

The Effects Of Electronic Banking On Customer Service Delivery, A Case Study Of Cairo Bank Uganda, Nakasero Branch, Kampala

1Ddamulira Vincent, 2Dr Ariyo Gracious, 3Tukamuhebwa Deus, 4Kamugisha Nelson, 5Kimaku Alex

1,2,3,4,5 Metropolitan International University

Abstract: *Even though electronic banking is essential to many financial institutions, less research has been conducted on consumer satisfaction, particularly in the African context. This study was conducted in order to determine the factors that influence customer service delivery on Electronic Banking service as well as examine the relationship between Electronic Banking service and customer satisfaction so because implementation of technology is a new phenomenon in Cairo Bank, Uganda, and many customers have not yet embraced it. A questionnaire and interview questions served as the main data collection tools in order to collect high-quality quantitative data. The study found a considerably positive association between customer happiness and electronic banking, which is consistent with Alhawari and Ward's findings (2005). The study suggested putting more emphasis and effort into focusing on specific clientele. The providers of electronic banking services should also keep an eye out for signs of creative ways to raise awareness of their offerings through participation in trade organization exhibitions and the adoption of new electronic banking technologies.*

Keywords: electronic banking, customer service, Delivery and financial institutions

Back ground of the study

Electronic commerce, particularly offers a cheap and direct way to trade information as well as sell or purchase products and services, is currently considered to hold the promise of a new commercial revolution on a global scale. The necessity for a payment system that can meet the needs of the electronic market has sparked a revolution in the banking industry as a result of the market revolution. Analyzing the pertinent literature in this context is one of the goals in order to evaluate the conclusions of earlier studies about the financial and operational performance of banks follow the use of information technology.

Early in the 1990s, when credit cards, ATMs, and telephone banking were the three main applications, e-banking services had just become accessible. Database, information system, and other technologies have been incorporated into banking services on various levels over the past ten years. Following the introduction of the internet, local banks now offer e-banking services, such as online enquiries, e-payments, and e-transfers, through a secure website. There are two common business models used to offer users online banking services. The first is the incumbent bank, also referred to as the "bricks and clicks" model, which uses online banking as an advancement to its traditional banking sector, fusing branches, ATMs, call centers, and online services into a single system, and using e-banking as a new means of service delivery (Kala, 2010).

Financial institutions now supply their services through a variety of electronic means, and the value of a traditional branch network has decreased as more and more banking is done online. According to Gerard, P. and Cunningham, J.B. (2004), the tremendous technological innovations and the aggressive infusion of information technology have resulted in a paradigm shift in banking operations. As according Ndiwalana (2008), internet banking adoption has not increased as quickly as projected. According to several study (Chiu, 2005; Schlosser, 2003), attitudes regarding internet banking refer to a patient's good or negative views about performing out their banking activities online. Thus, it may be concluded that customer attitudes may have an impact on the adoption of online banking.

Forrester Research (2007) showed that internet bankers represented 37 percent of Internet users and online banking services now attract 18 percent of all European adults. According to this research, the number of Europeans using online banking will double to reach almost 130 million users in five years - a total of 21 percent. Whereas online banking penetration in the Nordic countries and the Netherlands will jump to 60 percent of Net users in According to a different Forrester study, a typical European bank has the following perspective: online, ATM branch, other, and call center, in six years the proportion of transactions made online will rise to 40% of all transactions, while the transactions in the traditional branches will be below 10%. In 2003, Italy and Greece, which had less than 5% of adults banking online a year earlier, struggled to achieve a situation with a third of Net users banking online. The dimensions and directions of competitors in the retail banking sector have been significantly changed by information technology. In addition to the early e-finance milestones of PC banking, ATMs, and phone banking, the spread and rising penetration of the Internet have added a new distribution channel to retail banking.

Statement of the problem

The Nakasero branch of Cairo Bank Uganda in Kampala has taken the initiative to offer its clients and customers electronic banking products and service delivery. The managing director of Cairo Bank reportedly told reporters in a conversation with the Bankers Journal (2020) that the bank has been undertaking a restructuring process since 2019 in order to provide competitive goods and e-banking services to the marketing segment.

However, Uganda's banking industry is implementing electronic banking more and more. One advantage of e-banking is increased productivity and effectiveness; clients also benefit from quick service delivery and a decrease in the frequency of physical bank visits. Online banking enables customers to use their bank's website to pay bills online, according to Miriam Caldwell (2020). As long as you have internet connectivity, you can do digital transactions whenever you want. J. C. Sizar (2017).

