SCHOOL OF GRADUATE STUDIES

THE EFFECTS OF ELECTRONIC BANKING SERVICES ON CUSTOMERS' SATISFACTION: THE CASE OF SELECTED BRANCHES OF WEGAGIN BANK IN ADDIS ABABA

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Declaration

I, Hirut Legesse, declare that this research paper “Investigating the Effects of Electronic Banking Services on Customers’ Satisfaction: The Case of Selected Branches of Wegagin Bank in Addis Ababa” is entirely my own work. I have cited all sources used in this thesis and have not plagiarized any material. Additionally, the contributions from others to this work have been duly acknowledged.

Name Hirut Legesse Signature

Advisor’s Approval Sheet

This is to certify that the Thesis entitled “Investigating the Effects of Electronic Banking Services on Customers’ Satisfaction: The Case of Selected Branches of Wegagin Bank in Addis Ababa” submitted in the partial fulfillment of the requirements for the degree of Master of Business Administration to the Graduate Program in ST Mary’s University and has been carried out by Hirut Legesse under my supervision. Therefore, I certify that the student has fulfilled the requirements and hence herby can submit the Thesis to the Graduate Program Office for defense.

Name ofAdvisor Signature

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ACRONYMS/ABBREVIATIONS

ATM	Automated Teller Machine
NBE	National Bank of Ethiopia
CORE	Centralizes, online, real-time and electronic
ICT	Information Communication Technology
POS	Point of sale
PSS	Premiere Switch Solutions
SMS	Short messaging System
WB	Wegagen Bank

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ABSTRACT

Despite the rapid advancement of electronic banking (e-banking) services in Ethiopia, Wegagen bank appeared to lag behind in fully leveraging these technologies to enhance customer satisfaction. The main objective of this study was to investigate the effects of electronic banking service on the customers' satisfaction in Wegagen Bank in Addis Ababa. The researcher specifically focused on assessing the current practices and extent of adoption of e-banking services in WB, the effects of electronic banking services on the customers' satisfaction and assessing the relationship between the-banking service and customers' satisfaction. To attain the objectives, mixed research methods (quantitative and qualitative) were employed. Accordingly, three data-gathering instruments (questionnaire for WB customers, interview for both WB workers and customers, and document analysis) were used to collect data. Based on their large number of customers, three WB branches (Stadium, Lideta and Abnet) were chosen as study areas. From these selected three WB branches **345** *customers were selected as respondents using a purposive sampling technique. Additionally, from these branches,* **thre***e workers (one from each branch) and* **five** *customers were also purposely selected for the interview. The data were categorized and analyzed using descriptive statistics (percentage, mean, Standard Deviation, Pearson correlation and linear regression) for quantitative data, and thematic content analysis with qualitative data. The main findings are: the bank has moderate (Grand mean score= 3.38) practice of e-banking service and the customers have better habit of using the service in WB. On the other hand, availability of internet/wifi (μ=3.6), speed and modernity of systems (μ= 3.59) and availability of materials (μ= 3.58) are the main challenges customers face to have e-banking services. As Pearson correlation coefficient(r) (.083) indicates, there is very weak positive relationship between e-banking practice and customers' satisfaction, and this implies that the bank needs maximum effort to enhance its customers' satisfaction in e-banking services in conclusion, Wegagen bank has a valuable experience of facilitating convenient, prompt and extra-expense saving e-banking service though there are challenges like system reliability, ease of use and service speed that hinder customers to have high satisfaction in the e- banking service However, such challenges might cause the insignificant but positive correctional relationship between e-banking service and customers' satisfaction. Accordingly, recommendations for concerned bodies have been forwarded based on the drawn conclusions.*

Keywords: Electronic Banking, BankService, Customer Satisfaction, Challenges of E-banking

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

E-banking isaprearrangement between a bank or a financial institution and its customers that enables scrambled transactions over the internet. Short for electronic banking, E-banking has various types that cater to customers' different requirements, which can be resolved online (TeamFinFIRST, 2022). Moreover, E-banking is useful for non-financial transactions such as changing ATM PIN, getting a mini statement, updating customers' personal details, balance inquiry or printing an account statement.

The development of electronic Banking in Ethiopia has started since 2001 when the principal state- owned Commercial Bank of Ethiopia announced ATM service in the country, followed by Dashen Bank. WB, a pioneer in Ethiopia banking, has also introduced electronic banking services in Addis Ababa in 2005. This included the implementation of card payment services through ATM and EFTPOS terminals. Moreover, WB has had Visa membership since November 14, 2005. However, it seems to fail to maximize its membership. Although it was the pioneer in introducing ATM based payment system and officially acquired Visa membership, for example, Dashen Bank, a forerunner in introducing e- banking in Ethiopia, has installed ATMs at convenient locations for its own cardholders (Temesgen, Mekonen and Gashaw, 2023).

Currently, almost all of the banks in Ethiopia are providing e-banking service partly or fully in Addis Ababa. Before few years back, there were shortages of ATMs available, only for their own clients due to the absence of system that integrates and centralizes all banks online real-time and electronic (CORE) banking solutions. The payment system is manually handled by means of papers that

The worldwide, increasingly competitive environment in the financial service market has resulted in pressure to develop and utilize alternative delivery channels. The most recently delivery channel introduced is online or electronic banking also known as e-banking (Daniel &Storey, 1997). Online or electronic banking systems offer customers the opportunity for easy access to their banking activities. These banking activities used to facilitate an account balance, money transfers between a user's accounts, from a user's account to someone else account, knowing an account history and to perform different activities. Some banks also allow services such as stock market transactions, and the submission of standardized accounting payment files for bank transfers to third parties (Claessensetal, 2002).

In Ethiopia, Online banking is in its infant stage. Even though, the concept of online banking implemented in Ethiopia with a single service of SMS message during late 2008, it does not show that much improvement as its age. Now days, some banks are adopting e-banking system which is the state of the art. Furthermore, many banks are making what seem like huge investments in technology to maintain and upgrade their infrastructure, in order not only to provide new electronic information-based services, but also to manage their risk positions and pricing. The earliest forms of electronic and communication technologies used mainly in Ethiopian banking offices were automation devices. Therefore, it is important to investigate the effects of e-banking services delivered on customers satisfaction. The purpose of this study was to assess the effects of e-banking services on customer satisfaction in the banking industry.

1.2. Statement of the Problem

Existing literatures reveal that electronic commerce gives competitive advantage for banks by reducing operational cost and providing them with best loyalty and satisfaction to their customers' needs. Now a day when electronic commerce is dramatically expanding, it is very vital that banks should supply electronic banking services in order to survive (Burnham, 1996). However, the present-day customers' demand has shifted from financial (money) security and service delivery to the satisfaction and loyalty of electronic banking system. This is due to the fact that the present- day customer requires fast, convenient service and loyalty (Kwashie, 2012).The concept of satisfaction is extremely important because it raises competition among organizations like banks which provide services with several options to customers as they demand from anywhere. Organizations had deeply studied the nature and using behavior of customers and surrounding environment in order to develop successful strategies to attract and ensure repeated buying habit and to bring the service to the stage of loyalty

(Salieman&Ahlam, 2017). As customers value the easy use and accessibility of e-banking services, banks should provide their customers with quick transaction time, ability to bank from anywhere, and these contribute to high customers' satisfaction (Philipos, 2013). Moreover, customers are concerned about the security of their financial information so the banks are highly expected to have strong encryption, secure authentication methods and robust fraud prevention measures so that their customers will get trust and satisfaction (Tamiru, 2021).

Banks like Wegagen bank in Ethiopia have faced several problems such as poor internet connectivity, system downtime, customer trust issues, and limited digital literacy since many of them adapt and adopt e-banking service at the same time. Due to increasing rate of adoption of e-banking systems, banks face stiff competition in attracting and retaining customers with their e-banking plat forms. In respect to this, having competitive advantages, banks need to provide a high-quality e-banking service (Jaya waldhena, 2004). By increasing quality service, banks can raise the level of satisfaction and loyalty towards the e-banking (Burnatal, 2014). According to Arcanetal (2017), customers prefer the e-banking service to physical banking. All though cash based economy is vastly exercised in Ethiopia, customers of many banks in the country are increasingly preferring e-banking services to traditional and physical banking for several practical reasons, despite the challenges (Sintayehu, 2023).

The Ethiopian banking sector has started the e-banking services lately compared to the other Nations. However, with the start of e-banking services, the sector is characterized by intensively aggressive competition to solicit the customer. To this end, customer satisfaction is the most important factor for

this study. Customer satisfaction is generated from the bank service and their activities. The low extent of development of ICT infrastructure in developing countries when compared with the branches, absence of adequate alternative system which substitutes ATM service for the customer when temporary problem occurs in the machine, network related problems in use of mobile and internet banking, absence of credit card service, under development of technological infrastructure, low level of relevant knowledge creation and innovation. The shift from physical banking to e-banking at Wegagen bank couldn't be as expected; it has weak digital transformation strategies, and poor system integrations. As e-banking becomes more widespread, banks like Wegagen are exposed to increasing cyber security threats, fraud risks, and technical failures, and these issues present serious challenges to customer satisfaction, service reliability and institutional integrity.

Although there are some empirical research works that focused on the loyalty challenges and opportunities of e-banking to be adopted, they have not assessed the customer side effect of e-banking in Ethiopia. Various studies have been conducted on this topic over the years. This study presents different results from previous research papers. Most of the studies focused on challenges and factors influencing the e-banking services. This study, on the other hand, focuses on customers' satisfaction in e-banking service provided by WB. The financial banking industry as well as the bank user community's satisfaction and loyalty is less likely improving from time to time especially the electronic banking service online transfer is not increasing as expected. Because of the problems that arise in the service therefore, the recommendations and results of this study could be different from the others. It tried providing some solutions to minimize the insignificant relationship between e-banking services and users' satisfaction.

Hence, to fill the gap of empirical researches (not assessing the relation between e-banking services and customers satisfaction, this study was conducted on investigating the effects of electronic banking service quality on customer satisfaction in WB in Addis Ababa.

1.3. The Research Question

Specifically, this study aims to answer the following questions:

- What are the current practices of e-banking services and its extent in WB in Addis Ababa?
- What factors mainly influence customers' satisfaction with e-banking services?
- What relationship does exist between customer satisfaction and e-banking services?

1.4. The Research Objective

1.4.1. The General Objective

Thegeneral objective of thisresearch is to investigate the effects of electronic banking service on the customers’ satisfaction in Wegagen bank in Addis Ababa.

1.4.2.Specific Objectives

- To explore the current practices and extent of adoption of e-banking services in WB.
- To examine major factors influencing customers’ satisfaction with e-banking services.
- To investigate the relationship between customer satisfaction and e-banking services

1.5. Significance of the Study

This paper study assessing the effects of electronic banking service on customers' satisfaction. This study is thought to enable the banks to render better electronic banking service to their customers, adopt new strategies to cope with challenges and meet customer needs in the use of these electronic banking facilities. It can also help customers easily make any transaction of money through electronic banking where ever they are at any time without any challenge. This can improve the competitive position of a bank that invests on the service quality factors, and consequently the satisfaction and loyalty of the customers can be enhanced.

1.6. Scope and Limitation of the Study

1.6.1. Scope of the Study

This study focuses on the effects of electronic banking service quality on customer satisfaction, and it was conducted in three selected branches of Wegagen bank (Stadium, Lideta, and Abnet branches) in Addis Ababa in 2024/25. On the other hand, the study was methodologically delimited to use mixed (quantitative and qualitative) research approaches, descriptive and explanatory research designs and three data tools (questionnaire, interview and data analysis).

1.6.2.Limitation of the Study

In this study some limitations should be acknowledged. First, the research was geographically confined to Addis Ababa, particularly focused solely on one bank—Wegagen Bank—thereby restricting the scope and making it difficult to compare results across different financial institutions. Regarding the data collection, on the other hand, the questionnaire was prepared and distributed to 345 respondents, and

263(76.23%) respondents could complete and return the questionnaires. Despite these limitations, the findings offer useful implications for banking services and customer satisfaction strategies.

1.7. Organization of the study

The study paper consists of five chapters. The first chapter deals with its Background, statements of the problem, objectives, scope, significance, and organization of the research. The second chapter deals with the literature review and the third Chapter contains the research methodology: research approach, research design, types and sources of data, sampling techniques, method of data collection and analysis techniques. The fourth chapter discusses the details of analysis, interpretations and discussions of the results obtained. The last chapter presents the conclusions and recommendations of the thesis.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter presents a review of previous studies related to the present study. The chapter constitutes examination of studies related to e-banking and customer satisfaction in the service industry especially in the banks. It also examines the service dimensions of e-banking affecting customer satisfaction in the banking industry. The chapter also outlines the electronic banking services available in the Wegagen bank.

