution. Furthermore, there is no justification for why this should, in theory, limit banks' capacity to support the actual economy; for instance, research indicates that increased bank capital has no detrimental effects on lending.

But as more regulations are added, we are aware that they may potentially incur costs. In the language of economics, governments must always exercise caution to avoid unintentionally creating new externalities while striving to internalize existing ones. Under the headings of complexity, clarity, and consistency, the potential dangers might be enumerated.

Since 2009, regulations have accumulated and tended to get more complicated, bringing with them an unavoidable cost for compliance. For instance, a study conducted a few years ago indicated that up to 200 full-time positions would be needed for a midsize European bank to comply with Basel III. That in and of itself is not an issue, but one must consider it in the context of the environment that banks are currently operating in. Banks may experience unintended consequences elsewhere, such as resources being diverted away from innovation, if they simultaneously seek to reduce expenses to restore profitability while increasing the amount of resources they devote to compliance.

That would obstruct the technical adaptation process, which is essential for their long-term viability. Therefore, I would contend that regulators ought to be aware of the strain they are putting on banks and the potential side effects.

Banks need to know exactly what the new regulatory environment will look like in order to properly react to it. The risk of a prolonged period of regulatory reform – and remember the current phase has been ongoing since 2009 – is that it creates a moving target, which in turn prevents the industry from settling into sustainable new business models.

To give just one example, some banks responded to the crisis by switching to a vision of retail deposit-funded subsidiaries, which was also supported by the initial wave of regulation, for example the net stable funding ratio. Now, with the introduction of the total loss absorbing capital rules, they may be forced to reconsider those business models as they will need to issue more unsecured long-term debt.

Finally, regulations must be consistent with one another. In particular, we must make sure that regulation supports this shift and does not adversely affect banks' ability to participate in capital markets if we want banks to play a larger role in a more market-based financing mix. We are aware that one unintended consequence of the reform drive to date has been banks' withdrawal from or reduction in some market making activities.

This is especially problematic for less liquid markets like abs, which rely on market makers to take advantage of transient supply-demand imbalances. It's also one of the reasons the CMU action plan includes a request for data on the overall effect of financial sector changes.

Moving forward, we must be cautious to prevent new restrictions, such as those intended to separate the banking and trading operations of universal banks, from having a detrimental effect on market-making activities that are not supported by appreciable risks. Likewise, we need to be aware of the consequences of a poorly drafted financial transaction law. The uptake of foreign banking services in Greece by customers.

2.6.3.1 The Impact of Government Policy and Regulations on Banking

Banks operating in the United States and in most other countries must contend with heavy regulations, rules enforced by federal and state agencies governing their operations, service offerings, and the manner in which they grow and expand their facilities to better serve the public.

No bank can enter the industry in the United States and in most other countries as well, without government approval. The types of deposits and other financial instruments banks sell to the public to raise funds must be authorized by each bank's principal regulatory agency.

The quality of a bank's loans and investments and the adequacy of its capital are carefully reviewed by bank examiners. When a bank, seeks to expand by constructing a new building, merging with another bank, setting up a branch office, or acquiring or starting a non bank business, regulatory approval must first be obtained. Finally, a bank's owners cannot even choose to close its doors and leave the industry unless they obtain explicit approval from the government agency that granted each bank's original charter of incorporation.

While the reasons for bank regulation are well known, the possible impacts of regulation on the industry are in dispute. The lifting of regulations in banking would subject individual banks to greater risk and eventually result in more bank failures. There is an ongoing struggle between regulated firms and the regulators, called the regulatory dialect.

This means that once regulations are drafted and set in place, bankers will inevitably search to find ways around the new rules through innovation to maximize the value of each banking firm. This struggle between regulated firms and regulators goes on indefinitely.(S.Rose,2002 ,page 69).

2.7 conceptual frame work

International trade exposes the trading partners to various difficulties and risks due to the physical distance between parties, different time zones and currencies, different legalrules applicable to the transaction as well as the fact that the parties may not generally know each other. Banks facilitate international trade through a variety of trade service products like the letter of credit which are used to effect international payments and mitigate the risks, and also by providing the necessary working capital in the form of pre-shipment and post- shipment finance.

While cash-in-advance method of payment is the riskiest method from the buyer's point of view, open-account method, to the contrary, is the most disadvantageous from the seller's perspective. On the other hand, the letter of credit protects the interest of the seller through the principle of autonomy and the interest of the buyer through the principle of strict compliance.

2.8 Empirical evidence

Despite the fact that there have been several researches on international banking practice in foreign countries, there have been relatively few studies on the difficulties and advantage associated with the adoption of international banking methods in Ethiopia. Among foreign researches In recent years, a number of African nations have advanced their e-commerce connections in order to join the global connectivity roadmap (Magembe, Bas, and Shemi A.P 2002).In addition according to Jensen (2003) International banking methods are employed extensively in wealthy nations and are spreading quickly in under developed nations. According to statistics, Africa is trailing behind in the adoption of online shopping. However; South Africa, Egypt, Morocco, and Tunisia appear to be leading the way in terms of e-commerce activity in Africa, according to Jensen (2003).