Despite these improvements at Cairo Bank, there are still lines in the banking area and inappropriate amounts of money being managed by consumers. Elisabeth Natter (2019) claims that if the bank's systems are briefly down, it may be difficult to access accounts online. You cannot access the online banking platform without internet access. Thus, Joyce Titus (2019), the researcher, is encouraged to conduct an inquiry on the impact of electronic banking on the delivery of customer service in commercial banks, using Cairo Bank Uganda's Nakasero branch in the Kampala district as a case study.

Specific objectives of the study

1. To establish the relationship between ATM Machines and customer service delivery in Cairo Bank Uganda, Nakasero branch, Kampala district.
2. To determine the effects of mobile banking on customer service delivery in Cairo Bank Uganda, Nakasero branch, Kampala district.
3. To analyze the effects of internet banking on customer service delivery c in Cairo Bank Uganda, Nakasero branch, Kampala district.

Research questions

1. What is the relationship between ATM machines and customer service delivery in Cairo Bank, Nakasero branch, Kampala district?
2. What are the effects of mobile banking on customer service delivery in Cairo Bank Uganda, Nakasero branch, Kampala district?
3. What are the effects of internet banking on customer service delivery in Cairo Bank, Nakasero branch, Kampala district?

METHODOLOGY

Research Design

This research used an effectively connect (Saris and Revilla, 2015). A correlation research design is a quantitative research design that analyzes the relationship between two or more quantitative variables from a similar group of participants to see if they share any characteristics (Sekaran, 2003) In this study, a correlation research design was employed to help the researcher establish how the study variables related to one another (Sekaran, 2003). The study also utilized a triangulation method that incorporates qualitative and quantitative methodologies.

Population of the study.

The study target of the population consisted of 151 respondents (Cairo Bank Uganda, Nakasero branch, Kampala). These consisted of 58 bank employees and 93 customers.

Sample Size

To determine the sample that was used in this study, the Morgan and Krejcie (1970, as cited in Amin, 2005) sampling tables were used and the sample determination was done as reflected in table 1 below:

Table 1: Sample Size of Respondents and Sampling Technique

Category of Population	Population Size	Sample Size	Sampling Technique
Administrative staffs	8	5	Purposive sampling

Bank lower staffs	50	40	Simple random sampling
Customers	93	65	Purposive sampling
Total	151	110	

Sampling Techniques

In sampling, the study involved purposive and simple random sampling techniques.

Purposive sampling

Purposive sampling is a sampling technique in which the researcher uses his or her own judgment to select members of the population to take part in the study. It is also referred to as judgmental, selective, or subjective sampling. The non-probability sampling technique is known as "purposive" is used when the researcher makes the decisions about which items to include in the sample. Researchers commonly think they can use good judgment to get a representative sample while also saving time and money.

One of the most time- and income sampling techniques is called purposeful sampling. If there are few primary data sources that can contribute to the study, purposeful sampling might be the only option. Despite its significance, this method has high levels of bias, low levels of reliability, and is likely to be exposed to researcher errors in judgment. The administrative employees and customers were chosen using this technique because they were crucial in terms of their knowledge in the subject under study (Sekaran, 2003).

Simple random sampling

A sampling procedure known as simple random sampling is one in which each constituent of the population has an equal chance and likelihood of being chosen for the sample. Here, the choice of items is totally based on chance or luck; for this reason, this sampling methodology is also occasionally referred to as a system of chances. Simple random sampling is a fundamental sampling method that is easily integrated into more specialized sampling methods. Every sample has the same chance of being chosen, which is the key characteristic of this sampling technique. This technique was allowed equal representation of other respondents to be part of the study and these included the bank lower staffs.

Data Collection Methods

Data was collected from both primary sources and secondary sources. Qualitative and quantitative methods were used in the collection. This included the data obtained directly from the respondents including the e-banking customers and the bank staff. This data was obtained through interviews, questionnaire, and or by observation.

Secondary source.

This included the data obtained from written literature and records for example from Cairo Bank Uganda customer records, and other written literature.

Data Collection Instruments.

These are the tools for data collection (Mugenda & Mugenda, 2003). In this study, these will include; Questionnaire and Interview guide. These will be used because it is important to implement the data collection methods highlighted above. The tools were generated basing on conceptual framework.