2.1Definition of Electronic Banking

Electronic banking is the distribution of banks' information and services by banks to customers through different delivery channels that can be used with different electronic devices such as telephone or digital television, computer and a mobile phone with browser software system (Daniel, 1999). According to Pikkarainen, et al., (2004), electronic banking is explained as an "internet portal, by which customers can use different kinds of banking services ranging from bill payment to making investments". Apart from withdrawals of cash, electronic banking gives customers access to distinctive sorts of banking transaction just by the snap of a mouse (De Young, 2001). In fact, the use of electronic banking as an option for the dissemination of financial institutions has turned into a competitive tool rather than only an approach to accomplish competitive advantage of preference with the appearance of globalization and fiercer rivalry (Flavián et al, 2004; Gan and Clemes, 2006). Electronic banking alludes to the utilization of the internet as a remote conveyance channel for giving administrations, for example, opening a bank account, transferring funds among diverse accounts and electronic bill presentment and payment (Timothy, 2012).This can be offered in two principle ways. A bank with physical offices can build up a website and offer these services to its clients not withstanding its customary conveyance channels. Second, is to set up a virtual bank, where the PC server is housed in an office that serves as the lawful location of such a bank. The banks offer their clients the capacity to make deposits and withdraw funds by means of ATMs (Automated Teller Machines) or other remote conveyance channels claimed by different foundations, for which an administration expense is acquired. According to Mohamud (2017), E-banking is types of distance banking that handles not only the flow of information between customers “living space” and the Bank’s physical facilities, but also solicitation, sales, distribution and service access, all without requiring the customer and financial institution representative to be in the same physical location at the same time . Having known this therefore, to what extent Wegagen bank practices the e-banking services to its customers is the focus of this study.

2 Forms of Electronic Banking

2.1.1 Automated Teller Machines (ATMs)

Automated Teller Machine (ATM) is a machine where cash withdrawal can be made over the machine without going in to the banking hall. It also sells recharge cards and transfer funds; it can be accessed 24 hours/7 days with account balance enquiry (Fenuga, 2010). An automated teller machine (ATM), also known as an automated banking machine (ABM) or Cash Machine is a computerized telecommunications device that provides the clients of a financial institution with access to financial transactions in a public space without the need for a cashier, human clerk or bank teller. On most modern ATMs, the customer is identified by inserting a plastic ATM card with a magnetic stripe or a plastic smart card with a chip that contains a unique card number and some security information such as an expiration date.

Rose (1999) as cited in Abor, describes ATMs as follows: “an ATM combines a computer terminal, database system and cash vault in one unit, permitting customers to enter the bank’s book keeping system with a plastic card containing a PIN or by punching a special code number into the computer terminal linked to the bank’s computerized records 24 hours a day”. It offers a great deal of banking services to clients. They are mostly situated outside the banks. They were introduced initially to serve as cash dispensing machines. However, as a result of the rapid increase in technology, ATMs go to the extent of given accounts balances and bill payments. Banks use this electronic banking device, to gain competitive advantage. The combination of Automation and human tellers gives more productivity for the bank during banking hours.

It additionally spares time in customer service delivery as customers do not queue in banking halls, and along these lines can invest such time spared into other productive activities. Furthermore, ATMs ability to work after banking hours provide continue productivity.

2.3.2 Telephone Banking

"Telephone Banking (Telebanking) can be considered as a form of remote or virtual banking, which is essentially the delivery of branch financial services via telecommunication devices where the bank customers can perform retail banking transactions by dialing a touch-tone telephone or mobile communication unit, which is connected to an automated system of the bank by utilizing Automated Voice Response (AVR) technology” (Balachandher et al, 2001).

As indicated by Leow (1999), telephone banking offers several advantages for customers and banks. It provides convenience, easy access and customers also saves time. On the part of the banks telephone banking services are less costly than those of branch based services. It has almost all the benefits of ATMs, except that it lacks the productivity of Generating cash dispensing by the ATMs. Customers get access to banking services at their various offices and homes.

2.3.3 Personal Computer Banking

Personal Computer Banking is a sort of service which provides the bank's clients to access their banking data through a restrictive system, through software installed on their personal PC. By having access, the customer can perform a great deal of banking services. The significance of PC proficiency has brought about expanding the utilization of PCs. This positively bolsters the development of PC banking. Customers have access banking services even at their homes and

According to Abor(2005) as cited in the study Munir, M. M. M., &Rahman, M. (2015), PC-banking is increasing consciousness of the importance of computer learning has resulted in increasing use of personal computers through the entire world. The term “PC banking” is used for banking business transacted from a customer’s PC, i.e., customers can use their personal computers at home or at thei office to access their accounts through the banks intranet proprietary software system by using password.

2.3.4 Internet Banking

Essinger (1999) states that internet banking is “to give customers access to their bank accounts via a web site and to enable them to enact certain transactions on their account, given compliance with stringent security checks”. To the Federal Reserve Board of Chicago’s Office of the Controller of the Currency (OCC), Internet Banking Handbook (2001), Internet banking is described as “the provision of traditional banking services over the internet”. Internet banking provides convenient and flexible services to customers. It enables customers to transact almost all their banking transactions online. One could check accounts, query the bank and also transfer funds to other people on different accounts, it is the most financially savvy innovative method for yielding higher profitability.

2.3.5 Mobile Banking

Mobile banking is a system or platform in which customers are automatically updated on any changes in their account. These changes are may come in the form of account debits and credits or any charges to the account. All it needs for mobile banking is a mobile phone with a well-functioning text messaging system. SMS banking falls under this category. This system uses short text messaging system to inform customers of their account (Chovanova, 2006).

In the study Munir, M. M. M, &Rahman, M. (2015), it is stated that mobile banking is a very recent innovation of e-banking services. It is a wireless internet application of banking- sometimes called m banking. With the combination of internet and mobile phone, a new service (mobile data service) is thus enabled and the first such wireless internet commercial transaction was performed by the banking industry. Tiwari et al. (2007) state that Mobile banking is a term used for performing balance cheeks, account transactions, payments credit applications and other banking transactions through a mobile device such as a mobile phone or personal digital assistant (PDA). The mobile banking services were offered over SMS, service known as SMS banking. Mobile banking is used in many parts of the world with little or no infrastructure, especially remote and rural areas. The scope of offered services may include facilities to conduct bank and stock market transactions, to administrate accounts and to access customized information. In the study by Fikerselassie (2017) Mobile banking is a system or platform in which customers are automatically updated on any changes in their account. These changes are may come in the form of account debits and credits or any charges to the account. All it needs for mobile banking is a mobile phone with a well-functioning text messaging system. SMS banking falls under this category. This system uses short text messaging system to inform customers of their account

2.3.6 Point-of-Sale Transfer Terminals (POS)

In the study Abebe (2016), POS is sometimes referred to as point of purchase (POP) or 3233 Journal of

Positive School Psychology checkout is the location where a transaction occurs. A "checkout" refers to a

POS terminal or more generally to the hardware and software used for checkouts, the equivalent of an

electronic cash register. A POS terminal manages the selling process by a sales person accessible

interface. The same system allows the creation and printing of the receipt. POS systems record sales for

business and tax purposes. POS enhances customers to make payment for goods and services without

necessarily coming in contact with physical cash as the purchase price would be debited on the buyer's

card and credited on the seller's account (Fikerselassie, 2017). It agrees to consumers to pay for retail purchase with a check card, a new name for debit

card. This card looks like a credit card but with a significant difference. The money for the purchase is

shifted immediately from account of debit card holder to the store's account

(Malak, 2007). This type of e-banking handles cheques verification, credit authorization, cash deposit and withdrawal and cash payment. It enhances electronic fund transfer at the point of sales. Thus, customers account would be debited immediately with the cost of purchase in an outlet such as a petrol station or supermarket. The implication of this is that customers can make payment for goods and services without necessarily coming in contact with physical cash as the purchase price would be debited on the buyer's card and credited on the seller's account (Olanipekun et al, 2013).

2.4Benefits of E-Banking

The benefits of electronic banking cannot be over emphasized. This is to say that it provides a lot of benefits both to the customer and the bank itself. To begin with a foremost benefit e-banking Service is competitive branding and as well as better appreciation to the market demands. As such banks that provide services are known to be leaders in technology implementation and advancement. Thus, the better image brand they enjoy. The other advantages may be measured in terms of money. The primary objective of every institution is to increase profits with which banks cannot be excluded. Basically e-banking is important on both on the customer and bank side.

2.4.1Benefits from Bank's Side

To begin with the banks benefit e-banking service is competitive branding and as well as better appreciation to the market demands. As such banks that provide electronic banking services are known to be leaders in technology implementation and advancement. Thus, the better image brand they will bring from the customers. The other returns may be measured in terms of money. The main objective of every organization is to maximize profits including banks. As indicated viewpoints communicated by Mols (1999) it was opined that the Internet is a revolution that will do away the old request holds much influence. The internet revolution in electronic-banking transaction is much less expensive than branch or even telephone transactions.

The other benefits that e-banking enables banks to offer are low-cost, high value added financial services and also benefit from the promotional opportunity to cross sell products such as credit cards and loans (Hawkins, 2001). According to, Karjaluoto (2002) also denotes that helps to banks are cost savings, reaching new segments of the population, efficiency, enhancement of the bank's reputation and better customer service and satisfaction. the online banking strengthens the relationship between the service

2 Benefits from the Customers' Side

According to Jen and Cheng (2006) electronic-banking has made common role for banks and businesses around the world, and that is clear in the way they perform financial transaction. Electronic banking customers can also check accounts, transfer money and can have access to numerous banking products and services. There is no need for Customers to visit banks branch to make transactions, (Cheng et al., 2006). Electronic banking has a vital role in the economy helping buyers and sellers to make financial transaction through the exchange ofgoods and services without physically meet (Cheng, 2006). Customers are able to shop worldwide without the need of carrying paper money.

How croft et al., (2002) in a study, found that an important influences encouraging consumers to use online banking are lower fees followed by dropping paper work and human error, which subsequently minimize disputes (Howcroft et al., 2000) As indicated by perspectives communicated by Mols (1998) it was opined that the Internet is a revolution that will do away the old request holds much influence. The internet revolution in electronic-banking transaction is much less expensive than branch or even telephone transactions.

According to Jen and Michael (2006) electronic-banking has made common open doors for banks and businesses around the world, and that is clear in the way they sort out financial transaction. Although opportunities to banks, there are various difficulties such as the innovation of IT applications, the obscuring business sector limits, rupturing modern boundaries, the passage of emerging competitors, and the development of new plans of action (Liao and Cheung 2003).

According to Rotch and kitumnuai and Speece (2003) E- banking provides various benefits to both banks and customers. With electronic banking customers can check accounts, transfer money and can have access to numerous banking products and services. There is no need for Customers to visit banks to make transactions, (Cheng etal., 2006). Electronic banking assumes a vital part in the economy helping buyers and sellers to make financial worth via the exchange of goods and services by avoiding

2.5Theoretical Review

2 Innovation Diffusion Theory

This hypothesis created by Roger in 1983 discloses people's aim to embrace a technology as a methodology to perform a customary action. The basic elements that focus the appropriation of advancement at the general level are the accompanying: relative favorable position, similarity, complexity, trial ability and perceptibility. It is concerned with the way in which another innovative thought, antique or procedure, or another utilization of an old one, relocates from creation to utilize. As per (IDT) hypothesis, mechanical development is imparted through specific channels, after some time, among the individuals from a social framework. The stages through which a mechanical advancement passes are: information (presentation to its presence, and comprehension of its capacities); influence (the shaping of a good state of mind to it); choice (duty to its selection); execution (putting it to utilize); and affirmation (support taking into account positive results from it).

Early users for the most parts are all the more very educated, have higher economic Wellbeing, are more open to both broad communications and interpersonal channels of Correspondence, and have more contact with change specialists. Broad communications channels are relatively more imperative at the information stage, while interpersonal channels are relatively more essential at the influence stage. Development choices may be discretionary (where the individual or organization has a genuine chance to receive or reject the thought), aggregate (where a choice is come to by accord among the individuals from a framework), or power based (where a choice is forced by someone else or organization which has essential force, status or specialized ability).