From local researches, Gardachew (2010) did study on the advantages and disadvantages of Ethiopia's international banking industry. His study's goal was to analyze the state of international banking in Ethiopia and to look into the key obstacles and openings for implementing this practice. Additionally, Wondwossen and Tsegye (2005) conducted a study on the difficulties and advantages of adopting international banking in Ethiopia with the aim of examining these practices in emerging nations, including Africa and Ethiopia.

2.7 Literature gap

However, there are few studies completed in Ethiopia on the implementation of international banking. Various academics have conducted some related studies regarding the difficulties and future prospects of international banking in Ethiopia. Gardachew (2010) did study on the advantages and disadvantages of Ethiopia's international banking industry. His study's goal was to analyze the state of international banking in Ethiopia and to look into the key obstacles and openings for implementing this practice. The author has studied the way banks currently operate and has identified some obstacles to implementing international banking practices, including the lack of appropriate legal and regulatory frameworks, the lack of political stability in neighboring countries, the high rate of illiteracy, and the absence of financial networks that connect various banks. Gardachew (2010) states that the chances provided by international banking learning programs and the governments' dedication to the advancement of international banking practice are what motivate people to adopt these practices.

Wondwossen and Tsegye (2005) conducted a study on the difficulties and advantages of adopting international banking in Ethiopia with the aim of examining these practices in emerging nations, including Africa and Ethiopia contend that, in contrast to the findings of the previous study, the adoption of various international banking techniques might be encouraged by an effective legal frame work and security frame work

CHAPTER THREE

RESEARCH METHODOLOGY

The methodologies and processes utilized to carry out the research study are described in this chapter. The study methodology, research design, demographic and sampling design, data collection methods, data analysis methods, and ethical issues are all included in this chapter.

3.1 Research Approach

A methodology using qualitative approaches was used to carry out the primary goal of this study. The goal of utilizing such qualitative methods approach is to collect data that cannot be gathered by using a single method, so that findings from one approach can, where possible, be corroborated by others.

3.2 Research Design

Creswell (2014) Defined research design as a plan and procedure for research that span the decisions from broad assumptions to detailed methods of data collection and analysis. This study adopted descriptive research design because according to Saunders (2012) it has been found to be beneficial to pose open-ended questions in order to learn more about what is taking place, to gain knowledge about an interesting subject, Moreover, the researcher applied survey design which provides a summarized attitude or opinion of a population by studying a sample from large population via questionnaires. Regarding the time period, the study adopted a cross sectional research design in which data from the subjects was collected in a snap shot.

3.3 Population, Sample size and sampling technique

3.3.1 Study Population

There are 487 branches across the nation among this 239 are city branches. The study target is Addis Ababa so this 239 city branches make up the population. This bank was taken into consideration for the study because it is representative of other banks because most banks in the city offer services that are similar to and applicable to most banks.

3.3.2 Sample Size

The source list, also known as the sampling frame, is a collection of respondents from which a sample must be chosen. It contains all the constituent parts of the target population (Dempsey, 2023).

The study used Taro Yamane's formula to calculate the sample size as a result. The following is a presentation of Taro Yamane's calculating formula:

$$n = \boldsymbol{N}/[\ \mathbf{1}+\boldsymbol{N}\ (\boldsymbol{e})\ \mathbf{2}]$$

To find the sample size, use the formulas n=Sample Size, N=Population, e=Margin of Error, 95% confidence level, and 5% margin of error (Mark et al., 2009).

$n = \mathbf{2}39/[\ \mathbf{1}+\mathbf{2}39\ (\mathbf{0.05})\ \mathbf{2}]$

n=149.6

n = 149.6~150

So the sample size for the study is 150.

3.3.3 Sampling Techniques

Non-probability sampling refers to a range of sampling strategies that assist researchers in choosing study units from a population. Purposive sampling, sometimes referred to as judgmental or selective sampling, refers to a group of sampling strategies that depend on the researcher's judgment when it comes to choosing the unit that will be researched (Orodho, 2009).

Purposive sampling was utilized in the study's non-probability sample design to choose study participants. This was done on purpose by the researcher, who knew that just a small number of the bank's branches needed to be taken into account and that choosing these branches using a probabilistic approach would result in an unrepresentative sample and erroneous findings. Therefore, 150 of the 239 city branches with reasonably big client bases and longer service histories are taken into account.

Additionally, this is done on purpose to target only those employees who have had a greater amount of exposure to online banking service.

3.4 Data source and collection method

Data are gathered for the study from both primary and secondary sources. Primary information was gathered from respondents of United Bank in Addis Ababa using a questionnaire with a specific structural design. Both closed-ended and open-ended questions were present. Secondary data was gathered and analyzed from a variety of industry-related records, documents, and publications, including books, annual reports, and magazines. Both primary and secondary data have been gathered .From branches and the head office level in order to provide adequate and trustworthy data that represents the bank.

