INTERNET BANKING SERVICES ADOPTION AND CUSTOMERS SATISFACTION: CASE STUDY OF BANKS IN BAMENDA

A B S T R A C T

The purpose of banks Over the past years, had been that of adoption of internet banking services. This adoption is to facilitate online transaction and provide higher customer satisfactionso that they can remain competitive.The objective of this article is thus to Examine howinternet banking services adoption (Use of Electronic Funds Transfer, Use of Mobile Banking, Use of Automated Teller Machine) can affect customer satisfaction of Banks in Bamenda. To achieve our objective, Data was gotten from primary sources, 146 structured questionnaires were administered to customers of banks who were selected through a stratified random sampling. Data was analyzed using descriptive and inferential analysis. From the regression table, results have shown that Customer satisfaction is being explained positively and significantly by the adoption of internet banking services.The coefficientR^2(65.6%) shows a degree of explanation of the dependent variable by the independent variables. Thus, the use of Electronic fund transfer, mobile banking, automated teller machinehas a positive and significant influence on Customer satisfaction. This means that internet-banking services adoption have a significant effect on customer satisfaction. It is therefore recommended that, with this arena of competitivity, Banks should adopt more internet banking services to attract more customers, which will boost their performance.

Keys words: Internet banking services adoption, customer satisfaction, banks

1. Introduction

Customers are the center of any business and their satisfaction is critical for the success and the profitability of the business. Rogers (2012) confirm the importance of customer in the business by saying that, the issue of customer satisfaction is a critical one for long-term success throughout serviceindustries as businesses strikes for sustainability in the competitive market.In today's world of digitalization, bank information technology has become a necessary tool. It has introduced a new business platform known asinternet banking that helps customers to make their transaction online. Internet has changed how financial services are offered and used (Malaquias

and Hwang, 2019). To succeed with theday-by-day growing competition pressure,banks must keep customers in the highly competitive and changing market arena.Mostbanks are now emphasizing on maintaining and expanding their customer base using customer acquisition marketing strategies such as the e-banking services.The adoption of internet banking services has changed the way banks operate now. Internet banking providesfaster delivery of bankingservices to the customers.Customers, evensitting at homecan access their bank accounts through internet. Ease of performing transactions, solved the problem of long lines in banks and time wastage.

The growth of banks as well as other financial institution and companies is based on the services provided in relation to customers' satisfaction. Internet banking adoption servicesinvolves providing banking services to customers through various electronic delivery Channels such as ATM cards (credit cards, debit cards, smart cards),mobile banking, electronic transfer. Most banks are adopting electronic banking services as a means of enhancing service quality of banking services. They provide electronic banking services to their customers to increase their satisfaction in banking activities. The adoption of excellent service delivery is a good way to satisfy customers'andretain them. Considering the fact that banks offer almost the same services to customers and they are price taker in a rival marketplace, a careful attention must be giving to customer satisfaction in order to pick up a greater advantage over their competitors. According to Kumar et al.,(2012), banks that deliver quality services to their customer remain competitive in terms of higher revenue and benefit customer retention through their satisfaction.

Previously, the banking industry was without simple electronics like ATM and SMS alert which made all customers of banks to personally walk to the banking hall to be able to transact simple transactions like checking account balances, verifying deposits and making withdrawals. This led to long queues, energy consuming and time consuming and on the whole, it was costly (Appiah & Agyemang, 2015). A fundamental understanding of factors causing customer satisfaction in online banking has attained greater prominence as more and more banks compete to offer superior services to their clients making it imperative for banks to align their strategies in response to changing customer's needs and technology. Nowadays with the presence of internet banking services such as Electronic Funds Transfer, Mobile Banking, Automated Teller Machine, we still observe the long queues. That is why this articleseeks to examine the effect of internet banking servicesadoption on customers' satisfaction with the case study of banks in Bamenda and give out some suggestions that can help to solve the problem of long queues.

2. **Internet banking services adoption services and its determinants**

Generally, Adoption is define as the acceptance and use of a product, service or idea.According to Yaseen and El Qirem, (2018) the adoption of internet -banking is the use of an innovative distribution channel for financial services.Internet banking is a subset of electronic finance, which includes several delivery channels such as the internet, ATM, telephone banking and other transactional electronic banking mediums to provide services to customers.

In this article,internet bank services adoption is capture or determine by the use of Automated Teller Machine,Mobile Banking, and Electronic Funds Transfer.Automated Teller Machineis anelectronic machine using connection to make withdraw without going into the banking hall. It uses debit and credit cards, which are rechargeable.Fikerselassie (2017)define Mobile banking as a platform in which customers are automatically updated on any changes in their account. Electronic funds transfer (EFT) is the electronic transfer of money from one bank account to another, either within a single financial institution or across.