Vital qualities of a development include: relative advantage (the extent to which it is seen to be superior to anything what it supersedes); similarity (consistency with existing qualities, past encounters and needs); multifaceted nature (trouble of comprehension and utilization).

Classifications are distinguished as: pioneers (venturesome); early adopters (respectable); Early dominant part (think); late lion's share (incredulous); slow pokes (customary). Prior adopting individuals tend not to appear as something else in age, but rather to have years of education, economic wellbeing and social versatility, be in larger organizations, have prominent empathy, low dogmatism, a more noteworthy capacity to manage abstractions, more noticeable rationality, prominent intelligence, a prominent capacity to adapt to uncertainty and risk, higher goals, more contact with other individuals, more noteworthy presentation to both broad communications and interpersonal correspondences diverts and participate in more dynamic data looking for.

Imperative parts in the development procedure include: opinion leaders (who have generally visit casual impact over the conduct of others); change operators (who emphatically impact advancement choices, by intervening between the change organization and the applicable social framework); change associates (who supplement the change specialists, by having more concentrated contact with customers, and who have less skill believability yet all the more accurately or reliability validity). The change operator’s capacities are: to build up a requirement for change with respect to the customer; to set up a data trade relationship; to analyze the customer issues; to make purpose to change in the customer; to make an interpretation of this expectation enthusiastically; to balance out reception and avoid discontinuance; and to move the customer from dependence on the change specialists to confidence.

2.6Empirical Review Some local and global related studies are conducted by different researchers in different parts of the world Samuel (2022) conducted research on the examining the effect of electronic banking service quality on customer satisfaction and loyalty an implication for technological innovation this study was focused on the effects of electronic banking (e-banking) service quality on customer satisfaction and loyalty in Ethiopia’s emerging banking industry.

Beshir and zelalem (2020) also studied on the effect of E-banking service quality on customer’s satisfaction and loyalty of commercial Bank of Ethiopia (CBE) in Bahir Dar; their objective was studying of the direct effect of e-banking service quality dimensions on both customer satisfaction and customer loyalty of Commercial Bank of Ethiopia (CBE) in Bahir Dar. Quantitative research approach with mixed research design was employed. Using convenience sampling technique, the data was gathered through already tested questionnaire from 380 E-banking service users of Commercial Banks of Ethiopia as respondents, in Bahir Dar Town. Seven service quality dimensions; efficiency, reliability, responsiveness, easiness, product portfolio, privacy and cost, derived from the SERVQUAL model with support of literature review were selected as forecasters of customer satisfaction and contrary, slow the adoption of this electronic mode of distribution and communication by the banks, through analyzing the case of the Lebanese market. In order to test the validity of the theoretical framework, structured survey was used, interview questionnaire that was given to E-banking managers or to information technology managers of all the banks on the official list of institutions operating on the Lebanese market, with a total of 57 banks, 31 of them operate internationally and 26 are strictly local were used to gather data. The results of their study shows that the organizational variables (bank size, functional divisions, technical staff, technical infrastructure, perceived risks, decision makers` international experience and mastery of innovation) are variables which exert significant impact on the adoption of E-banking, among the structural characteristics, the result revealed that internal technological environment of the bank is a very important factor in determining the adoption of E- banking, also the result shows that banks which are developing in the international scale are more likely to adopt E-banking innovations. Other studies indicated in Ghana states that e-banking in the review of empirical literature gives an evidence-based and factual analysis of related works done in the country or outside and in the same area of study or related. Using the technology acceptance model (TAM) model put forward by Davis (1989) and the use of questionnaires, Ankra (2012) conducted a survey in the Greater Accra region with a sample size of 6 banks and 360 customers. He finds that all the banks are engaged in internet banking and had business websites. Customers of the banks are also found to be generally enthused and satisfied with the banks. However, the study finds out that most the customers do not visit the websites of the banks and do not patronize the SMS banking though all the banks had this product (Abor, 2005). Customers are also found not to be patronizing the internet banking platform of the banks. Though most of the customers do not use the internet products and services, they are satisfied with banks with state- of-the-art technology. Aghaei, Biglar, Jamshidian and Asadollah (2013) using 384 customers in Tehran investigates the effect of electronic banking on customer loyalty finds a positive relationship between electronic banking services provided by the surveyed banks and customer satisfaction. A positive correlation between customers‟ income and loyalty of electronic banking services is found. Customers‟ positive experience with electronic banking is positively related to electronic banking customer loyalty. The study finds a negative relationship between customers‟ education and their satisfaction of electronic banking services. Also, customers' loyalty with services of electronic banking is negatively related to their acquaintance with the services provided by banks.

Tetteh (2022) examined the impact of electronic banking service quality on customer satisfaction and customer loyalty using structural equation modeling. The results show that the dimensions of service quality, namely, convenience, ease of use, accessibility, and affordability were found to be significant positive drivers of customer satisfaction. The study also found that customer satisfaction fully mediates the relationship between all four electronic banking service quality dimensions and customer loyalty. In the same vein, the findings of Mwiyaetal.(2022) indicate that security, website attribute, privacy, responsiveness, efficiency, fulfillment and reliability are indeed relevant to electronic service quality and they affect customer satisfaction positively. A study was conducted by Sewaka et al. (2023) to analyze the relationship between service quality, customer satisfaction, and loyalty intention among e-Banking users. The results of this study demonstrated that there is a positive and significant relationship between service quality and customer satisfaction; service quality and customer loyalty; and customer satisfaction, and loyalty intention. In addition customers‟ loyalty to banks in Ghana, specifically the WA Municipality, Mumin, Nkegbe and Kuunibe (2012) uses 130 bank customers and find out that satisfaction, bank type, Distance, automated teller machine, time to transact, switch cost, loan commitment, other facilities and auxiliary banking are the significant determinants of customers‟ loyalty to their main banks. The current study, on the other hand, focused on assessing the effect of e-banking services on customers' satisfaction in Wegagen bank. In this case, the study tried exploring the relationship between the e-banking service provided by the bank and the customers' satisfaction, which couldn't be done by the other empirical studies.

2.7Challenges of E- banking A research by Daft (1982) demonstrated that the rise of E-banking may be a smart thought however with

respect to customers they may confront some risk connected with the specific type of innovation. Daft

identified what he described Strategic Risk. Management of financial institutions should know and

understand risks associated with e- banking and provide remedies for it. Poor E-banking planning and

investment decisions can increase a financial institution's strategic risk.

The costs of establishing e-banking services are high. Establishing a trusted brand is very costly as it

requires the purchase of expensive technology. Some of the problems that customers face

in using

electronic banking services include risk arising from fraud, network and system errors and other

Early further commented that banking activities can expand their activities of establishment's and the amount of its transaction or operational risk, particularly if the organization is putting forth imaginative administrations that have not been institutionalized. Financial institutions should therefore provide reliable services to help customers gain easy access at all times. Another security issue associated with E-banking as introduced by the Economist journal (1999) recounts that E-banking insecurities is classified into three categories, firstly those associated with fraud and theft secondly those by hackers‟ and lastly flaws in systems design or set up leading to security breaches (genuine users seeing / being able to transact on other users‟ accounts). All of these insecurities have financial and legal reputations.

Other challenges associated with electronic banking spans from the type of technology selected, lack of knowledge and lastly implementation. Earl (2002) furthermore identified that while managers understand their business and operational process, their employees mostly lack the skills and experience to adapt to software technologies and educate their customers.

In other to embrace global technology, there ought to be a satisfactory level of infrastructure and human capacity building before developing nations can receive the global technology for their nearby necessity.

The society for worldwide interbank financial telecommunications (SWIFT) to the internet shows that in many developing countries full migration has not occurred as a result of inadequate infrastructure, required technical expertise and working capital. Many corporate and consumers in some developing countries do not have access to the necessary infrastructure to enable them process electronic payments.

2.8. Dimensions of E-banking Influencing Customer loyalty

In the study of e-banking different researcher found different e-banking dimensions affecting customer loyalty as a result. For instance, Jones and Sasser (1995:94), Loyalty dimensions can be divided in two different categories: Perceptual factors such as satisfaction and trust, behavioral factors such as the number of purchased articles. According to Rai and Medha (2013) framed dimensions of customer loyalty as evaluative judgments (serve quality and customer satisfaction), relational outcomes (trust and commitment) and company dynamics (corporate image, communication, switching costs).

2.8.1. Trust

Trust is a level of some one’s confidence in another party’s competence and his performance that trust is “the perceived level of confidence in transaction partners‟ reliability and honesty”. Trust is a level of some one’s confidence in another party’s competence and his performance based on predictable ethical principles (Errol et al., 2005). It is defined as the willingness to rely on an exchange partner in whom one has confidence (Moorman etal. 1993) or confidence in an exchange partner's reliability and integrity (Morgan & Hunt 2004).Chaudhuri& Holbrook (2002) define brand trust as the customer's willingness to rely on the ability of the brand to perform its stated function. Liang and Wang (2006 states in this context that trust is "the perceived level of confidence in transaction partners‟ reliability and honesty".

Trust is "the belief that a partner's word or promise is reliable and a party will fulfill his/her obligations in the relationship" (Schurr&Ozanne, 1985).Trust is an important construct in relational exchange because relationships characterized by trust are so highly valued that parties will desire to commit themselves to such relationships (Hreinian, 1974). Creating trust in customer mind set importance for companies because from the previous studies. Business exchange between two sides or increasingly can happen if they trust each other. Trust can't be conceded effortlessly by other side/business accomplice; it must be built from the earliest starting point and can be demonstrated. Trust is considered as the impetuses in any transactions are occurred between buyer and seller so that the consumer satisfaction can be executed obviously. Trust is a critical precursor of loyalty (Ball et al., 2004). Trust causes devotion on the grounds that it decreases the expenses of negotiating agreements (Berry, 2007) and reduces clients' fear of opportunistic attitude by the service supplier (Bendapudi& Berry, 1997). Honesty is the conviction that an accomplice remains by his word, while consideration is the conviction that the partner is occupied with the client's welfare, and won't bring activities with negative effect on the client Morgan & Hunt (1994) additionally recommend that brand trust prompts brand loyalty and commitment in fact trust makes trade connections that are highly valued. So as to build the levels of environment where clients feel powerless in light of the fact that they know they can depend on the trusted association (Aydin&Ozer 2005: 146).

2.8.2. Commitment

is described as a psychological state where customers have plans to continue the relationship with their existing supplier, it is important determinant of the strength of a marketing relationship, and a useful construct for measuring the likelihood of customer loyalty and predicting future purchase frequency (Morgan and Hunt, 1994).They defined commitment as an enduring desire to maintain a valued relationship. Commitment is defined as a desire to maintain a relationship (Moorman, Deshpande&Zaltman 1993; Morgan & Hunt, 1994). Dwyer et al. 18 (1987) describe it as a vow of continuity, and as resistance to change. This implies a higher level of obligation to make a relationship succeed and to make it mutually satisfying and beneficial. They also suggested when commitment is higher among individuals who believe that they receive more value from a relationship, highly committed customers should be willing to reciprocate effort on behalf of a firm due to past benefits received and highly committed firms will continue to enjoy the benefits of such reciprocity Morgan & Hunt, (1994). According to Dick and Basu (1994), commitment is derived from:- I. Affective commitment, referring to the fact that customers like to maintain a relation with a supplier:

II.Calculative commitment, describing customer’s necessity to maintain the commercial relation.

According to Ndubisi (2007, pp.98-106) commitment is a critical factor in building customer loyalty, consisting in the study of accommodating customers’ needs, tailoring products to requirements, and being generally flexible in their customer relationships is needed.