Questionnaire

A questionnaire is an instrument used in research that contains closed ended questions with choices that triggers that aim at collecting data from participants in the study (Amin, 2005).

The questionnaire in this research undertaking was used to gather data among the lower bank officials in Cairo Bank Uganda, Nakasero Branch, and Kampala.

The researcher distributed the questionnaires among the sampled respondents and they were given time to fill the matter their own convenience and later the researcher went back to collect the filled tools.

Interview guide

An interview guide refers to a qualitative tool of collecting data by asking people questions and following up or probing and prompting their answers (Kathuri, 2004). The researcher prepared and used an interview guide that was used to conduct interviews with administrative bank staffs in Cairo Bank. Interviews were chosen because they were thought to provide in-depth information about a particular research issue or question.

Data Collection Procedures

The researcher was allowed authorization to conduct the research by Cairo Bank Uganda, Nakasero Branch, officials using an introduction letter from Metropolitan International University. The questionnaire and interview guide were piloted by the researcher with a sample of ten respondents each. The questionnaire and interview guide were then updated using the feedback from these respondents. When the study was to be conducted at the organization to meet the respondents and collect the data, the researcher then made contact with the various authorities to whom the letter was directed. Together, they set up meetings.

Quantitative data analysis

In analyzing quantitative data, the data was sorted as per its allocated codes and entered into a statistical package known as Statistical Package for Social Scientists (SPSS) to generate both descriptive and inferential statistics that created the mean, mode and median; the variance, standard deviation, frequencies and percentages. These were arranged in tables and later explained by the researcher on what they meant as per the set objectives and their implications in the study (Oso & Onen, 2008).

Qualitative data analysis

In order to assure completeness, every qualitative bit of information gathered from key informants was written down and constantly revised. Thematic and content analysis were used to assess the qualitative data, and the results were compared to the goals and conclusions of the study. The verbatim captions were calculated using compressed sentences and key words that clarified particular phenomenon (Sekaran, 2003). These key phrases were employed by the researcher to describe the events that the study discovered in order to allay the worries that were expressed in terms of study objectives and responding to the research questions.

RESULTS

DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

Gender of Respondents

In order to establish which gender of customers is the majority, respondents were asked to state their gender.

Table 2: Showing Gender of Respondents.

Gender	Frequency (F)	Percentage (%)
Male	44	40.0
Female	66	60.0
Total	110	100.0

Source: Primary data

From the study findings in Table 2 above, 40.0% of the respondents were male and 60.0% of the respondents were female. This shows both male and female prefer Cairo Bank Uganda services. The research finding shows that there is a relative gender balance.

Education level of the respondents

Table 3: Education level of the respondents

Education level	Frequency	Percentage
O'level	0	0.0
A'level	7	5.5
Diploma	8	7.2
University	95	86.8
Total	110	100.0

Source: Primary Data Percentage

Table 3 shows that 86.8% of the respondents are University graduates. This research finding shows that all the respondents are educated and knowledgeable. Therefore, they can read and understand the questionnaire. This means that they were in position to self-administer the questionnaires. And this greatly reduced the problem of ignorant respondents and language barrier and valuable information with regards to electronic banking was obtained.

Age Bracket of Respondents

Table 4: Showing the age bracket of respondents.

Age	Frequency	Percentage
18-30	88	80.0
31-40	18	16.7
41-50	4	3.3
51 and above	0	0
Total	110	100.0

Source: Primary Data

The table 4 above shows that 80.0% of the respondents were aged 18-30 years. This shows that most of the respondents were mature, independent and productive therefore were eligible to operate transactions in Cairo Bank Uganda.

Occupation of the respondents

Table 5: Occupation of the respondents

Responses	Frequency	Percentage
Self employed	18	16.7
Employed	59	53.3
Retired	0	0.0
Student	33	30.0
Total	110	100.0

Source: Primary Data

Table 5 above shows that 53.3% of the respondents are employed, 30.0% are students and 16.7 are self-employed. This means that most of the respondents are income earners who have bank accounts.

Experience of Respondent with Cairo Bank Uganda

Table 6: How long have you been a customer of Cairo Bank, Uganda?

