



ST. MARY'S UNIVERSITY
SCHOOL OF BUSINESS

Assessment of Payment Card Service in
Dashen Bank

A Research paper submitted to School of Graduate studies of St. Mary's
University in Partial Fulfillment of the Requirement for the Degree of
Master of Business Administration

By:

AsmareTamiruAlamirew

ADVISOR:

WubshetBekalu (PhD)

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Prepared by:AsmareTamiruAlamirew

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By

AsmareTamiru

Advisor

WubshetBekalu(PhD)

Approved by the Board of Examiners:

Advisor

Signature

Examiner

Signature

Examiner

Signature

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ACRONYMS

ATM-Automated Teller Machine

DB-Dashen Bank

EFTPOS-Electronic Fund Transfer at point of Sale

ICT-Information Communication Technology

IT-Information Technology

NBE- National Bank of Ethiopia

PEOU- Perceived Ease of Use

PCS- Payment Card System

PU-Perceived Usefulness

POS- Point of Sale

SPSS-Statistical Package for Social Scientists

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Abstract

This thesis aims to assess payment card system in Dashen bank respect to the challenges which can influence firms from taking advantage with payment card system and expected benefits derived by implementation of payment card system. The study was conducted based on the data gathered from Dashen bank staffs and customers; A quantitative & qualitative research approach was used to answer the research questions that emerge through the review of existing literature and the experiences of the researcher in respect of the payment card(Visa & Amex card) system in Dashen bank. The study statistically analyses data obtained from the survey questionnaire. The result of the study indicated that, the major challenges faces in the payment card system, in respect of security risk, lack of trust, lack of legal and regulatory frame work & Lack of ICT infrastructure.. The study also identified perceived ease of use and perceived usefulness as a driver of implementing payment card system. The study suggests a series of measures which could be taken by the banking industry and by government to address various challenges identified in the thesis. These measures include: Establishing a clear set of legal frame work on the use of technology in banking industry, supporting banking industry by investing on ICT infrastructure and banks needs to be focused on technological innovation competition rather than traditional bases of retail bank competition.

Key words: payment card, perceived ease of use, perceived usefulness, ATM & POS.

CHATER ONE

INTRODUCTION

At this chapter included the following points 1.1 background of the study, 1.2 background of the organization, 1.3statment of the problem, 1.4basic research question, 1.5objective of the study, 1.6 significance of the study, 1.7 scope of the study, 1.8 limitation of the study and last 1.9 structure of the study.

1.1 Background of the Study

In the history of payment system of Ethiopia begins not well-known and has not figurative data's written and documented. But the barter system and new coins printed on Axum regime and developed the payment system to printed money on the regime of king Minillik II. Still know the printed money and small denomination coins used in Ethiopia and the rest of the world widely. (capitalEthiopia.com, Capital Ethiopia Newspaper)

But the innovation and the needs of human beings increased to more safety, convenience, and accessibility, paper money not fills the gap and fully satisfied. In order to fill this gap, using payment cards is best compare to paper money. Because, considering the drawback of paper money, using payment card is convenient, accessible, mobile and safe and openly use 24 hours a day and less coasty.

The most advantages of using payment card is mobility and keep customers safety from hooligans and thief's and can exchange easily with the short period of time.

The card payment system was start in Ethiopia before 13 years ago by Dashen Bank on December 2005. Dashen Bank is the first bank in history buying Visa & Amex brand and start services and next join CBE and develop their service wildly though out Ethiopia. The habit of using cards was increasing in the short period of time, especially in the capital city of Ethiopia Addis Ababa and regional cities.www.combanketh.et.

Dashen bank accepts all risks to adopt the new technology and share huge experience to other Ethiopian banks as role model and achieves a great success.

Now a day's Dashen bank delivered payment card services with two brands, Visa and American Express cards.