2.8.3. Customer Satisfaction

pay unique spotlight on the customer satisfaction and for it service quality is assumes a crucial part (Akbar and Parvez et al., 2009). Satisfaction has an important characteristic which must be taken into record when shaping the general customer loyalty towards their service suppliers In banks, the clients get some information about the level of the services and choose about the absence of importance given to them and choose about repurchase behavior in the wake of utilizing the services. Also In banking sector, the premium rates on loans & charges on the use of online services, for example, processing fee & ATM machines is a real bone of discord between the bank and its clients. If customers are satisfied, then loyalty infuses naturally and the current stays with the current service providers for a time (Giese & Cote, 2000). The discoveries of consumer loyalty on profitability propose that benefit is subject to satisfaction which implies that achievable increments in satisfaction could significantly enhance profitability (Hallowell, 1996). According to previous researches that to improve the loyalty; customer satisfaction assumes a major part and is the most imperative driver (Sondoh et al., 2007). It also shows that if the customers are satisfied then customer's loyalty automatically increased and henceforth customer's intention to switch banks will diminish (Hoq et al., 2010). A key inspiration for expanding the attention on consumer satisfaction is that higher consumer satisfaction canprompt have a stronger position bringing about higher profitability & market share (Fornell, 1992).Customer satisfaction goes about as a mediator between service quality and clients repurchase propositions. With a specific end goal to get long term connections and long term advantages it is vital for association to continuously satisfied the clients so they stay to the same association and stick to it in long run and proceed with repurchase. Consumer loyalty comes after the use of some service or product which is essentially the result of real and expected capacities of product (Khokhar et al., 2011).

e) Corporate Image Image refers to the ability to influence customers' perception of the goods and services offered

by the service provider (Zeithaml and Bitner, 2008).
According to Nguyen and Leblanc (1998; 2001) corporate image is correlated to the physical and behavioral attributes of the organization, such as business name, variety of products or services, and the impression of quality communicated by each person communicating with the firm’s clients. Thus, image will have an impact on customers' buying behavior.
According to Aydin and Zer (2005) corporate image is

one of the major determinants of customer loyalty and loyal customers may buy more and spread positive word-of-mouth regarding service provider. Corporate and brand image have also emerged as determinants of customer loyalty (Gronroos, 1988, Groholdtet al., 200

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2.8.5. Switching Cost

Switching cost is the form of cost involved in changing from one service provider to another (Porter,1998). According to Jackson (1985), switching cost is the sum of economic, psychological and physical costs. Switching cost are characterized by customer lock-in, where customer purchase the same brand repeatedly even competing brands have cheaper price (Aydin and Ozer,2005; Shy,2002). Previous studies showed that the degree of switching cost may have an influence on customer loyalty in service industry (Anderson and Fornell, 1994; Dick and Basu, 1994; Gremler and Brown, 1996). Jones et al., (2000) showed that switching cost is the significant antecedents for both business to business and business to consumer cases.

According to Jones et al (2002), a switching barrier is any factor that makes it difficult or costly for customers to change providers. According to Porter, M. (1998), switching cost is the cost associated with switching from one service to another which will not incur if a customer stays with the current service provider. Increased in switching cost will result in higher risk and burden on the customer (Jones M. A., Beatty S &Mothersbaugh D., 2002). According to Dick and Basu, (1994), Switching costs are service provider. Therefore customers may not change the service provider even though the competitor offers new products and low prices.

2.9. Research Gap

The research gap represents the untouched areas of other research studies. Based on the literature review, it is found that there are many local and global studies (see the empirical studies section) about electronic banking services, but this study tried showing the problems arising in the electronic banking service i.e. ATM, Pos machine, online transfer and similar ones, which have come after the current technological development and it could also deeply assess and measure the effects of electronic banking services on the customer satisfaction and loyalty.

2.10 . Conceptual Framework

The basic objective of this study is to investigate the effects of e-banking service on customers ‘satisfaction. According to Philipos (2013), convenience, security and privacy, user experience, reliability and availability, functionality and feature, customer support, and trust and reputation have a significant effect on customer satisfaction and similarly, Aydin and Ozer (2005) pointed out that corporate image, perceived value, service quality, trust and customer switching cost are the major antecedents of customer satisfaction and loyalty. Thus, this model consists of six independent variables and a dependent variable, that is, the customer satisfaction.

2.10.1. Dependent Variable Customer Satisfaction: The level to which customers are pleased with the e-banking services provided by the bank. It reflects how well their expectations are met in terms of security, usability, performance, and support.

2.10.2. Independent Variables

1. Security: Refers to the safety and protection of users' financial data and transactions. It includes encryption, log in authentication, OTP (One-Time Password), and protection against fraud or hacking. A high level of security builds trust and increases customer satisfaction. Example indicators are perceived risk of fraud, confidence in online transaction safety and Trust in the bank's digital systems.

2. User Experience: Encompasses how easy and pleasant it is for users to interact with the e-banking system (mobile app, website, ATM). A good user experience means the platform is intuitive, visually appealing, and efficient. Simplicity of navigation, design clarity, speed of completing tasks (e.g., transfers or payments) is examples of user experiences.

3. Reliability and Validity: Reliability refers the system performs consistently without frequent downtime, errors, or glitches, while validity shows the system processes accurate and error-free transactions. System uptime, accuracy of transaction data and consistency of system responses can be indicators of reliability and validity.

4. Usability (Ease of Use): Refers to the range and usefulness of services provided through the e-banking platform. A more functional platform allows users to do many types of transactions easily (transfers, bill payment, balance inquiry, etc.). Breadth of services (e.g., fund transfer, airtime top-up, loan inquiry), efficiency of tools and features, availability of core banking features are examples.

5. Customer Support: Refers to how responsive and helpful the bank is when users face problems using e-banking services. It includes call centers, chat bots, in-branch help, and follow-up services. For example, availability of help when issues occur, speed of complaint resolution and helpfulness of support agents.

Source: Adapted from Kuusik (2007), Aydin and Ozer (2005).

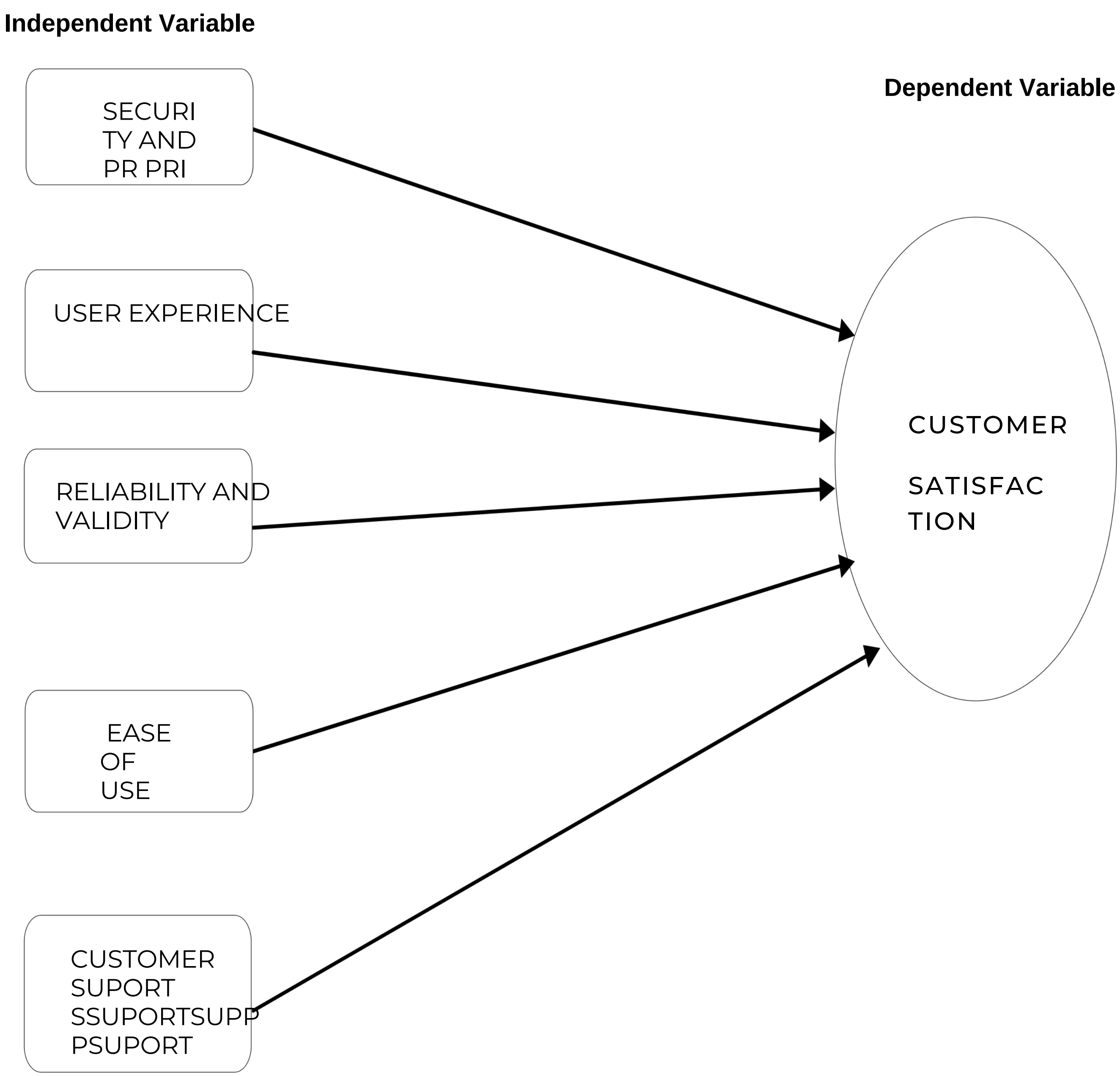


Figure 1: The Conceptual Framework of the Study

CHAPTER THREE

3.RESEARCH METHODOLOGY

This chapter deals with the research methodologies– research approach and design, sampling procedure, sources of data, data collecting instrument, data analysis method, validity, reliability and ethical considerations.

3.1Research Approach

In this study mixed (qualitative and quantitative) approaches were used. Qualitative approach relies on describing an event with the use of words and statements used to thematically analyze qualitative data and the quantitative approach is associated with the numerically collected data. A research approach chosen should be done according to the research questions in that particular situation since each approach has its own merit and demerit and how empirical data is collected and analyzed (Yin, 1994). Additionally, the degree of focus on either contemporary or historical event as well as the type of questions asked should be the main basis on which a research approach should be chosen. Therefore, since qualitative and quantitative data were collected for the study, the mixed (qualitative and quantitative) research approaches were applicable.

3.2Research Design

This research aims to investigate the effects of e-banking service on customer satisfaction. Based on Mouton (2001) defines the research design as a plan or blueprint of someone intending to conduct the research. Again, Sekaran (2003) indicated that after identifying the variables evolving the conceptual framework, the next step is to design the research in a way that the data can be screened and analyzed. Moreover, research design is a framework or draft for conducting a given research project. It provides details of the necessary procedures for gaining the information needed to structure and solve this research problem (Malholtra, 2004). This study employed descriptive and explanatory research designs. These research designs help in identifying the relationship between independent and dependent variables, and they make the researcher to determine and explain the characteristics of the variables (Creswell, J.W. 2003). Accordingly, the mixed research designs were employed in this study because help to obtain information concerning the status of the phenomena and explore the co relational relationship between e-banking service and customer satisfaction. These designs could help merely describe what people say, think and do, and level of their satisfaction in e-banking services.

3.3Sampling Procedure

3.3.1 Population Universe

The universal population for this study included all customers of the various banks that used electronic banking in Ethiopia. In other words, the study focused on assessing the effects of electronic banking on satisfaction of all customers in Ethiopian financial institutions.

3.3.2 Study Population

It is because of the fact that financial institutions are quite many in Ethiopia and thus, the researcher could not study all customers in the institutions. For this reason, customers in three selected branches of Wegagen bank in Addis Ababa were chosen for the study as target population. The reason why the researcher chose these branches was that their capacity of serving a large number of customers and the performance grade is higher than other branches there in. This implied that the study concentrated on the customers of Wegagen bank in the selected branches as well as in the country as a whole.

3.3.3 Sample Size and Sampling Technique

It is very expensive in terms of money and time to collect data from the population so the researcher has to determine sample which is representative for the total population. Yamane (1967) provides a simplified formula to calculate sample sizes of finite and known population, which is used
to determine the sample size for the study. A 95% confidence level that will assume for formula to determine the sample size, at e=0.05

$$n = \frac{N}{1+N(e)^2} \qquad n = \frac{2505}{1+2505(0.05)^2}$$

$$n = \frac{2505}{1+2505(0.0025)} \qquad n = \frac{2505}{1+6.26}$$

$$n = \frac{2505}{7.26} \qquad n = 345$$

Where n isthe required sample size, N is the population size and e is the level of precision.

Applying the above formula, therefore, the sample size for the research was **345** samples from Stadium branch, Lideta branch, and Abnet branch. These sample respondents were selected using purposive sampling technique because the customers who use e-banking, mobile banking, tele birr, ATMs, etc. were required.

Table 1: Number of customers and proportion of sample taken from each Branch

Name of Branches	Total number of E-banking customer from each branch	Sample size taken in each Branch	Number of sample size by proportional of each branch
Stadium	872	872/2505=0.35	0.35*345=120.7
Lideta	710	710/2505=0.28	0.28*345=96.6
Abnet	923	923/2505=0.37	0.37*345=127.6
Total	**2505**		**344.9 ≈345**

3.4. Source of Data

Primary data were used in this study. The e-banking customers and staff/employees of Wegagin bankin the four selected branches were used as primary sources of the required data.