3.5 Data Analysis

The data that was gathered has been examined in light of the specified research objective in order to achieve it. The data gathered on various variables regarding the difficulties in applying international banking practices are represented and interpreted using a descriptive analysis. Tables and percentages have been used to analyze an objective. In line with this, descriptive statistics were used to examine the data gathered through surveys using the statistical software for social scientists (SPSS).

3.6 Validity and Reliability

3.6.1 Validity

Measurement accuracy" (Yaremko, 1982) Survey questions must assess the shape or structure of the described object in order to be useful measurement tools (Zaja & Blair, 2005). A statistical method for determining concept validity is factor analysis. Prior to being given to the respondents, the questionnaire's efficacy was also assessed. Component analysis tests were run at the time of analysis to evaluate the efficacy of each question and statement that went into producing the research results.

3.6.2 Reliability

The usual range for Cronbach's alpha reliability coefficient is 0 to 1. The scale's elements (variables) have a higher degree of internal consistency the closer the coefficient is to 1.0. Furthermore, 0.7 is the generally accepted cut-off figure for the degree of Alpha in the majority of social scientific studies (Hulland, 1999). According to George and Mallery (2003), scales with an alpha coefficient above 0.90 are regarded as having outstanding dependability.

3.7 Ethical considerations

The researcher requested permission from the appropriate office to conduct the research in order to assure compliance with ethical considerations. Additionally, attention was paid to reassuring the respondents that all information was handled with confidence. Additionally, any citations to the work of other literary researchers were valued and acknowledged.

CHAPTER FOUR

DATA ANALYSIS AND FINDING

The analysis and interpretation of the data are the focus of this chapter. It deals with data that has been gathered via questionnaire, evaluated using tables, and interpreted using the data gathered.

50 bank employees working at various levels were given the questionnaire, which was produced. Of the questionnaires sent, 42 were completed and returned, accounting for 84% of the total.

The statistical analysis of this study was done by SPSS software; version20.0and descriptive measures of each questionnaire response were conducted. Accordinglythe analysis and important findings from the collected data are discussed in terms of tables below.

4.1 Demographic Information

Information about the respondents' demographics is provided in this section. The demographic data of the respondent reflects the relevant characteristics of the population, which serves as the foundation for the study's legal access to the relevant data. Gender, age, and the total numbers of years the respondent has worked for the organization are among the data collected on the respondent.

4.1.1Gender of the respondents

The genders of the participants in the research were documented and are shown in Table 4.1

TABLE 4.1: Gender of respondent

GENDER	FREQUNCY	PERCENT
Male	25	59.5
Female	17	40.5
Total	42	100

The results of Table 4.1 show that 25(59.5%) of respondents were men and 17(40.5%) were women. This proved that when it comes to staff gender distribution, there are more male employees than female employees.

4.1.2Age of the respondent

The respondents were asked to indicate their age bracket in the survey. The outcomes are displayed in Table 4.2.

Table 4.2: Age of respondent

AGE	FREQUENCY	PERCENT
22-27	6	14.3%
28-33	8	19%
34-39	17	40.5%
40-45	4	9.5%
>45	7	16.7%
Total	42	100%

Table 4.2 above shows that the highest group scored 17(40.5 %) of respondents who were between the ages of 34 and 39, followed by 8(19%) of respondents who were between the ages of 28 and 33, 4(9.5%) of respondents who were between the ages of 40 and 45, and 7(16.7%) of respondents who were over the age of 45.This would suggest that the respondents to this survey were of an age where they could understand the problem and provide reliable data.

4.1.3Duration worked in the bank

Similar to that, respondents indicated how long they had been employed by the bank, and the results are shown in Table 4.3.

Table 4.3: Work experience

Work experience	Frequency	Percent
1-3 year	27	64.3
3-5 year	15	35.7
More than 5 year	0	0
Total	42	100

The lowest percentage of respondents (0%), who had more than five years of work experience, is shown in Table 4.3 of the survey results. The majority of respondents 27(64.3%), have work experience ranging from more than one to three years.

The remaining 15(35.7%) of respondents had only 3-5 years of job experience.This result could suggest that survey participants had sufficient expertise, which would have contributed to the survey's data quality.

4.2 ANALYSIS I OF THE STUDY

4.2.1 Challenge affecting international banking practice

The effective application of new technology is influenced by a number of factors. Respondents were asked to rate how much of the following assertion about organizational, environmental and technological aspects they are agreed with.ALikert scale of 1 to 5 was employed in the study, with 5 denoting “strongly agree” ,4 “agree” ,3 “neutral” ,2 “disagree” ,1 “strongly disagree”.Using mean results, the data were reported below the Table 4.4,4.5,4.6.The mean attempted to inform the average of distribution of the data points for each of individual variable.

The mean values have been interpreted by adopting the criteria suggested by (Scott, 1999).According to his suggestion, for Liker type scale ranging from 1(strongly disagree/highly dissatisfied) to 5 (strongly agree/highly satisfied) interpretation should be like mean up to 2.8 is considered as disagree, from 2.9 to 3.2 means neutral that is neither disagree nor agree and mean above 3.2 is considered as agree.

