

The Effect of Electronic Banking on Customer Satisfaction at Commercial Bank of Ethiopia Wolaita Sodo Town

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Abstract:

The goal of the study is to analyze various aspects of service quality and relate them to consumer expectations while also determining how to quantify service quality in electronic banking to increase customer satisfaction. In order to measure the impact of electronic banking on customer satisfaction, this study uses seven dimensions that are crucial for providing this service: reliability, ease of use, privacy and security, accessibility, efficiency, responsiveness, and cycle time. This highlights the significance of the topic of electronic banking services and the importance of concentrating on the services offered by the banks that adopted them. A total of 381 consumers who utilize electronic banking made up the study sample. The findings of simple regression showed that electronic banking services have an impact on customer e-satisfaction. The findings demonstrated that the overall service quality aspects have a statistically significant effect on consumer satisfaction with electronic banking. The paired t-test is used in this study to assess the gap between e-banking expectations and perceptions, and the results indicate a statistically significant disparity. Based on the finding of the analysis, recommendations were made.

Keywords: electronic banking, customer satisfaction, expectation, perception

Introduction:

An invention that has gradually become ubiquitous, affecting several financial institutions as well as other economic sectors, is electronic banking. Mobile banking evolved in the twenty-first century from merely offering text messaging services to becoming a form of pseudo-internet banking where users could view their balances, set up various alerts, and perform tasks like fund transfers, check deposits, and payroll-based transactions (Vaidya 2011).

Electronic banking, according to Daniel (1999), is the process by which banks provide their clients with information and services through a variety of delivery platforms that can be utilized with a variety of terminal devices, including a computer, a mobile phone, desktop software, a telephone, or a digital television.

Internet (electronic) banking, according to Khan (2007), is the system that allows clients of financial institutions, people, or companies to access accounts, conduct business, or get information on financial products and services on public or private networks, such as the Internet as stated by Zhao and Saha (2005).

Pardon (1977) noted the expansion of several electronic banking technology in recent years. The main advances and investments made by financial institutions have been in technology such as credit/debit cards, automated teller machines, and direct deposit. However, he noted that these inventions and developments require a setting that is welcoming to customers and likely to increase their level of pleasure. He pointed out that since the customer is king in a clientele-driven society, electronic banking has a brighter future if these technologies are designed to enhance service delivery and satisfaction.

Aim of the study

The main aim of the study was to find out the effect of an electronic banking on customer satisfaction at commercial bank of Ethiopia, Wolaita Sodo Town.

Statement of Problem

Satisfying customers is the first major mission and purpose of any business organization.

It is when customers are satisfied the organizations achieves higher sales, profit and market share and vice versa. E banking was adopted by banks so as to improve their service delivery, minimize waiting time in the banking hall, enable customers withdraw cash 24/7, aid payment and remittance, track personal banking transaction, request for online statement, or even transfer deposit to a third party account. the benefits banks derive from Electronic Banking in banking operations especially with respect to service delivery is improved efficiency and effectiveness of their operations so that more transactions can be processed faster and most conveniently, which will undoubtedly impact significantly on the overall performance of the banks. Currently there are some factors which affect customer satisfaction in electronic banking service in commercial bank of Ethiopia. Those are:

1. ATM machines are out of cash, no printing statements, cards get blocked, frequent breakdown of ATM service, unreliability of ATM service, lack of sufficient technicians in all bank who solve breakdown of ATM machine, lack of sufficient alternative system which substitute ATM service
2. Lack of convenience of E-bank service, lack of credit card service, under-development of technological infrastructure, low level of relevant knowledge creation and innovation, interruption of network, lack of suitable and regulatory frame work for e-commerce,
3. Resistance to changes in technology among customers and service providers as result of fear of risk,
4. Lack of fair distribution of E-banking service in all over Ethiopia during this pretest of this study
5. Long Queues are still seen at the banking hall, bank customers still handle too much cash, and hardly do people talk about the electronic banking products that are available commercial bank of Ethiopia branches

Literature Review

Types of E-Banking

Many electronic banking delivery channels provide banking service to customers. Among them ATM, POS, Mobile banking and internet banking are the most widely used and discussed below.

ATM

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).