3.6. Data Collection Instrument

The researcher employed three data tools that enable gaining genuine data to clearly explore the existing and practical situations of the effect of Wegagen bank e-banking services on customers' satisfaction. The main data collecting instruments of this study were questionnaire and interview.

3.6.1. Questionnaire

The questionnaire is a predominantly used tool for data gathering in education, social science, health,
political science, psychology, and other fields of study (YalewEndaweke, 2006). Similarly, a questionnaire enables researchers to collect data uniformly across a diverse respondent pool, and this
standardization ensures consistency in responses, which is crucial for reliable data analysis (Kuphanga,

2024). Furthermore, it is the common technique for gathering data for descriptive surveys (Leedy, 1993). This instrument, therefore was chosen since it is believed that it would help the researcher collect relevant information about effect of CBE e-banking services on customers' loyalty. The purpose ofthis questionnaire is to gain detailed and genuine data that achieves the objectives of the study. The questionnaire was carefully constructed and approved by advisor for its validity. Thus, the questionnaire consisted of mixed (open-ended and close-ended) items and was distributed to 345 WB customers.

3.6.2. Interview

The interview gives the researcher and the respondents opportunities to have face-to-face communication. This enables the researcher to keep the respondents in the right way by illustrating and clarifying the items. In addition, the interview can help the researcher gain genuine information by looking at the respondents' gestures, facial expressions, and tone of voice (Yalew Endaweke 2006). Additionally, it allows the researcher to delve deeply into participants' personal experiences and viewpoints, providing rich and detailed data that might not emerge through other methods (George, 2022). An interview is said to be effective if it clarifies its objective, setting, and the interviewees (Hitchcock's Graham, Hughes David, 1989). Based on this, the researcher of this study prepared a well-designed interview which consisted of semi-structured items to attain the set objectives strengthening and checking the data gained through a questionnaire. To this end therefore, the researcher carefully interviewed three (3) purposely selected workers (one from each selected branch) and five (5) purposely selected customers. She also was confidential in their responses.

3.7Data Analysis Method

Data from the structured self-administered questionnaire was properly organized through data coding, cleaning and entering. Data processing is by statistical package for social sciences (SPSS). Descriptive statics by percentage, figures and tables were generated from the software to establish relationship among variables. The relevant information have been obtained in a standard form using tables, frequencies and percentages to analyze and interpret the information.

3.8. Pilot Study

Before the process of the main research, the researcher conducted a pilot study. The purpose of this pilot study was to check the reliability, practicality and validity of the data gathering instrument, the questionnaire, which was designed to attain the research objective of investigating the effects of electronic banking services on the customers' satisfaction in Wegagen Bank in Addis Ababa. Reliability over time (DeVellis, 2017). Reliability testing is important because it ensures that the instrument is measuring what it is intended to measure and that the results obtained are accurate and consistent.

The subject of the study was the Wegagen bank customers. These customers in Addis Ababa were considered as the available population of this study. For the pilot study, on the other hand, ten customers from other three branches were chosen. The customers were randomly selected as sample of the pilot study.

In the piloting process, firstly, the questionnaire consisted of seven parts, and 46 items were designed based on the research objectives and research questions. After the research advisor and colleagues of the researcher commented on it, the researcher distributed the questionnaire to the selected ten customers.

The result of the reliability test with Cronbach's Alpha in each variable and in cumulative is presented below.

Table 2: Reliability Test Statistics for all Variables

Variables	**Question**	**#of question**	**Alpha**
Practices of E-banking Services	q2.1-q2.7	7	0.726
Major E-Banking Service qualities that affect customer satisfaction in Wegagen Bank	q3.1-q3.7	7	0.868
Availability of E-Banking Services	q4.1-q4.3	3	0.728
Perceived Ease of Use of E-Banking services	q5.1-q5.8	8	0.939
Functionality	q6.1-q6.5	5	0.873
Reliability and Validity	q7.1-q7.3	3	0.779
Customer Satisfaction	q8.1-q8.7	7	0.929
Customers' Challenges of Having Satisfaction in E-banking Services	q9.1-q9.6	5	0.827
			0.834

Acceptable cronbach's Alpha value is >=7; As the Cronbach's Alpha value of all items is greater than 0.7, it indicates that the internal consistency of the construct (group of questions) is good.

Reliability Test Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
.834	.834	46

Moreover, the Cronbach's Alpha (Total, 0.834) shows greater than the expected, >0.7, so the items of the questionnaire are reliable to collect the required data for the study.

3.9. Ethical Considerations

The study has been conducted using some ethical considerations. Each respondent to the study were first informed about the purpose and objective of the study and the questionnaires to be administered. After explaining the objective of the study, respondents were assured of secrecy and confidentiality before being managed with the questionnaire and interview.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1. Response Rate

Thecurrentstudy aimed at investigating the effects of WB e-banking service on customers' satisfaction. In the current study, questionnaires were administered to 345 customers, and 263(76.23%) respondents could complete and return the questionnaires. In addition, the three WB workers were interviewed. The analysis and discussion have been carried out through descriptive statistics and thematic framework where necessary. The result followed by discussions is presented here below:

4.2. Demographic Characteristics of WB Customer Respondents

Table3:GenderandAgeofWB Customers

Gender * Age * Educational Level of Customers											
			Age								
Educational Level			21-30	%	31-40	%	41-50	%	≥51	%	Total
Diploma	Gender	MALE	3	25	6	100	0	0	0	0	9
		FEMALE	9	75	0	0	6	100	2	100	17
		Total	12		6		6		2		26
	Gender	MALE	15								
		FEMALE	21	42	41	49	12	60		0	68
				58	42	51	8	40			
Degree		Total	36							0	71
					83		20				
Master	G e n d e r										139
Above		MALE						67			
MA	Gender	FEMALE	9	75	24	48	22	33			55
Total	Gender	Total	3	25	26	52	11				40
	Gender		12		50		33				95
		FEMALE		0							
		Total		0	3	100					3
		MALE		0	3			58			3
		FEMALE	27	45	71	50	34	42	0	0	132
		Total	33	55	71	50	25		2	100	131
			60		142		59		2		263

Sources: Survey Result, 2025

The data shown in Table 3 reveals a detailed cross-tabulation of gender, age and educational level based on a survey conducted in 2025. Here is a comprehensive analysis of the data.

The total number of respondents is 263, comprising 131 males (49.8%) and 132 females (50.2%), indicating a nearly equal gender distribution. The age groups covered, on the other hand are 21-30, 31- 40, 41-50 and over 51 years. The educational attainment is categorized into diploma, degree, master and above master. The most common educational level, based on the data, a degree (139 respondents), followed by masters degree holders (95), diploma holders (26) and only three respondents with education above masters level.

Regarding the age groups, the 21-30 age groups have 60 individuals, with more females (33) than males (27). This group predominantly holds a degree (36) and master's degree (12). The 31-40 age group is the largest (142) individuals, accounting for 54% of the total respondents. Degree and master's levels dominate in this age range, with a balanced gender distribution. The 41-50 has 59 individuals, a moderate size with 34 males and 25 females. Most are degree or master holders. The 51 and above group is the smallest (only 2 individuals), all of whom are females with diploma.

This notices that in the study respondents of diverse demographic categories were participated; and this improved the representativeness of different groups which can make the findings more generalizable to the broader society.

4.3. Customers' Experience of Using WB Services

The respondents were asked to illustrate their experience of being customer of WB or to what extent have they been using the services of WB, and their responses have been stated in figure 2 below.

Table 4: Customers' Experience of Using WB

Experience	**Frequency**	**Percentage**
5-10 Years	126 87 50	
11-15 years		47.9 33.1
Above 16		19

As shown in table4 above, the majority of the respondents (47.9%) have the 5-10 years' experience of using WB services, and 33.1 % of them have 11-15 years' experiences; only 19.0% of them have above 16 years' experiences of using WB services. This implies that these users are ideal for evaluating the development and effectiveness of e-banking over time, since they have seen some evolution in the service.

4.4. Practices of E-banking Services

The selected WB Customers were asked the questions associated with the WB practices of helping e-banking services; they had to show how much they agree or disagree with each statement and their responses have been displayed and discussed as follows.

Table 5: WB's Practices of E-banking Services

Item	Statement	Mean	SD	Variance
2.1	WB has facilitated e-banking services	3.77	0.909	0.826
2.2	I use e-banking for fast and convenient service	3.77	0.893	0.797
2.3	WB encourages e-banking use	3.77	0.909	0.826
2.4	Never faced problems with e-banking services	3.78	0.912	0.831
2.5	Fewer network and service limitation issues	1.81	0.393	0.155
2.6	The e-banking service is always updated	3.77	0.91	0.828
2.7	The e-banking service saves time and expenses	3.73	0.907	0.822
	Grand mean	**3.48**		

Sources: Survey Result,2025

As shown in table 5 above, most of the mean scores cover around 3.73 to 3.78, suggesting a generally favorable view of the e-banking services provided by WB. This uniformity in scores shows consistent user satisfaction across multiple dimensions of service quality and usability.

Item 2.4 (never faced problems with e-banking services) has the highest mean (3.78) and the highest SD and variance (0.912; 0.831). This suggests that while most respondents agree with the statement, there is more diversity in responses-some may have experienced issues. Item 2.5 (fewer network and service limitation issues), on the other hand, has a very low mean (1.81) and extremely low variance (o.155).

This highlights a major concern in which the respondents largely disagreed with the statement, indicating that network and service limitations are common and consistently experienced.

Item 2.7 (E-banking saves time and expenses) is associated with efficiency and convenience, and has the lowest mean among the high-rated items (3.73), which, while still positive, suggests slightly less

Items 2.3 and 2.6 are related to service promotion and technological support, and both reflect positively on institutional support and system maintenance with consistent agreement (Mean 3.77) and moderate variability (variance 0.826-0.828).

Based on the above data, it is notable to say that users generally have a positive experience with WB's e-banking services. The institution is recognized for promoting and updating the service, and users appreciate its convenience. However, network and service limitations slightly represent a clear area for improvements. This therefore implies that the bank gives emphasis to provide fast and convenient e-banking service for its customers, and the customers have shown interests to use the service.

4.5. Types of E-Banking Services at WB

The customers (respondents) were asked to mention the types of e-banking provided by the WB and according to their responses the WB provides its customers with the following types of electronic banking services: ATM, Mobile banking, Tele birr, Visa, utility payment.

4.6.Customers'Practice ofusingE-bankingService

The customers were asked to state how often do they practice or use e-banking services, and the responses have been presented as follows:

Table 6: Experiences of Customers in using E-banking Service

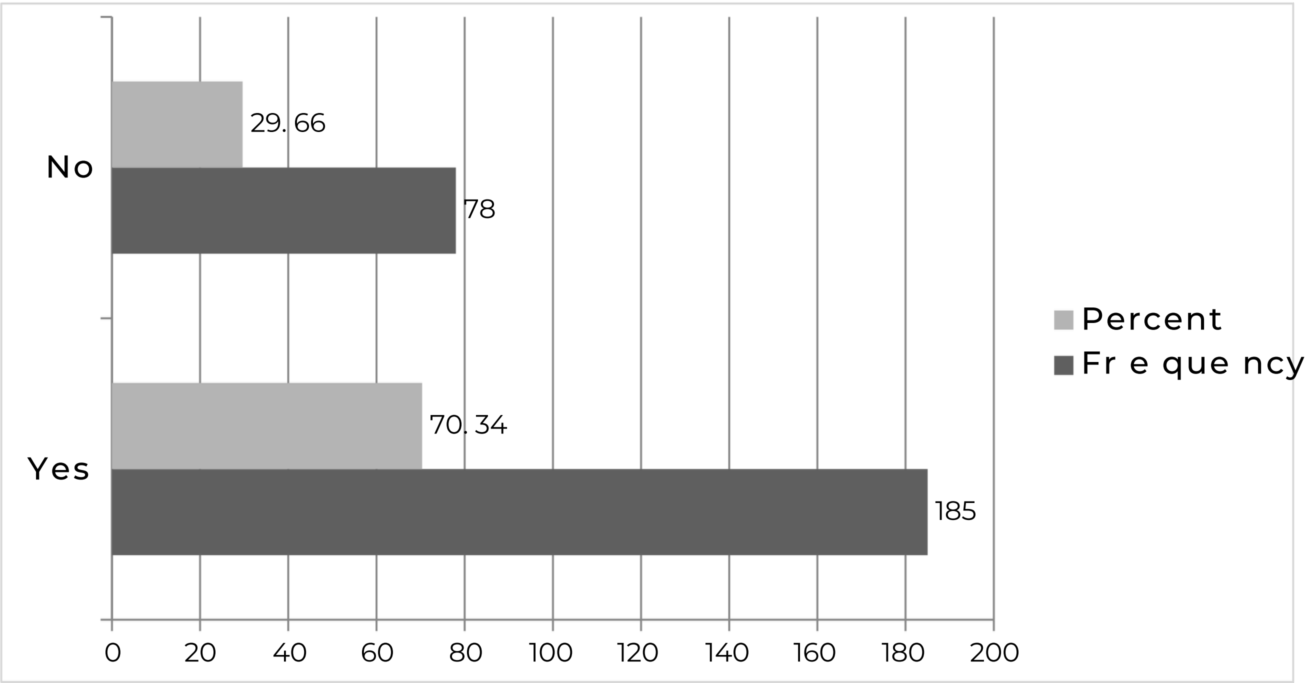
Habit of using E-banking Service	Frequency	Percentage
Always	67	25.47
Sometimes	112	42.58
Often	56	21.29
Rarely	14	5.32
Never	14	5.32

As the data presented in table6above shows, many of the respondents (25.47 %) always use the e-banking services, and the majority of them (42.58%) sometimes use the services; but some of them (5.32%) replied that they rarely and/or never use the available services. This shows that the sampled customers have a better habit of using the e-banking service in WB. However, this implies that there is limited habitual use of e-banking services. Many customers may not fully rely on digital channels, possibly due to trust issues, lack of digital literacy, technical problems, or service limitations.