4.2.1 Organizational factor

Concerns about organizational factors that are brought up in this study include a lack of managerial and technical expertise in the development and application of internet banking technology, high implementation costs because of the price of networks, software, and equipment, a lack of product awareness among employees, and a lack of executive support that hinders the banking sector from adopting and creating new technological innovations. Table 4.4 presents the results.

Table 4.4: Descriptive StatisticsofOrganizational factors

Organizational factor	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	Mean
	F	%	F	%	F	%	F	%	F	%		
Employees' ignorance about international financial services	4	9.5	5	11.9	2	4.8	16	38.1	15	35.7	42	3.5
Exorbitant implementation costs	-	-	3	7.1	15	35.7	4	9.5	20	47.6	42	3
Insufficient backing from the executive	3	7.1	1	2.4	4	9.5	23	54.8	11	26.2	42	3
Insufficient technical and managerial expertise	3	7.1	1	2.4	12	28.6	11	26.2	15	35.7	42	3.5
Grand Mean												3.25

Table 4.4's conclusion reveals that the respondents' technical and management skill and employees awareness lacking on international banking practice were the factor of the implementation and development of various international banking practices. As seen by the mean scores of 3.5.They are regarded as influencing factors for the adoption of international banking practices in the bank.

According to the findings, Organizational factor's average mean is 3.25.This demonstrates how an organizational aspect has an impact on the application of international banking practices. This results from a lack of leadership backing for the technology and employee ignorance of global banking practices. Employees are therefore unable to produce high-quality goods, and if they lack the knowledge and abilities to give satisfied customer care, this combination makes customers reluctant to adopt international banking practices.This is viewed as a barrier for the bank's deployment and expansion of internet banking.

The results are in line with those reached by Wondwossen and Tsegaye (2005), who discovered that a lack of competent labor in the field of international banking practice is one of the barriers preventing the widespread adoption of this practice in developing nations.

The findings are also corroborated by Vaithianathan,S. (2010), who argues that one of the barriers to the widespread adoption of international banking practices in developing nations is a shortage of trained human resources in this field.

The results concur with those of Angelopoulos and Mihiotis (2011), who found that issues with security and privacy, non-familiarity with technologically advanced devices, and relatively low internet usage are the primary factors that negatively affect the adoption of E-banking services.

4.2.2 Environmental Factor

Table 4.5: Descriptive Statics of Environmental factors

Item	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	Mean
	F	%	F	%	F	%	F	%	F	%		
Absence of rivalry	3	7.5	1	2.4	4	9.5	11	26.2	23	54.8	42	3.5
Insufficiently skilled labor	5	11.9	5	11.9	4	9.5	18	42.8	10	23.8	42	3.5
The price of a new technical development	3	7.5	1	2.4	4	9.5	23	54.8	11	26.2		3
Client resistance	4	9.5	1	2.4	9	21.4	13	31	15	35.7		3.5
Grand mean												3.375

The outcomes displayed in Table 4.5 demonstrates that the respondents agreed that Absence of rivalry with other banks affects implementing international banking practice considered as a challenge for the adoption and development of international banking technology and Insufficiently skilled man power as shown by the mean score of 3.5 each..The respondents also agreed Client resistanceconsideras challenges in implementation of international banking practice as revealed by the mean score of 3.5.

In a similar vein, respondents to an open-ended questionnaire said that, in poor nations like Ethiopia, the products of international banking practices are sophisticated and expensive to adopt. The average mean of the factor is 3.375, according to the results. This suggests that issues related to knowledge, technology, and the market environment affect how well international bank

Practices are implemented. These results were in line with those of Ghazi and Khalid (2012), who discovered that technological challenges such security risk, internet quality, and implementation costs are the main obstacles to the expansion of e-business. The results further support Kim's (2010) assertion that one of the things deterring the use of international banking practice is the inability to experiment with various international banking practice environments. The results are also consistent with those of Angelopoulos and Mihiotis (2010), who found that the primary barriers to the adoption of international banking practices are comparatively low internet usage, a lack of familiarity with technologically advanced devices, and issues with security and privacy.

4.3 Benefits that Expected to Realize Adoption of international Banking Practice

A major deciding factor in the bank's choice to embrace internet banking technology is the benefits anticipated from it. Respondents also had to rate how much they agreed with claims about operational and service benefits.

A Likert scale of 1 to 5 was employed in the study, with 5 denoting "strongly agree," 4 "Agree," 3 "Neutral," 2 "Agree," and 1 "Disagree."Below the Tables 4.7 and 4.8, the results were reported as a mean. The mean attempted to inform the average of the distribution of the data points for each individual variable.