Internet Banking

Internet banking allows customers of a financial institution to conduct financial transactions on a secure website operated by the institution, which can be a retail or virtual bank, credit union or society. It may include of any transactions related to online usage. Banks increasingly operate websites through which customers are able not only to inquire about account balances, interest and exchange rates but also to conduct a range of transactions. Unfortunately, data on Internet banking are scarce, and differences in definitions make cross-country comparisons difficult (Alabar, T. Timothy, 2012).

POS

Point of sale (POS) also sometimes referred to as point of purchase (POP) or 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 salesperson accessible interface. The same system allows the creation and printing of the receipt. Because of the expense involved with a POS system, the eBay guide recommends that if annual revenue exceeds the threshold.

Mobile Banking

Mobile banking (also known as M-Banking, m banking) is a term used for performing balance checks, account transactions, payments, credit applications and other banking transactions through a mobile device such as a mobile phone or Personal Digital Assistant (PDA). The earliest mobile banking services were offered over SMS, a 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. This aspect of mobile commerce is also popular in countries where most of their population is un-banked. In most of these places, banks can only be found in big cities, and customers have to travel hundreds of miles to the nearest bank. The scope of offered services may include facilities to conduct bank and stock market transactions, to administer accounts and to access customized information (Tiwari R., 2007).

Evolution of Electronic Banking

Electronic banking, or e-banking, is the term that describes all transactions that take place among companies, organizations, and individuals and their banking institutions. First conceptualized in the mid-1970s, some banks offered customers electronic banking in 1985. However, the lack of Internet users, and costs associated with using online banking, stunted growth. The Internet explosion in the late-1990s made people more comfortable with making transactions over the web (: <http://www.ehow.com/>)

E-banking became possible in early 1990s when the Internet was opened to commercial use. With the 24\7 availability of Internet commerce websites, it has become very important to the users to trace and track their transactions, as they occur to ensure the account status and stability. Thus, it has become very important to have banks that can serve, support and work with e-commerce companies and consumers 24\7.

Background of the Ethiopian Electronic Banking Service

Commercial Bank of Ethiopia (CBE), introduced ATM service for local users in 2001 with its fleet of eight ATMs located in Addis Ababa. Moreover, CBE has had Visa membership since November 14, 2005. However, due to lack of appropriate infrastructure it failed to reap the fruit of its membership. Despite, being the pioneer in introducing ATM based payment system and acquired Visa membership, CBE lagged behind private banks, which worked aggressively to maintain its lead in electronic payment systems. The Ethiopian banking industry entering in to this ICT based service to customer in order to bring efficiency in operation by minimizing operating cost thereby increasing customer satisfaction and profitability. E-banking offers the convenience of conducting most of the banking transactions at a time that suits the customer. The customer can access funds and transfer funds between accounts, Pay bills and make purchases 24 hours a day, 7 days a week. A rapid increase in the number of financial institutions since financial liberalization, the Ethiopian banking system is still underdeveloped compared to the rest of the world. Cash is still the most dominant medium of exchange. The use of Checks is mostly limited to government institutions, NGOs and some private business.

Commercial banks in Ethiopia provide the same services with the same operational style that they used to offer before decades. The common banking functions provided by public and private banks in Ethiopia are deposit mobilization, credit allocation, and money transfer.

Though there are few researches done about electronic banking in Ethiopia electronic banking is a useful topic to study how to make it applicable using the available Information Communication Technology infrastructures together with the existing financial and legal frameworks so that the quality of services in Ethiopian banking sector can be enhanced for the future. Moreover Internet banking has been widely studied in developed countries and also to some extent in developing countries but not in Ethiopia. Very few studies have been done in developing countries, and it has not been well investigated in Ethiopia. Customers in Ethiopia are late adopters of the Internet and its applications with regards to electronic banking. It looks that electronic banking is facing difficulties in Ethiopia. Ethiopian banking system is still underdeveloped compared to the rest of the world and electronic payment systems are at an embryonic stage. Among commercial banks in Ethiopia very few of them are engaged with the diffusion of e-commerce. Moreover among several services of e-banking, they are limited to ATM service. Creating an electronic banking in Ethiopia is the same as to building a web business for all who are participating in the economy of the country. This leads the country to the electronic business (e-business). The E-business, E-commerce is about using electronic techniques to create opportunities, create new markets, new processes and growth the creation of wealth using electronic mediums (Abraham, 2012).