4.7. Comparison of WB e-banking Service to other Banks

The selected WB customers were also asked to justify whether or not they get better e-banking service at WB than the other banks and the responses have been presented in figure 4, here below.

Figure 2: E-banking Service in the WB and Other Banks



Sources: Survey Result, 2025

The data presented in figure 2 above depicted that many of the respondents (70.34%)replied that they get better e-banking services than other private banks because the WB provides better services, better systems, ease of use, time saving services, much trust and has multiple branches. In contrast, the rest (29.66%) of them said that they do not get better e- banking services from WB as there are difficulties of usage, network, and time taking services. This implies that there is a need for the bank to improve its service delivery in comparison to other ones to attract customers and fully satisfy them.

4.8. Effects of E-banking Services on Customer's Satisfaction

The selected WB customers were required to indicate their perception about the effect of e-banking service quality on customer satisfaction in the WB; the responses have been presented and analyzed here below.

4.8.1. Security Measures

Table 7: Security Features of E-Banking Services

Item	Statements	Mean	Std. Deviation
3.	Poor security features (ATM issues)	2.8	0.765
1	Lack confidence in security	8	0.687
3.	Insufficient government support	2.6	0.668
2	Security risks degrade service quality	8	0.642
3.	Services are convenient and trusted	2.7	0.508
3	Prevents unauthorized account access	4	0.447
3.	Offers secure personal privacy	2.5	0.336

4 8

3. 3.6

5 8

3. 3.7

6 3

3. 3.8

7 7

Sources: Survey Result, 2025

The data shown in table 7 above focuses on user or respondent perceptions regarding security and trust in e-banking services, analyzing responses to 7 different items using mean scores and standard deviation. Here is the detailed breakdown of the results.

Items 3.5 to 3.7 demonstrate the highest levels of user agreement, indicating strong confidence in certain

aspects of the e-banking system. Item 3.7 (offers secure personal privacy) has the highest mean of (3.87)

and the lowest standard deviation (0.336). This suggests broad and strong consensus among respondents

that their personal privacy is well-protected. Item 3.6(prevents unauthorized account access) also scores

highly (mean= 3.7; SD= 0.447), reflecting user confidence in protective mechanisms against fraud and

unauthorized usage. Regarding item 3.5(services are convenient and trusted) earns a mean

These high scores reveal a positive perception of system integrity and usability, particularly concerning privacy and account security.

Items 3.1 to 3.4 reflect more negative or uncertain sentiments toward various aspects of the e-banking environment; item 3.1 (poor security features-ATM issues) has a mean of 2.88, indicating mild concern, which some users perceiving in adequacies especially in physical banking components like ATMs. Item 3.2 (lack of confidence in security) scores lower, at 2.68, showing that a segment of users feel uneasy about the overall e-banking security system. Item 3.3(insufficient government support) has a mean of 2.74, showing that users or respondents believe more institutional or regulatory banking is needed to strengthen e-banking fretworks. Item 3.4(security risks degrade or affect service quality) registers the lowest mean at 2.58, pointing to user concerns that security challenges are negatively impacting the quality of service delivery. Although not overwhelmingly low, these scores highlight areas of doubt that could impact broader trust and adoption of digital banking, especially if not addressed by banks and policy makers.

Table 8: Availability of E-banking Services

	Statements	**N**	**Mean**	**Std. Deviation**	**Variance**
3.1	There are problems in maintenance upon failure	263	3.03	0.725	0.526
3.2	Frequent available service	263	3.54	0.968	0.936
3.3	The availability of ICT/Information Communication Technology	263	3.91	0.296	0.088

The overall implication of the data reveals that the users trust the digital platform itself (personal security, account protection and convenience). However they express concerns about external or systematic factors such as ATM reliability, overall system confidence and government involvement. The standard deviations also reflect consistency in opinion, especially in the positive items, where SDs are the lowest (e.g. 0.336 for personal privacy), and this shows strong and shared perceptions on those matters.

4.8.2 Availability of E-Banking Services in WB

3.4	E-Banking services in Wegagen bank is good	263	3.36	0.684	0.467

The above table presents the availability of e-banking service and all of the mean scores show positive view of the availability services provided by WB. Item 3.3 has the highest mean score (3.91 and lowest SD) suggesting the users have strong agreement on the idea that the WB has high availability of ICT (Information Communication Technology). Item 3.2 and 3.4 have related view and their mean scores show 3.54 and 3.36 respectively, suggesting moderate agreements that the bank provides users with frequent and good e-banking services. However, it needs improvement for better e-banking service, and there is doubt aspect regarding the maintenance up on failure.

4.3.5. Perceived Ease of Use of E-Banking services

Table 9: Ease of E-Banking Service Use

	Perceived Ease of Use of E-Banking services	**N**	**Mean**	**Std. Deviation**	**Variance**
3.1	Services easy	263	3.85	0.670	0.448
3.2	Use banking service by using their cell phones	263	2.92	0.857	0.735
3.3	It is easy to use E Banking services to accomplish banking transactions	263	4.08	0.697	0.486
3.4	simplifies the activity of clients to get banking services	263	4.05	0.691	0.478
3.5	Wegagen bank provides training courses for its staff	263	4.09	0.696	0.485
3.6	use banking service by using their cell phones	263	2.92	0.857	0.735
3.7	Wegagen bank provides training courses for its staff	263	4.09	0.696	0.485
3.8	The application installed on web browser for-E banking services is fast and user-friendly.	263	3.66	1.206	1.454

The data presented in the table above deal with the ease of e-banking services provided by WB; most of the mean and SD scores show that the users or respondents have positive point of views towards easily functional e-banking service provided by the bank. Items 3.3-3.6 have high mean scores (4.05-4.09) and SDs (0.691-0.697) that show users similar perception shares. Items 3.5 and 3.6 score the same mean values (4.09), suggesting the users have great agreement on the ideas (the bank provides staff with trainings and E-Banking enables quick/easy activities respectively). These depict that the users can get trainings how to use e-banking services, and can exercise their banking activities quickly and easily. Additionally, the transactions they perform are efficient. Though there is a need to improve the easy use of e-banking in general, the users have moderate agreement on the easy e-banking service use.

However, regarding the use of e-banking services using mobile phones, as the mean score of

item 3.6

(2.92) shows there is a critical weakness; there is also Polarized experiences, likely due to mobile

banking issues. Mobile banking usability therefore needs urgent improvement. **4.8.4.**

Functionality of E-Banking services

Table 10: Functionality

Item	Statement	N	Mean	Std. Deviation	Variance
3.1	E Banking service of Wegagen Bank are fast and time saving	263	4.09	0.696	0.485
3.2	E-Banking Service of Wegagen Bank are convenient, because it is available 7 days a week and 24 hour a day, to access my bank account	263	4.09	0.696	0.485
3.3	E Banking service provided by WB are more accessible	263	4.09	0.696	0.485
3.4	E-banking services are fast	263	3.71	1.00768	1.015
3.5	I can properly use Wegagen Bank's E-Banking services	263	3.52	1.21314	1.472

The functionality of the e-banking services provided by WB is said to be high as the mean scores of three items (3.1-3.3)- 4.09, SD 0.696 are widely extend from the expected ones. These suggest that the bank provides user with fast and time saving e-banking services, which are convenient, accessible and functional 24 hours. Nonetheless, the speed and proper usage of the e-banking as the mean scores (3.71 and 3.52) of items 3.4 and 3.5 show, needs improvement.

4.9.WBCustomers'Challenges inHavingLoyaltytothe E-bankingServices

Finally, the WB customers were also asked to rate the questions that deal with challenges that hinder customers not to have satisfaction in using E-banking Services; the responses have been presented in table 11 below.

Table 11: Challenges of Having Satisfaction in E-banking Services

Item	Statements	Mean	Std. Deviation
4.1	Ease of using e-banking services	2.33	0.752
4.2	Availability of internet/wi-fi	3.6	0.717
4.3	Clarity and trustworthiness	2.43	0.496
4.4	Availability of materials	3.58	0.704
4.5	Speed and modernity of systems	3.59	0.708

Regarding item 4.1, critical challenge is observed as the mean score (2.33) is lowest. Users struggle with usability (e.g., complex interface, unclear navigation). Urgent improvements are needed. As item 4.2, Moderate performance is available. Internet access is less problematic, but variability (higher Std. Dev,0.717) indicates some users still face connectivity issues. Lower mean score (2.43) in item three, shows Significant challenge concerning services lack transparency (e.g., hidden fees, unclear terms), eroding user trust. Regarding the available materials, the users have moderate agreement. Most user have devices, but some lack smart phones/computers. The users also have positive perception toward the Systems. The systems are reasonably fast, but occasional lags or outdated features frustrate users.

4.10.RelationshipbetweenE-bankingService andCustomers' Satisfaction

Table 12: E-banking Practice and Customer Satisfaction Correlation

Correlations			
		E-banking Practice Score	Customer satisfaction score
E-banking Practice Score	Pearson Correlation	1	0.083
	Sig. (2-tailed)		0.178
	N	263	263

Customer satisfaction score	Pearson Correlation	0.083	1
	Sig. (2-tailed)	0.178	
	N	263	263

The data in table 12 above shows the correlation of two variables, e-banking service and customer satisfaction which contain composite scores of section two and three items in the questionnaire, respectively. Accordingly, the Pearson correlation coefficient(r) (0.083) indicates a very weak positive relationship between e-banking practice and customer satisfaction. Additionally, the p-value (0.178) is greater than 0.05 which means the relationship is not statistically significant at the 5% significance level.

4.11. Regression of E-banking Practice and Customer Satisfaction

Table 13: Regression

Predictor	B(Unstandardized)	Std. Error	Beta (Standardized)	t	p-value
E-banking Score	0.1 3.5	0.07	0.083	1.35	0.178
Constant		0.15	—	23.33	<0.001

$R^2 \approx 0.007$ (since $R^2 = r^2 = 0.083^2 \approx 0.007$ $\rightarrow$ 0.7% varianceexplained).
Slope (β) ≈ 0.083 (same as Pearson's r in simpleregression). p-value ≈ 0.178

A simple linear regression confirmed the weak, non-significant relationship found in the correlation analysis. E-banking practices explained less than 1% of the variance in customer satisfaction ($R^2 = 0.007$, $\beta = 0.083$, $p = 0.18$), suggesting no meaningful linear association.

4.12.Analysis ofWB's Workers Interview

The interview set for the WB respondents (see Appendix B) dealt with the ways they use to follow and assess the customers' usage and trust/satisfaction in e-banking services, the conducive conditions/opportunities provided and challenges of using e-banking.

Three WB workers (selected from each branch) were the participants of the interview questions. To avoid bias, the researcher got engaged another interviewer to carry out the interview. The interviewer was given a sufficient orientation by the researcher, and the results have been analyzed and discussed in the following paragraphs.