1. Customer satisfaction and its determinants

Customer satisfaction is a term generally used to measure a customer's perception of a company's products and/or services. customer satisfaction may vary from person to person, and depending on a whole host of variables which may be both physical and psychological. Customer satisfaction as marketing strategy, many businessestry now to measure andidentify the factors affecting satisfaction Kotler et al, (2016).Based on internet banking services adoption, many factors can contribute to customer satisfaction such as Security, Transactional Speed, Ease to Use and User Friendliness, Reliability and Responsiveness.

The security is a measure put in place by the users of internet banking to ensurethat the records and information of customers are kept safe on the website. Customers often think that when performing transactions through Internet banking, banks should secure their personal and financial details. Safi & Awan (2018) have shown in one of their study that Security plays an important role in Internet banking.Transactional speed is another important determinant of customer satisfaction with e-banking.Customers are more sensitive to the speed at which their transaction is done.According to Mei et al (2016), Transactional speed is generally defined as the frequency of interruptions in the network link, the time it takes to access an Internet banking website and conduct any bank activities, the time spent on a page response by a customer.

Ease to use and/or user friendliness is another factor to be consider considered when using e-banking. Pooya (2020) demonstrated that one of the most significant factors to be considered is the ease of use of internet banking websites and Apps. According to Khatoon et al.,

(2020), Reliability is defined in terms of the quality of the website's operation, applies in particular to the technical functions of the website, its availability and its proper functionality. According to Toor et al. (2016), responsiveness is the desire to serve the clients of the bank and provide them with quick provision.

4. Methodology

4.1 Source and technique of data analysis

This article maked use of Primary data that were collected through the use of questionnaire. questionnaires were administered to customers of Banks in Bamenda City for the purpose of gathering information from the respondent banks in question.These data which were collected through questionnaires were then coded and logged in the computer using excel sofware. This involved coding closed ended items in order to run an inferential analysis. Before applying a technique such as the Multiple Regression to analyze thedata, we first belt an index called the principal component analysis, because our concepts internet banking services adoption (use of Automated Teller Machine,Mobile BankingElectronic Funds Transfer) and customer satisfaction (Security, Transactional Speed, Ease to Use , Reliability and Responsiveness) were makeup of many items. After building the index, the validation of the index wasdone by calculating the conbach's alpha and conducting factor analysis.

4.2Model Specification

In order to examine the effect of internet banking services adoptionon customers' satisfaction in Bamenda and find out why we are still observing the long queues, a technique ofMultiple Regression analysis was used to link the dependent and independent variables.

Dependent Variable: customer satisfaction(CS)

Independences Variables: internet banking services adoption

The independent variable is internet banking services adoption break down into: **the Use of** Electronic Funds Transfer(**Use of EFT),**Use of Mobile Banking (**Use of MB)**and the Use of Automated Teller Machine(**Use of ATM)**

Control variable: Pricing of services(**PS**)

$$CS=\beta_0+\beta_1 \text{Use of EFT}+\beta_2 \text{Use of MB}+\beta_3 \text{Use of ATM}+\beta_4 PS+e$$

whereby;β_0 = Constantterm

$\beta_1, \beta_2, \beta_3, \beta_4$ = Parameters of independents variables

***e*= Error term,**

5. Results

5.1 Questionnaires analysis

Table 1: Number of Questionnaire returned and Unreturned

		Frequency	Percent	Cumulative Percent
Valid	Returned Questionnaire	146	97.3%	97.3%
	Unreturned Questionnaire	04	2.7 %	**100%**
	Total	**150**	**100%**	

Source: Authors (2024)

From the Table 1 above, 150 questionnaires were administered. Out of the 150 questionnaires that were issued, 146 questionnaires were returned given a percentage of 97.3%.

5. 2 Presentation of Inferential statistics

the inferential findings in this article first of all start with the Cronbach Alpha, Factor analysis, correlation matrix that indicates the relationship between the variables. Secondly, the post test which includes test for multicolinearity using the VIF test and Breusch-Pagan / Cook-Weisberg test for heteroskedasticity and lastly present the results obtained from the regression(Ordinary Least square Technique)

5.2.1 Test of Reliability (Cronbach Alpha)

Table 2: Cronbach Alpha

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	**Cronbach's Alpha**
Use of EFT	14.3144	2.831	0.394	0.431	**0.764**
Use of MB	14.5152	3.886	0.042	0.164	**0.751**
Use of ATM	14.3561	2.387	0.458	0.039	**0.768**
PS	13.7841	2.775	0.545	0.369	**0.717**

Source: Authors (2024)

Results from the table 2 above indicate good internal consistency given that the overall value of Cronbach alpha (0.740) is > 0.7 which is greater than the bench mark of 0.7. So, these primary indicators have good internal consistency, thus can be used to form or build our index of variable.

5.2.2 Factor Analysis (Variance Inflation Factor Test)

Table 3: VIF Test

Coefficients[a]

Model	Collinearity Statistics	
	Tolerance	**VIF**
Use of EFT	0.932	1.073
Use of MB	0.836	1.196
Use of ATM	0.892	1.120
PS	0.851	1.175
	Mean	**1.141**

Source: Authors (2024)

The VIF results presented above reveals a mean VIF of 1.141 which is below the general accepted cut-off for VIF which is 2.5.In addition, no individual VIF was found to be greater than 10. Thus, the results of the regression are reliable and predictable. This means that our analyses validate the findings of this article.