Benefits of Electronic Banking on Both to Customers and Banks.

1. Especially with respect to service delivery is improved efficiency and effectiveness of their operations so that more transactions can be processed faster and most conveniently, which will undoubtedly impact significantly on the overall performance of the banks
2. The most of the services provided by the mobile banking includes receiving and sending of messages, access of subscription and prepaid and instructions. In user's SIM card the mobile banking applications installed which help in facilitate of withdraws, deposits and the transfer of money between the two parties
3. The services of mobile banking can also improve operational performance and also increase the amount of data processing
4. Access to a broader base of customers: one of the most important features is to access to a broad base of customers across the world without being bound by a particular place or time.
5. Provide full banking services and new: there are new banking operations should provide the service in fast performance and accuracy.
6. Through CBE's Internet Banking, many transactions can be carried out. The online services include:
 - Viewing account balances and transactions.
 - Making fund transfers between customers' own current accounts and savings accounts.
 - Effecting payments to third parties, including bill payments to predefined CBE customers within Ethiopia.
 - Viewing and downloading current and saving account statements.
 - Requesting for Stop Payments on cheques, etc.
 - Applying for a Letter of Credit...and more...

Customer satisfaction is it refers to the extent to which customers are happy with the products and/or services provided by a business. Further definition of customer satisfaction is it is a term generally used to measure a customer's perception of a company's products and/or services. It's not a straight forward science however, as customer satisfaction will vary from person to person, depending on a whole host of variables which may be both psychological and physical. The usual measures of customer satisfaction involve a survey with a set of statements using a Likert Technique or scale (Westbrook, 1980).

Customer satisfaction is the important factor for the long term success of the organization. By keeping the importance of customer satisfaction in mind there is a need of banks to maintain close and stable relationship with their customers by providing the high quality of product and services. So there is a need to judge the level of customer satisfaction. The satisfaction of customer cannot be measured unless the factors which affect the satisfaction level of customers are not determined. As the banking industry is the high involvement industry. Banks are being aware of the importance of this fact that the provision of high quality service to customers is necessary for their survival and the success in today's global and competitive environment (Wang, Han, & Wen, 2003).

Methodology

Research Design

In order to gather comprehensive information that aids the researcher in establishing the connection between electronic banking and customer satisfaction at the Commercial Bank of Ethiopia Wolita Sodo Town and the research design was casual type. Data from a sample of 381 bank customers was gathered using a structured questionnaire approach. The sample was divided into groups according to gender, occupation, age, and income. SPSS was used to examine the sample's obtained data. All of the hypotheses were tested using simple linear regressions.

Study Population

The study population comprised of all the employees and electronic banking customers of commercial bank of Ethiopia 4 branches **Wolita Sodo, Dicha, Tona and Wadu** .The research takes those customers who are using a least two of electronic banking products so the study population who are using electronic banking actively are 8301 customers in four branches of Sodo Town. From these total populations 381 customers are selected for this study.

Sampling method

The study involves the use of stratified sampling, whereby samples will be selected from the study population. Here the respondents were selected from the bank customers who are using electronic banking in four branches of commercial banks in Sodo city branches. From each branch, samples were selected based on the total share of electronic banking users in the city. In addition to that, bank managers and selected employees were sources of information by interview. This helps to ensure interviewing of relevant informants with firsthand information and with well-prepared questionnaires was collected from customers of commercial bank of Ethiopia Sodo city branches. Customers were divided into individual customers and corporate entities stipulated time frame and cost constraint. Since the users of electronic banking users of commercial bank of Ethiopia are finite, the researcher is going to use Yamane (1967)

$$n = \frac{N}{1 + N * e^2} = \frac{8301}{1 + 8301 * (0.05)^2} \approx 381$$
 where, N= The Population Size; e= error level at 95% Confidence Interval; n= sample size

Table A. Sample Size Distribution by the Branches

Branch	Total Number Of Electronic Banking Users	Share In %	Cummulative %	Sample Selected From Each Branch
WOLITA SODO	3544	42.75%	42.7%	$381 * .427 = 162$
DICHA	1454	17.51%	60.21%	$381 * .1751 = 67$
TONA	2556	30.8%	91.01%	$381 * 30.8\% = 117$
WADU	747	8.99%	100%	$.899 * 747 = 35$
TOTAL	8301	100%		381

Data collection**Data collection Instruments****Questionnaire**

A structured questionnaire was selected for this study. The questionnaire is consisting of Questions regarding **accessibility, Responsiveness, Privacy & Security, responsiveness, Reliability, cycle time, efficiency**. Each item is of 5 point Likert scale, that ranges from 1 (strongly disagree) to 5 (Strongly agree).