Regarding the e-banking services of the Bank, all the interviewees stated similar responses that revolve around the better activities of the WB. The first two workers explained the WB has worked a lot to make its customers use the e-banking services. Similarly, the third one said that most of time the bank keeps working to aspirate customers . Theinterviewees'ideas havebeen quotedasfollows.

"When I see the WB'S practice of facilitating e- banking service, it has facilitated several kinds of digital banking systems which customers can use them easily (P1, 2025)."

"In our branch, we follow the frequent use of e- banking and encourage customers to use it (P2, 2025)."

"When I watch out the practice of using e-banking, it has got acceptance and customers liked it (P3, 2025)."

Secondly, the interviewees were asked about the customers' trust in the service. All of them stated that the Bank provides easy, clear, and accountable e-banking service and carefully do the processes. Accordingly, they stressed that the Bank has been getting an incremental use of their e-banking services by the customers.

"*We actively follow and assess the customers' satisfaction and trust; therefore, we can say customers have trust in the WB e-banking services as their numbers is dramatically increasing from time to time (P2, 2025*)."

Regarding the renewal /updating of the e-banking systems, the respondents commonly stated that they could facilitate opportunities that enable customers to transfer their money through e-banking, and they attentively follow and update the systems.

Next, the interviewees were asked to explain what strategies they use to aspire customers to use e-banking services. Knowing the emphasis of WB, they stated that they give emphasis in fast and easy service, trust, accessibility, accountability, and transparency.

"Even though the emphasis is given to e-banking services, all WB customers do not use it due to the lack of internet access everywhere (P3, 2025)."

Concerning the factors that hinder them to facilitate e-banking services, the interviewees mentioned a lack of customers' adequate understanding about the new systems and immediate acceptance, lack of fast technology usage and network constraints.

Generally, from the WB workers' interview results it can be deduced that the financial institutions facilitate new, easy, trustful, and prompt updating e- banking systems for its customers. However, according to them, they could not reach the need of all customers due to internet access and skill of using mobile by the customers themselves.

4.13.Analysis ofWB's Customers Interview

The interview set for the WB respondents (see Appendix C) dealt with the advantages they get from WB e-banking services, the problems they face in using the service, their status of satisfaction and trust in the service. Five WB customers took part in the interview. Similarly, to avoid bias, the researcher got engaged another interviewer to carry out the interview. The interviewer was given a sufficient orientation by the researcher, and the results have been analyzed and discussed in the following paragraphs.

Regarding the advantages of e-banking services of WB, all of the interviewees have stated similar ideas that revolve around the better activities of the WB than other banks. Three of them explained the WB has many branches to use the easy e-banking systems like ATM. Similarly, the rest two said that a great deal of customers uses WB e-banking services.

Someoftheinterviewees' ideashavebeenquotedas follows.

"When I see the advantages, we get from the WB'S e- banking service, we can use easy and time saving systems like mobile banking, tele birr, etc. and we get multi branch access (C1, 2025)."

Secondly, the interviewees were asked about their trust in the service. Almost all of them stated that they have trust but they have also threats. They face system and connection problems, money lose, tricks by some WB workers too.

"*We use the access but as we sometimes face problems like system and connection shortage, and money tricks, to some extent it draws backs our trust (C2, 2025*)."

Regarding the renewal /updating of the e-banking systems, the respondents commonly stated that they could get opportunities that enable them to transfer their money through e- banking, and the systems are attentively be followed and updated in time.

Next, the interviewees were asked to explain what problems they face when they use e-banking

services.

It has been stated that they face non-functional ATM machine, connection problems, long queue, and

money tricks

“Even though the emphasis is given to e-banking services, all WB customers do not use it, because of lack of internet access everywhere, lake of technology using skills by the customers themselves (C3, 2025).”

Concerning their satisfaction in e-banking services, the interviewees explained that they have

a good
deal of satisfaction, but it needs improvement

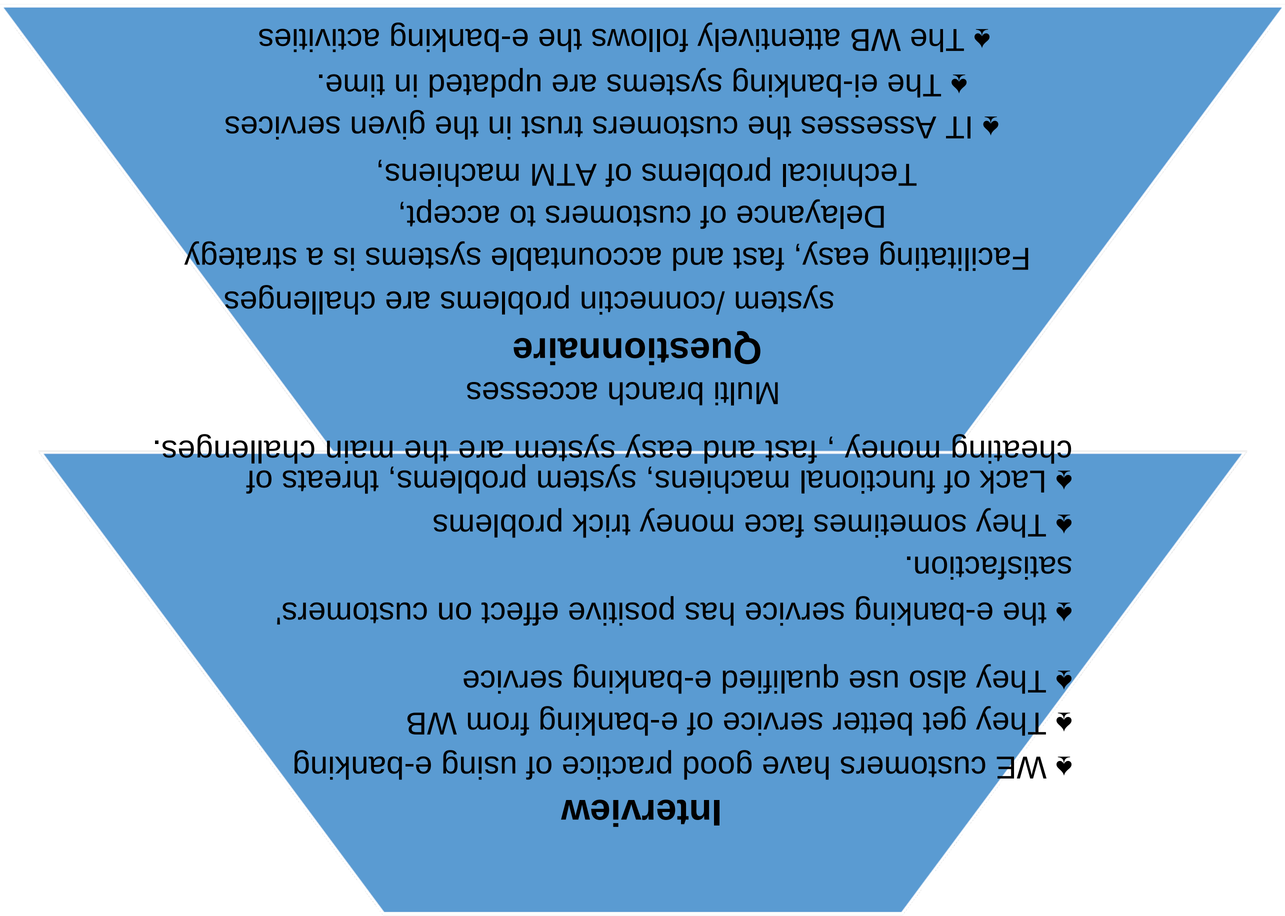
In general speaking, from the WB customers’ interview results, it can be said that WB

facilitates new,
easy, trustful and prompt updates of e-banking systems for its customers. However, according to the
customers, they have some threats on the systems.

4.14. Data Triangulations

Data triangulation is the use of variety of data sources in order to cross check and strengthen. As stated in the methodology part, the researcher employed three data-gathering instruments (questionnaire, interview, and document analysis). The data gained through each data collecting tool have been presented and analyzed above. Additionally, the data need to be triangulated to crosscheck and compare the results.

Figure 3: Data Triangulation



4.14. Discussion of Research Finding

As shown in Figure3, the data gainedfrom the three data tools show to some extent related results. When we see the WB's practice of facilitating convenient e-banking services the data gained through the two tools showed that the institution has worked a lot to enhance customers' satisfaction on using e- banking services. The customers also use the services. However, they have some threats regarding the security of their money as some tricks/cheatings have been attempted. Regarding the challenges of using e- banking, lack of easy way of using e-banking services, lack of internet or wifi accesses, lack of materials (smart phone, computer, etc.), lack of clear and trustful service provision and lack of fast and updated systems/applications are the challenges customers face in using e-banking services.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

This final chaptershowssummaryofthestudy,theconclusionoftheresults,andtheresearcher's recommendations.

5.1. Summary of Major Findings

The main objective of this study was to assess the effects of electronic banking services on the customers' satisfaction in Wegagen Bank in Addis Ababa. The researcher specifically focused on assessing the current practices and extent of adoption of e-banking services in WB, and the effects of electronic banking services on the customers' satisfaction.

To achieve the objective, a mixed research methods were employed. Accordingly, three data-gathering instruments (questionnaire for WB customers, interview for both WB workers and customers, and document analysis) were used to gather data. From the selected three WB branches 345 customers were selected as respondents using a purposive sampling technique. From the selected respondents, 263 (76.23%) of them could fulfill the questionnaire and returned it in time. Additionally, from the selected WB branches, three workers and five customers were also purposely selected for the interview.

The data were categorized and analyzed using descriptive statistics and thematic content analysis techniques. The main findings have been discussed in detail as follows.

The bank has moderate (Grand mean score= 3.38) practice of e-banking service and the customers have better habit of using the service in WB. On the other hand, availability of internet/wifi (μ=3.6), speed and modernity of systems (μ= 3.59) and availability of materials (μ= 3.58) are the main challenges customers face to have e-banking services. As Pearson correlation coefficient(r) (.083) indicates, there is very weak positive relationship between e-banking practice and customers' satisfaction, and this implies that the bank needs maximum effort to enhance its customers' satisfaction in e-banking services. Generally, Wegagen bank has a valuable experience of facilitating convenient, prompt and extra-expense saving e-banking service though there are challenges like system reliability, ease of use and service speed that hinder customers to have high satisfaction in the e- banking service However, such challenges might cause the insignificant but positive correctional relationship between e-banking service and customers' satisfaction. However, the customers have some threats regarding the security of their money as some tricks/cheatings have been attempted. Regarding the challenges of using e-banking, lack easy way of using e-banking services, lack of internet or wifi accesses, lack of materials (smart phone, computer, etc.), lack of clear and trustful service provision and lack of fast and updated systems/applications are the challenges customers face in using e-banking services.

5.2. Conclusion

Thisstudy wasconducted to assess the use and impact of e-banking services on customer satisfaction in Wegagen Bank (WB), Addis Ababa. The findings provide valuable insights into three keyareas outlined inthe specificobjectives:

1. Current Practices and Extent of E-Banking Adoption

The research revealed that while e-banking services are available and increasingly used by WB customers, the level of adoption varies. Some customers actively use a range of services such as online transfers, bill payments, and balance inquiries, while others are limited by lack of awareness, technical issues, or accessibility challenges. This indicates that although the foundation of e-banking services is in place, there is still room for wider adoption.

2.Factors Influencing Customer Satisfaction Several factors were found to influence customer satisfaction with e-banking services. These include system reliability, ease of use, security, service speed, and customer support. Customers expressed greater satisfaction when these elements were consistently present. On the other hand, dissatisfaction often stemmed from service interruptions, lack of proper guidance, or concerns about data safety. With regards to the challenges of using e-banking, lack of easy way of using e-banking services, lack of internet or wifi access, lack of materials (smart phone, computer, etc.), lack of clear and trustful service provision and lack of fast and updated systems/applications are the challenges customers face in using e-banking services.

3.Relationship Between E-Banking and Customer Satisfaction

The study established a clear relationship between the use of e-banking services and customer satisfaction. Customers who frequently used these services and found them secure, efficient, and user-friendly were more likely to express satisfaction with the bank overall. However, the relationship between e-banking service and customers satisfaction as Pearson correlation (r = 0.083) shows is insignificant. This underlines the importance of continuously improving the digital banking experience to maintain and enhance customer satisfaction. In conclusion, strengthening the quality, accessibility, and promotion of e-banking services can significantly boost customers' satisfaction and loyalty in WB. The bank should therefore focus on addressing the identified limitations and promoting digital literacy among its users.