Years	Frequency	Percentage
1-5	55	50.0
6-10	37	33.3
11 and above	18	16.7
Total	110	100

Source: Primary Data

According to the table 6 above, 50.0% of the respondents have been the bank's customers between 1-5 years, 33.35% were between 6-10 years while 16.7% have been customers for over 11 years and above. This implies that the Electronic banking services at Cairo bank, Uganda is excellent hence leading to customer retention.

Customers' Accounts with Cairo Bank

Table 7: What type of account do you hold with Cairo Bank?

Type of account	Frequency	Percentage
Savings	62	56.7
Current	40	36.7
Fixed	8	6.7
Total	110	100.0

Source: Primary Data

From table 7 above, 56.7% of the most of respondent hold savings account only and 36.7%, current account, 6.7% hold fixed account. The 56.7% savings accounts indicate that the holders frequently visit the ATMs and Internet of the bank to transact thus understands the Electronic Banking Services.

Frequency of Electronic Banking Usage

Respondents who uses with electronic banking services in order establish the number of customers who were aware of the existence of electronic banking services and how many were using electronic banking services.

Table 8: Number of Respondents who uses electronic banking services of Cairo Bank

Response	Frequency	Percentage
Yes	107	96.7

No	4	3.3
Total	110	100.0

Source: Primary Data

According to Table 8 above, the results shows that majority of the respondents were aware of electronic banking services and this is because every customer who opens an account is given an ATM card.

Number of Times Customers Use Electronic Banking Services in a Month.

To establish how often the customers uses the Electronic Banking Services, respondents were asked to indicate the number of times they use Electronic Banking Services to do their transactions in a month.

Table 9: Number of Times Customers Use Electronic Banking Services in a Month Response

Response	Frequency	Percentage
1-2	44	40.0
3-4	44	40.0
5 and above	22	20.0
Total	110	100.0

Source: Primary Data

According to table 9 above, the results indicate that, the majority of the respondents uses the Electronic Banking Services between 1-2 and 3-4 times in a month, this is because they majority of the customer they maintain savings and current accounts so the use ATM mostly to withdraw money and they do this frequently.

Transactions done using an Electronic Banking

To establish the level of Electronic Banking Services usage and to know if the respondents are aware of all the services that are offered through Electronic Banking Services, respondents were asked to indicate if they do all their transactions using Electronic Banking Services.

Table 10: Showing the Percentage of Customers who do all their transactions using Electronic Banking Services

Response	Frequency	Percentage
Yes	70	63.7
No	40	36.7
Total	110	100.0

Source: Primary Data.

According to table 10 above, the results shows that 36.7 of the respondents don't use Electronic Banking Services for all the transactions and this is because they are not aware that other transactions like depositing can be done using an Electronic Banking Services i.e. ATMs. It can also be argued that although some of the customers are aware of these services, they don't know how to operate these Electronic Banking Services.

Conclusion

The goal of the study was to investigate whether the introduction of electronic banking services improves banking services and how customer satisfaction is affected. Based on the study's findings, it is essential to draw the conclusion that electronic banking has significantly improved financial services, which has a favorable impact on consumer satisfaction. However, complete customer satisfaction can be attained by taking into account additional elements including a broad branch network coverage, customer care services, and charging competitive rates for the services provided by banks.

Recommendations

Because most consumers are uninformed of these services, the researcher advises Cairo Bank, Uganda, to inform all of its clients about every service provided through electronic banking.

In order to decrease the incidence of breakdowns of electronic banking systems, Cairo Bank in Uganda should hire and train a

technical and specialized personnel.

To improve the electronic banking services and meet the requirements of their consumers, management and customers should communicate more effectively.

To meet client needs, management must enhance electronic banking systems.

The bank needs to pay much attention on the customer complaints in order satisfy the customers' expectation.

REFERENCES

A straight Approach to Accounting, (2nd ed.), Kampala, The New Vision Printing and Corporation. Whitehead, G. (1974); principles of Accounting, John Murray publishers Ltd.

Adetayo. J. O. Sanni. S. A. and lion, M. O. (1999): "The Impact of Information Technology on Product marketing: A Case Study of Multinational Factories in Nigeria" Technovation, Elsevier Science Ltd.

Almazari and Siam (2008). Perceptual mapping and electronic Banking channels in India

Al-Smadi and Al- Wabel, (2011). Journal of internet Banking and commerce.

An integrated Model of waste management behavior. Venkatesh, M, Morris, G, Davis, & F.