Interviews

Interviews were determined beforehand while others arose during the course of the conversation.

The population of this study were the e-banking customers of commercial bank of Ethiopia in Sodo town and questionnaire was distributed using simple random sampling techniques and these banks were chosen because in the specific area in which the study conducted, Sodo town, while this time there were 10 commercial banks with 14 branches.

Methods of Data Analysis

The systematic study of the research problem in addition to theoretical framework requires designing study model by taking customer satisfaction as dependent and electronic banking service dimensions as independent variable. BY using SPSS. The descriptive summary of the data was summarized using Tables, percentage and numbers. Whereas the inferential aspect of the data was addressed using regression and paired t-test to see the significance of the effect of electronic banking on customer satisfaction.

Result**Table B: Demographic profile of respondents**

Variables	Categories	Frequencies	
		Number	Percentage
Gender	Male	277	73
	Female	104	27
	Total	381	100
Age	Above 36	68	17.8
	25-35	209	57.8
	18-24	104	24.4
	Total	381	100
Types Of Account	Current	56	14.7
	Saving	282	74
	Special Saving	43	11.2
	Total	381	100
Types Of E-Banking	Only ATM	131	34
	ATM Mobile Banking and POS	154	42.6
	Mobile Banking and ATM	96	23.4
	Total	381	100
No Years Customers Use E-Banking Prouducts	<1 Year	91	23.8
	1-2 Year	105	27.5
	2-3 Year	176	46.1
	>3 Year	9	2.6
		381	100

Table B clearly shows as about the electronic banking users when researcher sees gender of respondents 73% are male and 27% are female and most of e-banking users in commercial bank of Ethiopia are in age between 25-35 year which takes 57.8 % of total respondents as shown in above table. When researcher sees types of accounts that respondents use about 74% using ordinary saving accounts. when researcher see types of e-banking customers use 34% use only ATM which is to with draw money from ATM machine but most of respondents use both ATM and Mobile banking .when researcher see no of years customers use e-banking products 23.8% use e-banking for less than one year and most of customers use e-banking for 2- 3year

Table C: Study Tool Reliability

Dimensions Cronbach's	Alpha Score ()
Ease of use	.859
Reliability	.848
Accessibility	.871
Security and Privacy	.797
Efficiency	.845
Responsiveness	.807
Cycle Time	.695

The Cronbach Alpha score ranges from 0 to 1. A Cronbach Alpha score greater than 0.7 show high internal reliability of the scaled item (Nunnally and Bernstein, 1994). In spite of this argument Garson (2002) indicated that the cut off point for the Cronbach Alpha should be between 0.8 and 0.6 (Garson, 2002). Additionally, the Cronbach Alpha increases when the number of items in the scale is increased which means that the Cronbach Alpha score decreased (Garson, 2002). From table C in the above table Expect cycle times all other are above 0.7, meaning that they are highly reliable. The meaning of internal reliability applies to multiple-indicator measures.. To test the internal reliability, most researchers use Cronbach's alpha, which calculates the average of all split-half reliability coefficients. We have used the Cronbach's alpha for calculating whether or not the hypotheses should be accepted or rejected, and, by using this data analysis method, we strengthen the internal reliability of the findings in the thesis (Jonsson, and Hagg, 2009).