Noticeably, the WB has a valuable experience of facilitating convenient, prompt and extra expense saving e-banking service. The customers on the one hand, use various types of e-banking services like ATM, tele birr, mobile banking and Tele birr. The effect of e-banking services provided by the WB on customers' satisfaction, based on the results above, is said to be positive, as the results show that the customers most probably have moderately high trust in the e-banking services. However, the customers have forwarded that they have some threats regarding the security of their money as some tricks/cheatings have been attempted.

5.3. Recommendations

Based on the drawn conclusions, the following recommendations have been made. The bank (WB) and the customers are recommended to facilitate and perform the following main points:

- **Facilitate Easy, Convenient, Secure, and Prompt E-Banking Updates**
  The bank (WB) should ensure that its e-banking services are user-friendly and trustworthy. This means regularly updating the system to provide a smooth and reliable experience. Updates should focus on enhancing convenience, strengthening security measures, and minimizing delays, so that customers feel confident using the platform without fear of fraud or confusion.

- **Address Network and Service Limitation Problems**
  The bank should invest in improving its infrastructure to prevent issues like slow loading times, downtime, and connectivity failures. Ensuring consistent and reliable access to e-banking services is crucial, especially in regions with poor network coverage.

- **Encourage Customers to Use E-Banking Services**
  WB should actively promote the benefits of e-banking—such as time savings and reduced need for physical visits to branches. Awareness campaigns, tutorials, and incentives could help in increasing customer engagement with these digital services. As several respondents (47.9 %) showed less experience, and significant number of them (29.6%) preferred other banks to Wegagen, the bank needs maximum effort to encourage it customers to use e-banking.

- **Increase the Extent of E-Banking Service Quality**
  The bank should broaden the scope and depth of its e-banking services. This includes improving the range of services available online (e.g., loan applications, investment tracking, etc.) and ensuring these services are efficient, user-friendly, and reliable.

- **Maintain the Security of E-Banking Services**
  Robust cyber security measures must be in place to protect user data and financial information. Regular security audits, updates, and user education on safe banking practices will help maintain trust in the system.

- **Encourage Customers to Familiarize Themselves with E-Banking Technology**
  Customers should be encouraged and supported in learning how to use e-banking platforms effectively. This could be done through online tutorials, help desks, or in-person assistance at branches to ensure users can navigate the technology with ease.

- **Promote Responsible Use of E-Banking Services**

Users should be educated on the best practices for safe and efficient use of e-banking. This includes protecting their login information, logging out after sessions, and being cautious of phishing attempts.

On the other hand, the WB customers should:

- **Learn and Familiarize Themselves with E-Banking Technology**

Customers should take the initiative to understand how e-banking systems work. This includes learning how to log in, navigate the system, make transactions, and use features like bill payments, fund transfers, or account monitoring.

- **Use the Services Properly and Responsibly**

It's important for users to follow proper usage guidelines. This means using the services for their intended purposes, avoiding misuse (like sharing login credentials), and ensuring they log out after every session to maintain security.

- **Stay Informed and Cautious About Security**

Customers should be aware of basic cyber security practices: Do not share passwords or PINs with others. Avoid logging in from public computers or unsecured networks. Be alert to phishing emails or suspicious links.

- **Provide Feedback and Report Issues**

If they face any difficulties or notice problems (e.g., service interruptions, suspected fraud), customers should report them promptly to the bank. This helps the bank improve its services and maintain a secure platform.

2. Take Care While Using E-Banking Services

Users should regularly check their account activities and transactions to ensure everything is accurate. If any discrepancies are found, they should contact the bank immediately

5.4. Recommendation for the Future Research

Furthermore, as this study was limitedto onlythree WB branches and focused on customers satisfaction in the WB's quality services, The researcher have also recommended for future researchers that they should conduct further researchers to find out deep and expanded investigations about the case and related aspects in various setting contexts.

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APPENDICES

SCHOOLOFGRADUATE STUDIES

MASTER OF BUSINESS ADMINISTRATION (MBA) PROGRAM

APENDIX A

Questionnaire

The main purpose of this questionnaire is to collect valuable data for a thesis entitled "The Effects of Electronic Banking Service on Customers' Satisfaction.

The purpose of this study is to investigate the current practices and extent of adoption of e-banking services in Wegagen Bank (WB), as well as factors influencing customer satisfaction with these services, and it is for the fulfillment of Master's Degree in **Business Administration/MBA**.

GeneralInstruction

This questionnaire contains four sections;you are kindly requested to give your genuine responses. Your responses will be kept confidential and used solely for research purposes. Thank you for your collaboration in advance!

Sectionone

BackgroundInformationabout Respondents

Pleasemakeatickmark(√)infrontof yourresponse.

1.Gender:Male□ Female□

2.Age:20-30□ 31-40□41-50□51-60□

3.Educationallevel:Diplomaholder□Firstdegreeholder□Mastersdegree□ AboveMaster□

4.Experienceof beingWB customer:5-10years□11- 15 years□ Above16years□

5.UsingElectronicBankingfor WegagenBank :Lessthan 12month□between1and3years □
Between3to5years□ between5to7years□
Between7to10years□ morethan10 years□

SectionTwo:PracticesofE-banking Services

Please indicate howmuchyouagree or disagree witheachstatementandputa(√)mark under the number that represents your response. . (Tigist, 2020)

Note:5=stronglyagree,4=agree,3=undecided,2=disagreeand1=strongly disagree

No	**Item**	**Ratingscale**				
		5	**4**	**3**	**2**	**1**
2.1	WBhasfacilitatede-banking services					
2.2	Iusee-bankingin WBbecauseit providesfast and qualified service					
2.3	TheWBencourages meto usethe e-bankingservices it provides.					
2.4	Ihavenever facedanyproblem whenIusee-bankingservice.					
2.5	Isometimesfacenetworkandservicelimitationrelated problems.					
2.6	Thee-bankingserviceisalways updated sothat wecanuseit easily.					
2.7	Thee-bankingservicesavesmytimeandextraexpenses					

2.8. What kinds of e-banking service does the WB provide to you? You can choose more than one, or all

Online Banking------- Mobile Banking ------ ATM ----- Others (Please Specify: ___________)

2.9. How often do you use e-banking service?

Daily ------ Weekly -------- Monthly -------- Occasionally--------- Rarely ----------

2.10. Do you get better WB e-banking service than other banks? Yes------------ No -------------
2.11. If your answer for the question 2.1o is 'Yes' why? What makes it better? ----------------------
----

2.12. If your answer for the question 2.10 is 'No' why? What does it lack?---
----

SectionThree:QuestionnairesrelatedwiththeeffectofE-BankingServicesonCustomer Satisfaction.

Instruction:pleaseputatick(√)markinfrontofyour choice.

Note:5=stronglyagree,4=agree,3=undecided,2=disagreeand1=strongly disagree

	MajorE-BankingServicequalitiesthataffectcustomer satisfaction in WegagenBank	**1**	**2**	**3**	**4**	**5**
	I.QuestionsrelatedtoSecurityofE-Banking Service Qualities					
3.1	Thesecurityfeaturesof E-Bankingservices providedbyWegagen Bankisnotgoodbecause I usuallyfaceddoubledeductionfrommy accountand myATM cardis usuallycaptured bythemachine and wait for a long time to get my Moneyandmycardback.					
3.2	Iamnotconfidentwiththesecurityaspectsofe-bankingservices provided by Wegagen Bank S.Co.					
3..3	Lackofsufficientgovernmentsupportaffectscustomerswillingness to use E-Banking Services in Ethiopia in general and specifically in Wegagen Bank					
3.4	EBankingservicessecurityrisksaffectElectronicbankingservice qualities in WegagenBank					
3.5	ElectronicBankingServicesprovidedbyWegagenBankare convenient and trusted.					
3.6	E-BankingservicesprovidedbyWegagenBankdonotallowothersto access myaccounts					
3.7	E-BankingservicesprovidedbyWegagenBankofferssecurepersonal privacy					
	II.QuestionsRelatedtoAvailabilityofE-Banking Services					
3.1	TheavailabilityofICT/InformationCommunication Technology/ infrastructureinWegagenBankisconvenienttoprovideE- Banking Services..					
3.2	availabilityoftechnologicalequipmentstoprovideE-Banking services in Wegagenbankisgood					
3.3	ThereisnoproblemintheAvailabilityofappropriatemaintenance upon failureOfE-BankingServicesystemsinWegagen Bank.					
3.4	ThereisnofrequentavailableserviceinWegagenBankWhenIapply for E-BankingService likea new ATMcardor Replacement forlost or damaged card.					

	III.QuestionsRelatedtoPerceivedEaseofUseofE-Banking services					
3.	EBankingservicesofWegagenBankmakesbankingServices easy					
1 3. 2	InthecaseofmobileandinternetBankingServicesofWegagenBank customers can simply use banking service by using their cell phones					
3.	Fromthecustomersperspective,itiseasytouseEBanking services toaccomplishbankingtransactions					
3 3.	UsingE-Bankingservicesystemssimplifiestheactivityofclientsto getbanking services					
3. 4	Theapplicationinstalledonwebbrowserfor-Ebankingservices like internetbankingandmobilebankingisveryslowandcomplicated					
5 3.	ThemanagementofWegagenbankprovidestrainingcoursesfor its staffwhenintroducingnewE-Bankingservicestomaintainand increase service qualities					
3. 6	Adequatedemonstrationisprovidedtocustomersonhowtouse E bankingservicesinWegagen Bank					
7 3.	EBankingprovidedbyWegagenBankenablesuserstocomplete banking activities more quickly and easily					
	IIII.QuestionsRelatedtofunctionality					
8 3.	EBankingserviceof WegagenBankarefastandtime saving					
1 3.	E-BankingServiceofWegagenBankareconvenient,becauseit is available7daysaweekand24houraday,toaccessmybank account					
2	EBankingserviceprovidedbyWegagenBankaremore accessible andconvenientthanvisitingits Branches					
3. 3	Thetransactionperformanceorspeedofintenetbanking,moblilebanking WegagenBank'sE-bankingservicesareslow Duetothefrequentinterruptionofnetwork,Icannotproperlyuse the					
3.5 3.	E-BankingServicesofWegagen Bank					
	V.QuestionsRelatedto Reliability					
4 3.	EBankingservicesdeliveredbyWegagenBankarereliable and dependable					
1	IamsatisfiedwithEBankingserviceofWegagenBankbecause it createbetterservicequalities					
3.	EBankingserviceofWegagenBankhasasbetter customer informationcontrol tools					
2	**VI.QuestionRelatedtoCustomerSatisfaction**					
	Iamsatisfiedwiththeperformanceortransaction processing					
3.	efficiencyofE-BankingservicesprovidedbyWegagenBank IamsatisfiedwithWegagenBank'sE-Bankingservices system					
1 3	security WegagenBank'sE-Bankingservicequalityis reliable					
3.						

2

3.

3

3.4	IamsatisfiedwiththeWegagenbank’se-services AVAILABILITY.					
3.5	Iamsatisfiedwithuserfriendly(easytouse)natureofE-banking services delivered by Wegagen Bank					
3.6	EBankingserviceofWegagenBankhasasbetter customer informationcontrol tools					
3.7	IamsatisfiedwiththeWegagenbank’se-services quality					

Section Four: Wegagen Bank Customers’ Challenges of Having Satisfaction in E-banking Services

Instruction:pleaseputatick(√)markinfrontofyour choice.

Note:5=stronglyagree,4=agree,3=undecided,2=disagreeand1=strongly disagree

No	**Item**	**Ratingscale**				
		5	**4**	**3**	**2**	**1**
4.1	Lackofeasywayofusinge-banking services					
4.2	Lackofinternetor wifiaccesses					
4.3	Lackofclearandtrustful service provision					
4.4	Lackofmaterials(smartphone,computer, etc.)					
4.5	Lackoffastandupdatedsystems/applications					

APPENDIX B

WB Workers' Interview

1.How do you see the E-banking services of WB?

2. How do you assess the customers' trust in the service?
3. Do you keep updating the e-banking systems?
4. What strategies do you use to aspirate customers and use e-banking services?
5. What challenges do you face in facilitating e-banking services?

APPENDIX C

WB Customers' Interview

1. What advantages do you get from the E-banking services of WB in comparison to other banks?
2. Do you have great trust in the E-banking service?
3. Is the e-banking system updated in time the e-banking systems?
4. What problems do you face when you use e-banking services?
5. How do you explain your satisfaction in using the e-banking service?