The American Express cards are two types, Gold cards and Green cards. The difference is only transaction limit. i.e., Gold card can withdraw 30,000.00 and Green card can withdraw 15,000.00 birr on a days. Dashen bank accepts all Visas, Master card, American Express, Union Pay and Maestro card brands. (Dashen bank payment card Manual)

Although banking business in Ethiopia dates back to 1905, the application and usage of modern payment cards can be considered as a recent phenomenon. An Automatic Teller Machine card was introduced first by Dashen Bank & commercial banks of Ethiopia in 2001 is pioneer in Ethiopia to introduce VISA brands payment card service which entitles customers to use ATM (Automatic Teller Machine) to withdraw cash and to purchase goods and services from merchant locations using POS (Point of Sales Terminals). We can say that Africa Union head quarter established in Addis Ababa, different international organizations opens their office and Ethiopia facilitated international meetings are play a great role to start using payment cards. This is also Dashen Bank and CBE are the first private and government bank to introduce the modern payment card system in Ethiopia. /www.businesswire.com/.

In the history of mankind several mechanism of payments are observed ranging from traditional barter system to the modern day electronic payments. The concepts of payment card come to existence in the late 1940s and early 1950s in the United States and the first ATM machine was invented by John Shepherd-Barron in June 1967 at Barclays Bank in Enfield, UK. There are many inventors contribute to the history of an invention of ATM. It is widely accepted that the first ATM was put into use by Barclays Bank in its Enfield Town branch in north London, United Kingdom, on 27 June 1967, by the Scottish scientist John Shepherd-Barron. (Mohammed, Aminul&Lakkhan, 2015 pp 68)

It was developed in response to people high demand for bank loan to purchase household items. Moreover considering the inconvenience of long process it takes to follow the traditional way of effecting payments first modern card was introduced in the 1950s by dinner club.

The ATM is an innovative service delivery mode that offers diversified financial services like cash withdrawal, funds transfer, cash deposits, payment of utility and credit card bills, cheque book requests, and other financial enquiries. (Mohammed, Aminul&Lakkhan, 2015 pp 68-75)

Payment card system can provide several benefits for the card holder, for the bank as well as for the overall economic activities of a country. The card holder will be beneficiary from the safe and convenient nature of using cards for payments. Moreover it makes life easy for those who want to travel abroad as they are not expected to carry paper money with them. It can also reduce risks as well as costs related to cash management from the bank point of view it attracts more customers and there by incorporates a new way of increasing bank funds and their income earning potential. (Syed &Dr. Qamar 2016)

Above all the benefit of using payment card is immense for the general economic development of a country and the rest of the world. Because the payment card system linked from over all countries connected on the system and equally share brands on the global payment card system provider companies.

Among others it reduces of cash note printing costs and its distributions, enhances bank deposits and encourages personal savings. It would also make transactions faster and lower the associated costs and risks and ambitiously decrease the time of transferring ownership values in case of selling and buying of goods and services with payment card system.

1.2 Background of the Organization

Dashen Bank S.C. is a privately owned company established on September 20, 1995 and started normal business activities on 1 January 1996, as a share company in accordance with “Commercial code of Ethiopia 1960” and the “Licensing and supervision of banking business proclamation No. 84/1994”. Dashen Bank Come into existence with an authorized and subscribed capital of birr 50 Million on paid up capital of birr 14.90 Million.

The first founding members were 11 business men and professional that agreed to combine their financial resources and expertise. /www.Dashenbanksc.com/

Currently, as at the status by the end of June 30, 2016 was earning aggregate income of birr 2.7 billion and incurred operating expense of birr 1.8 billion. The gross profit generated in the year under review was Birr 950.6 million.

After payment of profit tax of birr 223.6 million to the government coffer and transferring birr 182million to the legal reserve, the earnings per share raised at birr 487.The paid up capital of the bank as at June 30, 2016 has to reach on 2.8 billion and raise the aggregate deposit to 22.8 billion. It operates through its Head Office in Addis Ababa and 235 branches distributed all over the country, 10 foreign Exchange bureaus for currency services, 957 Point of Sale (POS) machines in hotels, supermarkets, shops, branches and forex bureaus and 220 Automatic teller Machines (ATMs) in convenient location within and outside Addis Ababa.

During 2015/16, 65,921 customers joined the card banking service, which raised the total numbers of card holders by 18% to 433,490. Number of internet and mobile banking users has been on the rise too. /June 30, 2015/16 Dashen Bank annual report/

1.3 Statement of the Problems

Similar to other sectors under developed the banking sector in developing countries also the same under developed compare to developed countries. This is not to say however, the banking industry is not improving. Over the decade a number of private owned and government banks operate in the banking sector.