Table D: The Effect of overall service quality on customer satisfaction

Coefficients

Model	Un standardized Coefficients		Standardized Coefficients	t	F	Sig.
	B	Std. Error	Beta			
1	(Constant)	-.084	.095	-.891	279.586	.374
	Reliability	.229	.027	.252		.000
	Ease to use	.156	.028	.180		.000
	Accessibility	.188	.028	.223		.000
	Security and privacy	.056	.027	.061		.040
	Efficiency	.163	.027	.184		.000
	Responsiveness	.096	.025	.109		.000
	cycle time	.139	.019	.170		.000

a. Dependent Variable: customer satisfaction

R=0.917 R-SQUARE =.840

Source: This table was developed based on SPSS analysis

From above table D, what researcher understands is that all the variables have impacts on customer satisfaction at significant level but reliability has more power to explain customer satisfaction when compared with others and security and privacy got less share but at the significant level as indicated by p value. The results generated by the seven factors explain 84.0% of the variation in Customer Satisfaction. That mean from overall satisfaction 84% explained by these variables .when we put in mathematical model it is

$$C.S = 0.252 * reliability + 0.18 * ease \text{ to use} + .223 * accessibility + .061 * security \text{ and privacy} + .184 * efficiency + .109 * responsiveness + .139 * cycle \text{ time}$$

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Analysis of Service Quality Gap between Perception and Expectation of Customers in Electronic banking

Table E: The Extent to Which Perception on Reliability Differs from Expectation

Paired Samples Test

	Mean	Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1 perception on Reliability - Expectation of Reliability	3.8527	-.20764	.78650	.04029	-.28686	-.12841	-5.153	380	.000
	4.0604								

The mean score on customer's expectation with regards to the Reliability of service is higher than what customers receive in the electronic banking service of bank. The mean difference in the Reliability scores for customers was -.20764 The repeated measure t-test also revealed a significant difference between what customers expect and what they actually get in the financial sector [(df = 380) = -5.153, $P < .05$]. This means that customer's expectations are not met. This is because there is a negative difference in the mean scores which shows exception was greater than perception. The difference is significant which is shown by Sig. (2-tailed) is .000 which is less than p-value of .05 (See Table E.)

Table F: The Extent to Which Perception on ease to use Differs from Expectation

Paired Samples Test

		Mean	Paired Differences					t	df	Sig. (2-tailed)
			Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
						Lower	Upper			
Pair 1	Ease to use perception - Expectation on Ease to use	3.8217	-.17468	.82329	.04223	-.25772	-.09164	-4.136	380	.000
		3.9964								

The repeated measure parried t-test results revealed a significant mean gap between perception of customers and their expectation on the Easy to use service measure of electronic banking. The mean score of customers on their perception for easy to use was 3.8217 and their expectation for the easy to use service facet of the service quality scale was 3.9964 It can be realized that the mean difference (gap) is -.17468. Thus, expectation of is lower than what should exist in the actual banking sector [t (df = 380) = $P < .05$]. In other words what customers expect is lower than what they perceive to be getting from their service electronic banking. In fact the difference between expectation and perception is -.17468 was statistically significant meaning that when it comes to easy to use customer's expectations are not being met (See Table F)

Table G: The Extent to Which Perception on Accessibility Differs from Expectation**Paired Samples Test**

	Mean	Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1 perception on Accessibility - Exception on Accessibility	3.8349	-.37902	.89342	.04577	-.46901	-.28902	-8.281	380	.000
	4.2139								

The mean score on customer's expectation with regards to the Accessibility of service is higher than what customers receive in the electronic banking service of bank. The mean difference in the Accessibility scores for customers was -.37902. The repeated measure t-test also revealed a significant difference between what customers expect and what they actually get in the financial sector [(df = 380) = -8.281, $P < .05$]. This means that customer's expectations are not met. This is because there is a negative difference in the mean scores which shows exception was greater than perception. The difference is significant which is shown by Sig. (2-tailed) is .000 which is less than p-value of .05 (See Table G).

Table H: The Extent to Which Perception on Security and privacy Differs from Expectation**Paired Samples Test**

	Mean	Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1 perception Security and privacy - Expectation on security and pervicy	3.973	-.2366	.83643	.04285	-.3208	-.15238	-5.522	380	.000
	4.2099								

The above paired samples result shows that concerning the security issue of electronic banking customers expectation on security is garter than perception on security .the mean result of perception is 3.9733 whereas mean result of expectation on security of electronic banking is 4.2099 which is greater than that of perception by -.23664 the result is -ve because we deduct expectation from perception in other way it shows dis sat faction of customers on security of electronic banking. When researchers see the difference of mean there is significant difference because p value is .000 which is less than .05 with df 380 and t value is 5.522 (See Table H).