Davis. (2003), User acceptance of information technology: Toward a unified view. MIS Quarterly 27 3 (September):

An introduction to accounting (6th ed.) Pitman. Gerrerd and Cunningham, (2003). "The diffusion of Internet

Ariyo, D. (2009): Small Firms are the Backbone of Nigeria Economy. Africa Economic Analysis Africa Enterprises Information Service, Bridgnorth, United Kingdom.

Banking among Singapore consumers". Ian Eron. (1988).

Bergeron. F. Raymond. L. and Rivard, S. (2004) Ideal patterns of strategic alignment and business performance', Information & Management, vol. 41, no. 8, pp.

Bihmani, Cockburn and Wilson (1996), Understanding Internet Banking Adoption and use Behaviour.

Boggs, (1999). Computerization process in the banking system, Longman publishers. Boockholdt, J (1999), Accounting Information Systems Transaction Processing and Control. The Mac-Graw-Hill companies, London.

Boston, A. (1975). Element of accounts, Great Britain, Cassel Publishers Biddies Ltd.

Christen . "Developing Financial Institutions for the poor and reducing barriers to access for women" in Holt, S and Hellenistic (Eds). 1991.

Computerized Accounting Systems. Unpublished. Mukasa, H. (2000). Effect of computers in financial institutions Muniruddeen (2007)

Conceptual Framework for Financial Reporting 2010 (the IFRS Framework) approved by the IASB

Finance Against Poverty. London : Routledge Hulme, D. and Mosley. P. 1997.

Finance for the Poor or Poorest? Financial Innovation Poverty and Vulnerability". In G.D Wood and Isharif (Eds). 1997. Who Needs Credit? Poverty and Finance in Bangladesh. Dhaka: Dhaka University Press Limited.

Financial Accounting (5th ed), United States, Mc Grew Hills. Morgan and Hunt (1994) "The commitment trust theory of relationship marketing" Journal of marketing Vol.58, No3 pp.20-28. Mugisha, J.B. (2003).

Financial Accounting, (4th ed.) United States, Von Haffman Press. Sajady, H, Dastgir, M & Hashem, H 2008, Evaluation of the effectiveness of Accounting Information Systems, International Journal of Information Science and Tecnology, Vol.6, No.2,July/December. Sukkar and Hassan ('2006).

Goffman, E. 1958. "Presentation of the Self in Everyday Life ". Edinburgh : University of Edinburgh. Social Sciences Research Order.

Graham, A. N. W 2000. Micro Finance System : Designing Quality Financial services for the Poor. London : Zed Books Ltd, New York : The University Press Limited.

Hashemi, S. M. "Those Left Behind. A Note on Targeting the Hardcore Poor" in Wood, G. D and Sharif. I (Eds). 1997.

Hulme, D and Mosley, P. 1996.

Huppi, M and, Federal, G. 1990 "The Role of Groups and Credit Cooperatives in Rural Lending World Bank Research Observer.

Jain, P. 1990. "Managing Credit for the Rural Poor " in Journal of Lessons from the Grameen Bank, World Development. Volume 24, No1. pp 7889

Joana, L; Burand, D; Braun, G (Eds), "The Micro Deposit Taking Institutions Bill 2002". Summary of Workshops and Information Exchange Events. SPEED- USAID KAMPALA.

Journal of Internet Banking and commerce. Omunuk. J.B. (1999). Fundamental Accounting for Business, Entebbe printing and Publishing Corporation. Roger,H.& Harmanson et al (1973).

Karla Hoff, Avisahy Braverman and Stiglitz Joseph E. (Eds), 1993. "The Economics of Rural Organization. Theory Practice and Policy ". Oxford University Press, New York, A World Bank Book

Kuiper, M. 1989: "Revolving Funds" The Huge Development Cooperation, Information Department, the NetherlanMalcom, H, M; Espis, E; Mohanty, A. K and Rao,D.S.K 1998.

Maloney, C. and Ahmed, A.B 1998. Rural Savings and Credit in India. Dhaka: Dhaka University Press Ltd

Management Information Systems, New Jersey: Cambridge University. Lumala (2004). Banking in the early age, book press, Netherlands Meigs & Meigs (1986).

Marguerite, S. R. 2001. "The Micro Finance Revolution. Sustainable Finance for the Poor ". New York : The World Bank, Open Society Institute

Meigs, F.R. and Mary. A (1998). Financial Reporting 9th Edition. United States of America: Irwin Mc Graw hill publishers.