The increase demand of Export and import business and the increase of domestic trade necessitate the banks to employ new ways of banking system and implementing new technologies that are being used in other world.

There have been some major steps taken by the public owned banks and private banks in terms of introducing new technologies to satisfy customers and to meet the requirements of the repeatedly expanding domestic and international banking service.

When the implementation of new technologies and innovations to developing countries also very difficult and takes long period of time in reason of infrastructure, legal requirement, knowledge gap and adaptation process.

According to Jensen (2003) cited by Ayana Gemechu, most countries in Africa, except South Africa, have Internet infrastructure only in their major cities. The country like Ethiopia also 80% of the population are farmers and live far from the cities.

The basic one to develop and easily adopt the new technology like Visa & American Express card service to the community, are first to fill the knowledge gap of the population with research, books and different journals. Because the research papers work by different researchers are not filling that gap and need additional researches on this field of study.

Customer of the sole internet provider Ethio-telecom often complain about various elements of internet service in the country including the slow speed of the connection, constant breaks in service and ineffective customer service in reason of lack of capacity, lack of adequate infrastructure, most of rural communities illiterate, high cost of supply and installation of solar panels. (Taye Estifanos Dubale, Geneva, 17-19 March 2010).

According to Kotler, (2009, pp 258) customer expectations are pretrial beliefs a customer has about the performance of a service that are used as the standard or reference against which service performance is judged.

Although developing of new technology is one step in the banking industry, there are constraints and challenges in the application of payment card system. The whole challenges related to payment card services were assessed on the research paper.

1.4 Basic research questions

Based on the statement of the problem stated above, researcher develops the following research questions.

- 1, How does to fill the knowhow and the awareness of cardholders and the whole community towards AMEX & VISA payment card?
- 2, what are the expectations of customers concerning payment card service?
- 3, what are the impacts of internet breakdown on payment card service?

1.5 Objective of the Study

1.5.1 General Objective

The general objective of this study is to assess the application and service of VISA& Amex payment card in the case of Dashen Bank located in Addis Ababa.

1.5.2 Specific Objectives

- To evaluate the awareness of cardholders towards VISA& AMEX payment card.
- To assess the impact of internet break down on payment cardservice
- To assess the expectations of customers concerning payment card service.
- To assess the knowhow and design appropriate method to address the problem and recommend appropriate action to be taken.

1.6 Significance of the Study

The result of this research would have significance effect to all financial sectors like banks, insurances, credit unions and other. The overall effect of VISA& American Express payment is not limited to this specific bank only. A number of banks (private and government banks) start to use this kind of service. Therefore the study is significant in terms of identifying the major problems of VISA payment card & American Express card in the banking industry and it helps as reference for further research on this area of the study.

1.7 Scope of the Study

The study only focuses on Dashen head office and branches located in Addis Ababa. Consequently the research result indicates on the conclusions and recommendations of this paper don't represent other branches which are located out of Addis.

1.8 limitations of the Study

This is one area of study would be more fruitful if it would conducted widely by including other stakeholders i.e. CBE and other private banks. But due to financial, time and information constraints the study is limited to only Dashen Bank.

On the process of founding the reliable results the availability of source document are crucial, while the researcher faced with the lack of adequate information's, i.e. the written books, journals and related research papers.

1.9 Structure of the paper

The research paper divided into five chapters. Chapter one is the introduction, which contain statement of problem, objectives of the study, research questions, and research method, scope & limitations of the study and significance of the research paper. Chapter two presents the literature review regarding the research area of the paper and sets out the theoretical frameworks for the research. Chapter three also discuss about the research methodology, which contains four basic headings: first, introduce research purpose; second the research approach used in these study, third, research strategy, and finally the research method adopted.

The research results and findings were present in chapter four. The final part chapter five were concludes the paper, summarizing the findings and introduces avenue for future research.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This part of the study paper constitutes two sections. In the first section an effort is made to explain about the history of payment card and their types, the second part deals with grasp accruing with visa&Amex card with its benefits using it and problems interface during usage of the service.