Table I: The Extent to which Perception on Responsiveness Differs from Expectation

		Mean	Paired Differences					t	df	Sig. (2-tailed)
			Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
						Lower	Upper			
Pair 1	perception on Responsiveness -	3.7426	-.2114	.78133	.04003	-.2901	-.1327	-5.28	380	.000
		3.9540								

Expectation on Responsiveness									
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The above paired samples result shows that concerning the responsiveness issue of electronic banking customers expectation on responsiveness is greater than perception on responsiveness. The mean result of perception is 3.7426 whereas the mean result of expectation on responsiveness of electronic banking is 3.7426 which is greater than that of perception by -.2114. The result is -ve because we deduct expectation from perception in other way it shows dissatisfaction of customers on responsiveness of electronic banking. When researcher sees the difference of mean there is significant difference because p value is .000 which is less than .05 with df 380 and t value is 5.281 (See Table I).

				Paired Differences				t	df	Sig. (2-tailed)	
				Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
							Lower				Upper
Pair 1	perception on cycle time –	3.7915	-	0.25783	0.90103	0.04616	-	-	-	380	0
	Expectation on cycle time										

Table J: The Extent to which Perception on Efficiency Differs from Expectation

To ascertain whether customers' expectations are met on the efficiency element dimension of service quality, the Paired Samples Test t-test was used. The results showed a significant gap between the mean scores for customer expectations (3.6059) and their perception (3.7458) on the efficiency element indicator of the service quality scale [$t(df = 379) = 5.0714$, $P < .05$]. This means that when it comes to efficiency element, expectations of customers far below what exists in the electronic banking service. The gap .1369 exists and what customers expect is statistically significant. That is with regards to efficiency element of service delivery, customers perceive the commercial bank doing enough (See Table J).

Table K: The Extent to which Perception on cycle time Differs from Expectation

Paired Samples Test

			Paired Differences					t	df	Sig. (2-tailed)
			Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
						Lower	Upper			
Pair 1	perception on Efficiency -	3.7458	.137	.81418	.04171	.05489	.21892	3.28	380	.001
	Expectation on efficiency	3.6059								

Table K shows us the gap between customer expectation and perception which analyzed through paired t-test in SPSS version 20. The result shows as mean of perception is 3.79 whereas mean of expectation is 4.049 the difference is -.257 which shows as significant difference between expectation and perception of customers with t value of -5.586 and p value .000 which is less than .05. When we say cycle time it is the amount of time that electronic banking users come to bank so before starting e-banking they expect that their coming to bank will decrease but as we see the result expectation is far below perception.

Table L: Understanding level of customers about e-banking

No	Paragraph	SA	A	NS	D	SD
1	I do understand what mean by electronic banking	18.6	49.6	23.6	6.8	1
2	I need explanation and support from bank about e-banking	30.7	44.1	14.2	10.5	.5
3	Controlling of my account has improved after using e-banking	28.9	42.8	17.1	10.8	.5

The above table shows Understanding level of customers about electronic banking to do that researcher collected data through 3 statements as on above table and result is analyzed through descriptive statics by help of SPSS version 20 .for the first statement which says I do understand what mean by electronic banking 49.6% of respondents agree that they understand about electronic banking but 18.7% of respondents disagree that they did not understand about electronic banking. Mean 3.78 indicates the understanding level is near to agree. The second statement which says I need explanation and support from bank about electronic banking most of customers need support from bank to understand and use electronic banking which is about 68.2% of respondents .The mean result 3.93 also shows the need support from bankers about electronic banking. The last statement which says controlling of my bank account has improved after using electronic banking 28.9% respondents strongly agree that there way of controlling their account is improved after using electronic banking and 42.7% of respondents agree that they got benefit from electronic banking and the average agreement is about 3.88 as shown in the Table L.