By using the criteria proposed by (Scott, 1999), the mean values have been interpreted. His recommendation is that interpretations for Likert type scales should be as follows: mean up to 2.8 is considered disagree, mean from 2.9 to 3.2 means neutral or neither disagreesnor agrees, and mean above 3.2 is considered agree. The Likert type scale ranges from 1 (Strongly Disagree/High Dissatisfied) to 5 (Strongly Agree/Highly Satisfied).

4.3.1 Operational benefit

Table 4.6 Descriptive statics operational benefits

Operational benefit	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	Mean
	F	%	F	%	F	%	F	%	F	%		
Boost banking industry productivity	5	11.9	4	9.5	5	11.9	10	23.8	18	42.9	42	3.5
Helps to modernize banking activity	3	7.1	2	4.8	3	7.1	14	33	20	47.7	42	3.5
Increase reliability and reducing cost	4	9.5	1	2.4	9	21.4	15	35.7	13	31	42	3
Grand mean												3.33

Based on Table 4.6, the participants expressed agreement that the adoption of international banking practices decreased paperwork, decreased transaction costs, and increased industry productivity in the banking sector. This implies that fewer clerks and cashiers are needed to process transactions, and expenses related to paper slips, forms, and other bank stationery have decreased. Additionally, the respondents said that using internet banking technology lowers errors and increases liability. Considering that it can act to fix a systemic operational issue as soon as it occurs.

According to the aforementioned data, the operational benefit average mean score is 3.33.The respondents rated all the criteria roughly equally, and there was very little variation in their responses. This illustrates how the bank can gain operational control, increase efficiency, and cut costs by implementing international banking practices. Additionally, it has aided the bank in accurately recording its transactions and records. The results are consistent with those of Shah & Clarke (1997), who discovered that internet banking services improved bank profitability and drastically decreased expenses while also increasing client convenience due to how quickly and easily transactions can be completed.

4.3.2 Service benefit

The banking sector can profit from online banking not only in terms of operations but also in terms of services. The survey's results are displayed beneath Table 4.7.

Table 4.7: Descriptive Statics services Benefits

Service benefit	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	Mean
	F	%	F	%	F	%	F	%	F	%		
Greater client coverage	4	9.5	2	4.8	4	9.5	13	31	19	45.2	42	3.5
Boost client support	8	19	5	12	2	4.8	15	35.7	12	28.5	42	3.5
Boost the speed of transactions	8	19	5	12	8	19	12	28.5	9	21.5	42	3
Improve bank services' accessibility	3	7.1	2	4.8	3	7.1	20	47.7	14	33.3	42	3
improves image	4	9.5	2	4.8	5	12	15	35.7	16	38	42	3.5
Grand mean												3.3

Table 4.7 indicates that the respondents' use of international banking practices enhances the bank's reputation and expands its clientele, enabling it to overcome geographical constraints and enhance customer service, as indicated by the average score of 3.5 for each response.

The mean value of 3 indicates that the respondents also claimed that the adoption and development of international banking practices improves bank services' accessibility and speeds up transaction times by reaching out to customers in different locations.

According to the study's findings, the average mean score for service benefits is 3.30. The respondents gave nearly identical ratings to each factor, with very little variation in their responses

This demonstrates how efficient customer value-added services and convenience in international banking practices lead to new product and service innovations and market openings for banks and customers alike.

4.4. Driving Forces for Adopting of international banking practice

The respondents were asked to indicate the degree to which they agreed with a number of assertions regarding the factors that pushed the adoption of international banking practices. A Likert scale with five being "strongly agree," four being "agree," three being "neutral," two being "disagree," and one being "strongly disagree" was employed in the study. Using mean results, the findings were shown below the Tables 4.8.

The mean attempted to determine the average for each particular variable by summing up the data points. In order to interpret the Mean values, the criteria proposed by Scott (1999) have been adopted. His proposal is to use a Likert-type scale with five possible interpretations: mean up to 2.8 is considered disagree, mean between 2.9 and 3.2 is considered neutral or neither agree nor disagree, and mean above 3.2 is considered agree. The scale would range from 1 (Strongly Disagree / Highly Dissatisfied) to 5 (Strongly Agree / Highly Satisfied).

Table 4.8: Descriptive Statics of Driving Force

Driving Forces	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	Mean
	F	%	F	%	F	%	F	%	F	%		
Desire to encompass a large geographic area	3	7.1	1	2.4	4	9.5	11	26.2	23	54.8	42	3.5
Desire to enhance client support	4	9.5	6	14.2	9	21.4	10	23.9	13	31	42	3
NBE policy direction that compel the banking sector to embrace technological innovation	4	9.5	1	2.4	9	21.4	13	31	15	35.7	42	3.5
Desire to satisfy customer need and preference	7	16.7	6	14.3	10	23.8	11	26.2	8	19	42	3
Desire to improve relationship with customer	8	19	7	16.7	4	9.5	13	31	10	23.9	42	3.5
Grand Mean												3.3

According to the results shown in Table 4.8, the respondents indicated that improving customer relationships, covering a wide geographic area, improving client support, and meeting the rapidly changing needs and preferences of customers could be the driving forces behind the adoption of international banking practices. These factors are indicated by the mean scores of 3.5, 3.5, 3, and 3, respectively.The respondents also claimed that NBE's policy direction that compel the banking sector to embrace technological innovation by the mean score of 3.5.