2.1 History of Payment Card

The idea of payment card come to existence in the late 1940's and early 1950's in the United States. In mid-September 1958, Bank of America launched its pioneering bank Americard credit card program in Fresno, California, with an initial mailing of 60,000 unsolicited credit cards.

The original idea was the brain child of Bofa in-house product development think tank and customer research group. Americard credit card was developed in response to people's high demand for bank loan to purchase household items. Considering the inconvenience of the long process it takes to follow the traditional loan processing system, a credit officer in one of the bank's in New York, has introduced a way of making approvals of loans in advance

i.e., before the customer selects what to buy the approved loan serves as a special currency which the merchant need to agree to consumer and puts a special currency in his/her account, customer spends the special currency with the acceptable merchant, the merchant deposits the special currency to the customer's bank, consumer pays loan to the bank in installments. The security first network bank was the first Internet banking in the world that was built in 1995, USA.

In the early 1950's the special currency is changed into the first modern bank card by dinner club. Dinner club is a charge card company formed in 1950 by frank X and it became the first independent credit card company in the world that established on idea of self-sufficient company producing creditcards for travel and entertainment (Nocera, Joseph, 1994).

However, the usefulness of the card was still limited by the local nature of the agreement between merchants and banks.

This problem forced banks to create association and try to manage usage of a bank's card at any merchant location.

This leads to the emergence of card association like VISA, MasterCard and American express in addition to dinner club.

2.2 Types of Payment Cards

2.2.1 Debit Cards

A debit card is a plastic card that provides the card holder electronic access to his/her bank account(s) at a financial institution. It relay a message to the cardholder's bank to withdraw cash from a designated account in favor of the payee's designated bank account. (www.eNow.com/debt card definitions)

The card can be used as an alternative payment method to cash when making purchases. It can function only when the card holder has sufficient balance in his/her deposit account to process a transaction.

2.2.2 Credit Cards

A credit card is a plastic card which provides a certain level of credit privilege for the card holder or issuing by a financial company giving the holder an option to borrow funds, credit cards charge interest and are primarily used for short term financing. (<https://www.investopedia.com/terms/c/credit> card.asp)

In the case of credit cards the system will access the card holder's pre-authorized line of credit rather than a deposit account. With credit card, real time authorization of a transaction is not required. Outstanding balances are required to be settled once in a month.

This settlement can be either partial or full, in accordance with the agreement between the card holder and the bank.

2.2.3 ATM Card

ATM card is any payment card issued by a financial institution that enables a customer to access an automated teller machine (ATM) in order to perform transactions such as deposits, cash withdrawals, obtaining account information, etc. (<https://en.m.wikipedia.org/wiki/ATM-card>).

2.2.4 Magnetic Stripe (Magic-Stripe) Card

A magnetic stripe card is a plastic card having a thin stripe (tape) on the top that maintains card holder data. When the tape is swiped in a POS terminal or ATMs the transaction will be initiated, then the device takes the data from the tape and process the transaction. (<https://en.m.wikipedia.org/wiki/magnetic-stripe-card>)

2.2.5 Chip Based (Smart) card

Smart card is also a plastic card that contains a computer chip on it to record more data than the magnetic stripe tape. The chip is computer devices that can keep secretes process data and interact with the accepting device. That is, it can communicate with the accepting devices rather than only initiating the transaction.

The payment associations are urging their member financial institutions to fully change their system to work with smart cards.

They have developed a procedure called EMV to effectively achieve the transaction. EMV stands for Euro pay, master card and Visa – the three large worldwide card associations. Recently Euro pay is merged with Master Card.

The transition is required due to the following major reasons.

- It becomes easy for fraudsters to copy data from magnetic stripe tape. As a result fraud is on the increase.
- The storage capacity is used to record account information. Hence there is little scope available to add more data for other purposes.
- Unlike the magnetic stripe tape the chip has a computing capacity.

Following the requirement of the transaction, banks currently start issuing cards that contain both-magnetic strip tape and chip.

However, as a result of the benefits of using smart card and the above indicated initiative taken by the card association, smart card are believed to be the future in the payment card industry.

According to the plan of the card associations all member banks worldwide are expected to be EMV compliant by the year 2010.