Table M: Challenges related with E-Banking

No	Statement	Mean	Strongly Agree	Agree	Not Sure	Dis Agree	Strongly Disagree
1	Fraud risk associated with e-transaction is challenge for e-banking	3.93	27	47.2	18.9	5.8	1
2	Technical problems associated e-transaction is challenges for electronic banking	3.81	19.9	52.5	17.8	8.9	0.8
3	The challenge for electronic banking expansion in the city is high	3.75	17.6	50.4	22.6	8.7	0.8

4	A cultural problem associated with electronic banking is challenge	3.73	21	43.6	24.4	9.7	1.3
5	The opportunity for electronic banking service expansion in the city is high	3.79	25.5	40.9	22	10.2	1

The Above table M shows challenges and opportunity related with electronic banking in wolita sodo city branches of commercial bank of Ethiopia as shown in table

Fraud risk associated with e-transaction is challenge for e-banking 27% of respondents strongly agree with this statement in addition to that 47.2% agree that fraud is a problem or challenge for electronic banking and 18.9% of total respondents are not sure about the challenge which face to electronic banking. The second statement which says Technical problems associated with e-transaction is challenges for electronic banking for this statement 19.9% respondents give strong agreement and 52.5 % agree 17.8% disagree and .8% strongly disagree. 3rd statement which says The challenge for electronic banking expansion in the city is high 17.6%strongly agree and 50.4% agree, 22.6% Not sure .4th Statement which says A cultural problem associated with electronic banking is challenge for this statement 21 % give strong agreement and 43.6% give agreement where as 24.4% is not sure and about 11% respondents don't agree on this statement. The 5th statement which says the opportunity for electronic banking service expansion in the city is high. Forth statement 25.5% strongly agree and 40.9% agree and 22% not sure about the opportunity for electronic banking service expansion in the city.

Conclusion and Recommendation

Conclusion

Based on the result of analysis researcher concludes that majority of e-banking users are male when compared with females .most of the e-banking users are in the Age between 25-35 and most them are ordinary saving account users . The study result shows that there are positive or statically significance impact service quality dimensions of e-banking on customer satisfaction .Based on the result of regression analysis researcher conclude that there is statically significant relation between reliability and customer satisfaction ,ease to use and customer satisfaction, efficiency and customer satisfaction accessibility and customer satisfaction ,responsiveness and customer satisfaction , cycle time and customer satisfaction .This is induction of the fact that the hypothesis designed by the researcher to Cary out this research have been proved .

In view of the findings of this study it is concluded that electronic banking in Ethiopia create significant impact on service delivery this leads to improved customer satisfaction. Based on the result of paired T-test researcher conclude that there is significant gap between expectation and perception of customers on service quality measurement of e-banking service such as reliability , ease to use ,efficiency , accessibility and cycle time and security and privacy.

From result of paired T- test all the service quality determinants tasted in paired t-test except efficiency are below expectation of customers at significant level. Whereas, in case of accessibility difference between expectation and perception is high that shows that the E-banking accessibility is far below the expectation of customers that mean it is not easy to find the service of electronic banking. In case of Ease to use the gap between expectation and perception is small when compared with others. Generally, the gap between expectation and perception shows there is significant difference.

The main advantage that the banking industry has felt with the advent of e-banking is that their market share has increased just because of attraction and retention of new and potential customers' respectively.

Recommendation

Much need to be done in the area of creating understanding about the importance of electronic banking products and services, how they operate and their application. Banks should organize public exhibitions and talk shows and make products accessible to all customers. In addition, they should improve their service delivery to explain the benefits of electronic banking products and services. By This way, customers' interest would be aroused.

Banks should try to create customers' confidence by providing adequate security of transaction back up of critical data files and alternative means of processing information .not only in banks but also on their device that they used for transaction

The researcher suggests measuring the effectiveness and the efficiency of the services of the e- banking for users in all the time

The researcher recommends Telecoms and banks should work hand-in-hand to offer a high quality service and can reach to customer satisfaction in minimizing network problem that is common in commercial bank of Ethiopia branches

Banks should work hard to minimize the gap between expectation and perception of the service of e-banking by maximizing the quality of the service it is possible to meet expectation of customers

E-banking service should expand as much as possible in order to reduce the visits of bank hall for customers and to get investment cost advantage than opening bank hall as the current rent price per year for opening bank hall is much greater than buying an ATM machine Current account holders should be encouraged to use e-banking service as the users of this type of account are business men and women who need money now and then which increase the revenue generated from the service when they use now and then.

The types of service provided by e-banking should be increased for instance to accept the deposits and the banks should exploit the opportunities in expanding e-banking by mitigating the challenges.

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