The grand mean score result is 3.3, which is above average, according to the above data. This indicates that significant proportion of respondents replied that desire to improve the relationship with customers, desire to cover wide geographical area, desire to satisfy rapid change of customer needs and preferences and desire to improve customer service have a strong influence for adoption and development international banking practice project .Therefore, because of several motivating factors, the bank was established to offer clients contemporary banking services.

4.5 ANALYSIS II OF THE STUDY

Table 4.9: Closed ended question for Respondent

Item	**Does your work unit or branch encounter any difficulties when it comes to foreign banking services?**		
		Number	Percentage
1	Yes	34	81
	No	8	19
Total		42	100
2	**Do you think that international regulations about various kinds of bank charges against the interest of local parties?**		
		Number	Percentage
	Yes	21	50
	No	21	50
Total		42	100
3	**Do you believe that using modern technologies improves international service?**		
		Number	Percentage
	Yes	42	100
	No	-	-
Total		42	100
4	**Do you believe that international laws governing different types of bank fees conflict with the interests of regional parties?**		
		Number	Percentage
	Yes	21	50
	No	21	50
Total		42	100
5	**Do you think lack of knowledge of some regulations by the participating parties could create problem in the international banking operations?**		
		Number	Percentage
	Yes	42	50
	No	-	50
Total		42	100

According to Table 4.9 **item 1**, 34 (81%), of the respondents, think that their work unit is having issues with foreign banking operations. The remaining eight respondents, or 19%, think that there are no issues with international banking that their work unit is facing.

According to **item 2,** 21 respondent or 50%, think that international regulations about various kinds of bank charges against the interest of local parties in international banking operations.

According to **item 3,** regarding the professionalism of the bank's personnel, all respondents (100%) thought that the organization hired experts who were qualified to provide high-quality services to its clientele who are international bankers

According to **item 5,** all respondents (100%) think that that the lack of knowledge of some regulations by participating parties have created a major problem in handling smoothly the international banking operations.

4.6 Additional comments obtained from respondents using closed ended questions.

The responders also brought up the issue of the organization's absence of a worldwide communication infrastructure. Since the provision of international financial services is predicated on intricate contractual agreements and documentation, the time and expense associated with processing the documents by hand are reduced when current communications applications are used inside the business to communicate these documents. Customers are also negatively impacted by the organization's lack of a modern communication system, which makes them wait longer for their orders to be processed manually at different levels when they could have been processed earlier with the assistance of the system.

The respondents also cited trade sanctions imposed by the United States and the United Nations as a challenge to international banking activities. The purpose of these sanctions is to forbid conducting business with particular nations that are regarded as abnormal for various reasons. Any banking connection within the sanctioned nations is prohibited by the UN sanctions.

In light of this, all transactions pertaining to these nations are prohibited and ought to be avoided under all circumstances.

The US sanctions primarily target the banking sector's trade with the sanctioned nations. Any money transfers to the sanctioned nations via its banks are restricted by the USA. Given that the USA has the largest banking network globally; sanctions imposed by the country provide significant obstacles for both international money remitters and recipients.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

The study's conclusion is the main topic of this chapter. It offers an overview of the main conclusions, the thesis's recommendation and conclusion, its limits, and its implications for further research on related topics.

5.1 Summary of Findings

Adopting and growing international banking practices in the banking sector offers many advantages, but there have also been drawbacks. The study discovered that organizational barriers to the bank's adoption and expansion of international banking practices include a lack of management backing and a lack of employee understanding.

The survey also discovered that the two main external obstacles to the bank's adoption and growth of international banking practices are a lack of client awareness of such services and their relative high cost.

Additionally, the analysis showed a list of potential advantages for the bank from implementing and expanding international banking practices. The benefits were classified as operational and service benefits. The study's operational benefits include raising bank productivity, cutting down on paperwork, cutting transaction costs, increasing liability, and lowering errors. The study also discovered a number of service benefits associated with the adoption and expansion of internet banking technology in the banking sector, including enhanced customer service, faster transaction times, wider customer coverage, easier access to services, and improved customer relations among bank customers.

Last but not least, the study evaluated the environmental factors that are the primary barriers to implementing international banking practices. These factors include a lack of competition, the expense of new technological advancements, a shortage of skilled labor, and customer reluctance. It was discovered that these factors are the most significant barriers preventing the bank from implementing various international banking practices.

5.2 Conclusions

The study concluded that the primary variables influencing the difficulties of international banking practice in the instance of United Bank were based on the research findings. The study comes to the conclusion that one of the main obstacles to the bank's adoption and advancement of international banking standards is a lack of understanding among employees.

The study comes to the conclusion that there are advantages, obstacles, and issues associated with the bank implementing internet banking; nonetheless, the advantages have been shown to exceed the obstacles and challenges. The bank must act in order to reduce the difficulties and remove the obstacles.