Table 4: Correlation Matrix

	Use of EFT	**Use of MB**	**Use of ATM**	**PS**
Use of EFT	1.000	.492	0.192	-.012
Use of MB	0.492	1.000	0.129	-.021
Use of ATM	0.192	0.129	1.000	0.529
PS	-.012	-.021	.529	1.000

Source: Authors (2024)

From the correlation matrix, all the correlation coefficients along the diagonal are unitary indicating that each variable has a perfect positive correlation with itself. The table reveals that many of the independent variables are positively correlated and has a low multicollinearity values which are less than 0.8. Hence, there is no strong correlation between the variables. Therefore, it can be concluded that there is no strong relationship between the variables and hence the variables can be subjected to other empirical testing.

5.2.3 Regression Analysis

5.2.3.1 Model summary

Table 5: Model Summary[b]

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson

1	0.810[a]	0.7561	0.712	0.37304	1.238

a. Predictors: (Constant), PS, EFT, MB,ATM

b. Dependent Variable: Customer satisfaction

The adjusted R^2 shows the degree of variation in customer satisfaction that can be explained by variation in electronic banking services adoption. Inferring from the adjusted R^2 (Coefficient of multiple determination), 71.2% of variations in customer satisfaction is accounted for or explained by variations in electronic banking services adoption (use of ATM, use of electronic fund transfer, use of mobile banking) andthe control variable (Pricing of services).

5.2.3.2 Estimation

Table .6: Coefficients of Parameter Estimate

Coefficients[a]

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	0.576	0.337		1.7091	0.090
Use of EFT	0.155	0.082	0.154	1.8902	0.001
Use of MB	0.106	0.077	0.092	1.3766	0.000
Use of ATM	0.198	0.092	0.155	2.1521	0.003
PS	-0.441	0.066	0.497	- 6.6818	0.062

a. Dependent Variable: Customer Satisfaction

Source: Authors (2024)

CS=0.576 + 0.155EFT+0.106MB + 0.198ATM - 0.441PS

6. Interpretation of findings

The findings portrayed that there is a positive effect of the use of the electronic fund transfer on customer satisfaction in banks in Bamenda. That is a unit increase in the use of electronic funds transfer will increase customer Satisfaction by 0.155 units, which is significant at 1%. This implies that the use ofelectronic fund transferas one of internet banking services adoption statistically increase customer satisfaction in bank. Theabove results indicate a Positive effect ofthe use of mobile banking on customer satisfaction by banks in Bamenda. That is a unit increase in the use of mobile banking service will increase Customer satisfaction by 0.106 units which is significant at 1%.The significance effect of the use of mobile banking on customer satisfaction can be attributed to the fact that nowadays, majority of customers make use of that service to do their transaction. The use of Automated teller machine has a positive effect on customer satisfaction. More specifically, a unit increase in the use of automated teller machine

will increase customer satisfaction by 0.198 units. This finding is in line with theoretical expectation and confirms the technology acceptance model. In general, these results move in the same line with those obtained by the finding of Reddy eh al, (2021), who studied the impact of electronic banking services on customers satisfaction in Lebanese banking sector. They found that e-banking services has a strong positive correlation with customer's satisfaction measured by reliability, convenience and security.Inaddition, pricing of services which was a control variable has a negative effect on customer satisfaction. That is a unit increase in pricing of services will reduce customer satisfaction by -0.441. this can be explain by the fact that,based on the multiples advantages that customers can benefits from internet banking, they are not interested for the price that they pay for transaction. They are instead interested for security, transaction speed, ease of use, reliability and convenience issues.

7. Conclusion

The main objective of this article was to evaluate the effect of internet banking services adoption on customer's satisfaction of commercial banks in Bamenda. To achieve that, the analysis was done based on the information gotten from respondents through questionnaires. Out of the 150 questionnaires issued to the respondents, 146 of them were filledusing excel software for analysis, index was belt because our variables were bread down in to items and multivariate regression technique was used for estimation. From the analysis, the findings showed shows that there is a positive and significant effect of the use of Electronic Fund Transfer, Mobile Banking, Automated Teller Machineon customer's satisfaction. We canthus conclude that internet bankingservices adoption statistically and significantly affect customer'ssatisfaction in bank.

8.Suggestions that can help to solve the problem of long queues in banks.

From ours results and experiencesfrom the field, the following suggestions can be made

- Customers of banks should be given special training for the use of internet banking services.
- After trained the customer on how to use internet banking service such as ATM, banks should multiplier the number of ATM machine.

Training on how to use electronic banking services and multiplication of ATM machine would be a way to reduce the long queues in banks.

For those customer who are still reluctant on the adoption of internet banking services because of security issue, bank should encourage them by always advertising their services with measures of protection put in place.

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