The study goes on to say that the adoption of international banking practices in the bank was also prompted by the need to cover a large geographic area, enhance customer relations, quickly adapt to changing customer needs and preferences, and provide better customer service.

5.3 Recommendations

The information gathered was analyzed, and the results led to the recommendations that follow in order to operate a successful adoption of various international banking practices.

In order to attain the intended goals, the bank must ensure that its staff members receive appropriate and ongoing training in knowledge-based methodologies and diverse international banking practices.

In order to increase productivity by raising people's awareness levels to use various international banking practices, the bank should give clients and business partners the necessary knowledge and awareness. Additionally, the bank ought to increase its advertising at the branch level by utilizing its staff to inform clients about the advantages of implementing various international banking practices. International banking standards should be accessible and easy to use, thus the bank should be able to simplify and make its banking system as user-friendly as possible. Because they are more user-friendly and come with clear instructions, buyers do not view them as being complex or challenging to use.

5.4 Suggestions for Further Studies

An important factor in the overall health of the economy is the banking sector. The current study examined the difficulties associated with international banking practices using United Bank as a case study. The study suggests that in order to compare the findings, future researchers investigate the difficulties associated with international banking practices in other banks.

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Questioner Distributed to Respondent

Questionnaire on (the challenges of international banking practice in case of United Bank)

Dear respondent,

The purpose of this questionnaire is to evaluate United Bank's foreign banking practices' problems. This questionnaire is intended to gather information from United Bank workers in Addis Ababa in order to conduct a sample study on the title problems of international banking in the context of United Bank. The purpose of this questionnaire is to evaluate United Bank's foreign banking practices' problems. This questionnaire is intended to gather information from United Bank workers in Addis Ababa in order to conduct a sample study on the title problems of international banking in the context of United Bank.

We respectfully ask that you answer all questions completely and objectively, as your response will be crucial to the study's conclusion. Their search will proceed in accordance with your answers and any more pertinent information that may bolster it.

Your willingness to participate in this survey and to answer honestly is highly valued. Your provided information will be kept private and used exclusively for academic purposes.

Thank you, for your cooperation!

General Instructions

Please answer all questions

The questions are both open and close ended, for close endede questions mark your chose on the box specified and for open ended questions answer what you think about the given question.

Part-I Demographic Factor

1) Gender

Male ☐ Female ☐

2) Age

Under 21 ☐ 40-45 ☐

22-27 ☐ 45-50 ☐

28-33 ☐ 50 years and over ☐

34-39 ☐

3) No of years' service (Experience) at United Bank

1-3 year ☐ more than 5 year ☐

3-5 year ☐

1, Does your work unit or branch encounter any difficulties when it comes to foreign banking services?

YES ☐ ***NO*** ☐

If no what are the reason

____
____

2, Do you believe the specialists in your firm are qualified to handle international banking Operations ?

YES ☐ ***NO*** ☐

If no what are the reason

____
____

3,Do you believe that using modern technologies improves international service?

YES ☐ ***NO*** ☐

If no what are the reason

____
____

4, Do you believe that international laws governing different types of bank fees conflict with the interests of regional parties?

YES ☐ ***NO*** ☐

If no what are the reason

____
____

5, Do you believe that the lack of foreign exchange is a risk for multinational banks providing their services?

YES ☐ ***NO*** ☐

If no what are the reason

____
____

Part-II Questions regarding the challenges of international banking practices in case of united bank

Please indicate the level of your agreement on the statements below

1= strongly disagree 2= disagree 3= neutral 4=agree 5= strongly agree

	Potential Challenge	**RATING**				
	Organizational factor	***1***	***2***	***3***	***4***	***5***
1	Employees' ignorance about international financial services					
2	Exorbitant implementation costs					
3	Insufficient backing from the executive					
4	Insufficient technical and managerial expertise					

	Possible existing opportunities	RATING				
	A ,Operational benefit	*1*	*2*	*3*	*4*	*5*
1	Boost banking industry productivity					
2	Helps to modernize banking activity					
3	Increase reliability and reducing cost					
	B, Service benefit					
1	Greater client coverage					
2	Boost client support					
3	Boost the speed of transactions					
4	Improve bank services' accessibility					
5	improves image					

	Do you think the following are the driving force ?	*1*	*2*	*3*	*4*	*5*
1	Desire to encompass a large geographic area					
2	Desire to enhance client support					
3	NBE policy direction that compel the banking sector to embrace technological innovation					
4	Desire to satisfy customer need and preference					
5	Desire to improve relationship with customer					

Please kindly state any other Driving forces for adoption international banking practices at the bank.

____
____

	Environmental factor	Rating				
		1	**2**	**3**	**4**	**5**
1	Absence of rivalry					
2	Insufficiently skilled labor					
3	The price of a new technical development					
4	Client resistance					

If there are any more factors pleas state below with their degree of impact

____

____

Thank you for your time and your response !

Challenges of international banking practice

Organizational factor

A, Employees ignorance about international financial service

Level of agreement	Frequency	Percent
Strongly disagree	4	9.5
Disagree	5	11.9
Neutral	2	4.8
Agree	16	38.1
Strongly agree	15	35.7
Total	42	100

B , Exorbitant implementation cost

Level of agreement	Frequency	Percent
Strongly disagree	-	-
Disagree	3	7.1
Neutral	15	35.74
Agree	4	9.5
Strongly agree	20	47.6
Total	42	100

C, Insufficient backing from the executive

Level of agreement	Frequency	Percent
Strongly disagree	3	7.1
Disagree	1	2.4
Neutral	4	9.5
Agree	23	54.8
Strongly agree	11	26.2
Total	42	100

D, Insufficient technical and managerial expertise

Level of agreement	Frequency	Percent
Strongly disagree	3	7.1
Disagree	1	2.4
Neutral	12	28.6
Agree	11	26.2
Strongly agree	15	35.7
Total	42	100

Operational Benefit

A, Boost banking industry productivity

Level of agreement	Frequency	Percent
Strongly disagree	5	11.9
Disagree	4	9.5
Neutral	5	11.9
Agree	10	23.8
Strongly agree	18	42.9
Total	42	100

B, Helps to modernize banking activity

Level of agreement	Frequency	Percent
Strongly disagree	3	7.1
Disagree	2	4.8
Neutral	3	7.1
Agree	14	33
Strongly agree	20	47.7
Total	42	100

C, Increase reliability and reducing cost

Level of agreement	Frequency	Percent
Strongly disagree	4	9.5
Disagree	1	2.4
Neutral	9	21.4
Agree	15	35.7
Strongly agree	13	31
Total	42	100

Service benefit

A, Greater client coverage

Level of agreement	Frequency	Percent
Strongly disagree	4	9.5
Disagree	2	4.8
Neutral	4	9.5
Agree	13	31
Strongly agree	19	45.2
Total	42	100

B,Boost client support

Level of agreement	Frequency	Percent
Strongly disagree	8	19
Disagree	5	12
Neutral	2	4.8
Agree	15	35.7
Strongly agree	12	28.5
Total	42	100

C, Boost the speed of transaction

Level of agreement	Frequency	Percent
Strongly disagree	8	19
Disagree	5	12
Neutral	8	19
Agree	12	28.5
Strongly agree	9	21.5
Total	42	100

D, Improve bank services accessibility

Level of agreement	Frequency	Percent
Strongly disagree	3	7.1
Disagree	2	4.8
Neutral	3	7.1
Agree	20	47.7
Strongly agree	14	33.3
Total	42	100

E, Improves image

Level of agreement	Frequency	Percent
Strongly disagree	4	9.5
Disagree	2	4.8
Neutral	5	12
Agree	15	35.7
Strongly agree	16	38
Total	42	100

Driving forces

A, Desire to encompass large geographic area

Level of agreement	Frequency	Percent
Strongly disagree	3	7.1
Disagree	1	2.4
Neutral	4	9.5
Agree	11	26.2
Strongly agree	23	54.8
Total	42	100

B, Desire to enhance client support

Level of agreement	Frequency	Percent
Strongly disagree	4	9.5
Disagree	6	14.2
Neutral	9	21.4
Agree	10	23.9
Strongly agree	13	31
Total	42	100

C, NBE policy direction that enforce banking industry

To adopt technological innovation

Level of agreement	Frequency	Percent
Strongly disagree	4	9.5
Disagree	1	2.4
Neutral	9	21.4
Agree	13	31
Strongly agree	15	35.7
Total	42	100

D, Desire to satisfy customer need and preference

Level of agreement	Frequency	Percent
Strongly disagree	7	16.7
Disagree	6	14.3
Neutral	10	23.8
Agree	11	26.2
Strongly agree	8	19
Total	42	100

E , Desire to improve relationship with customer

Level of agreement	Frequency	Percent
Strongly disagree	8	19
Disagree	7	16.7
Neutral	4	9.5
Agree	13	31
Strongly agree	10	23.9
Total	42	100

Environmental factor

A, Absence of rivalry

Level of agreement	Frequency	Percent
Strongly disagree	3	7.5
Disagree	1	2.4
Neutral	4	9.5
Agree	11	26.2
Strongly agree	23	54.8
Total	42	100

B, Insufficient skilled labor

Level of agreement	Frequency	Percent
Strongly disagree	5	11.9
Disagree	5	11.9
Neutral	4	9.5
Agree	18	42.8
Strongly agree	10	23.8
Total	42	100

C, The price of new technical development

Level of agreement	Frequency	Percent
Strongly disagree	3	7.5
Disagree	1	2.4
Neutral	4	9.5
Agree	23	54.8
Strongly agree	11	26.2
Total	42	100

D, Client reluctance

Level of agreement	Frequency	Percent
Strongly disagree	4	9.5
Disagree	1	2.4
Neutral	9	21.4
Agree	13	31
Strongly agree	15	35.7
Total	42	100