2.3 Benefits of using Payment Cards

VISA& AMEX Payment card system can provide a number of benefits to the card holders as well as for the overall economy. The card holder can be benefited from the safe and convenient nature of using cards for payment. Moreover, payment cards can make life easy for people who went to travel abroad. The merchants who accept cards for payment will able to increase sales and can manage to reduce risks as well as costs related to cash management. Some of the basic benefits are as follows.

- Serves both at ATM and POS terminal
- Provides freedom of 24x7 access to one's account
- Issuing banks can attract more customers and there by incorporate a new stream to their income earning potential.

The positive impacts of payment card infrastructure for economic development for immense. Among the many benefits, the basic ones are the following.

- Reduce printing, mailing and financial handling costs associated with processing transaction and its related distribution
- Improve operational efficiency and profitability of the issuing banks
- Increasing the potential for hard currency generation
- Ensure continuity of service to card holders in emergency or disaster situations

2.4 The Application of ATM in the banking Sector

Automated teller machine (ATM) is used by banks to expand the service they offer to client. Through this technological innovation, banks are able to strengthen their strategies of customer relationship management. According to an industry leader in electronic banking solution, banks were once hesitant to use automated teller machine. However, due to the increasing demands of clients, the added value these machines can give the company was later recognized.

Today, senior banks demand accessible ATM locations to better fulfill the needs of their clients. Through ATM machines, banks are able to offer their clients remote services such as bill transfer, cash withdrawal, bill payment, and balance and billing inquiries on a daily basis.

The more advanced ATM machine is even capable of showing video-recorded assistance instructions to help make the transactions of banks clients even easier and more convenient.

Aside from these added conveniences, banks also use ATM machines to expand their clientele. Because of further innovation in ATMS, such as the incorporation of the Braille system on machine keys, banks are better able to serve visually impaired clients.

However, banks are still facing additional demands from clients. Even though some ATMs in the United states already provide Braille-coded keys to assist visually impaired people, others still insist that this not enough. Blind advocates in Pennsylvania demand that banks also equip their ATMs with voice functionality, because only a fraction of the blind populace are able to understand Braille. Special interest group dedicated to the visually impaired filed a case against two banks to punish this demand.

With the ever-rising demands of banks clients, one can only expect ATMs to improve by adding even more features. ATMs have become effective tools used by banks to maintain the loyalty of their clients. Though this machine, banks are able to fulfill the needs of their clients in even the most remote areas. ATMs provide detailed information on ATMs, Banks ATMs, and ATMs for sale, Portable ATMs and more ATMs in affiliated with Global money transfers

2.5 Electronic funds Transfer at Point of Sale (EFT/POS)

Electronic funds Transfer at Point of Sale EFT/POS are involves the use of plastic cards in terminals on merchant's premises. It actually comprises two distinct mechanisms:

- Debit-card transactions: - These were a new form of value-transfer, whereby an account holder authenticated by the presentation of a token (a data-bearing card) and the keying of a PIN, uses a terminal and network to authorize the transfer of value from their account to that of a merchant.

- Credit-card transactions: these represent the automated capture of data about purchase against a revolving credit account, replacing what has hitherto been ‘flick-flack’-generated hard copy vouchers.

Home Banking

This term is used for a variety of related methods whereby a payer uses an electronic device in the home or workplace to imitate payment to a payee. In addition to a computer technology, it can be performed using the telephone and interactive voice response (IVR). <https://www.investopedia.com/meanings>

Stored-value Cards

That is payment card with a monetary value stored on the card itself, not in an external account maintained by a financial institution. Stored-value cards differ from debit cards, and credit cards which are subject to credit limits set by the issuer.

Another difference between stored –value cards and debit and credit cards is that debit are usually issued in the name of individual account holders, while stored value cards may be anonymous, as in the case of gift cards.

Stored-value cards are prepared money cards and may be disposed when the value is used as in case of telephone calling cards or when used as a fare card.

(<https://en.m.wikipedia.org/wiki/store>)

Electronic cash

This is another form of automation of cash into electronic form. It addresses circumstances in which the payer is not present at the point of sale or service, but has electronic communication facilities available. E.g. is connected to the internet, or to some other manifestation of the emergent global information infrastructure, such as cable-TV instillation with enhanced capabilities. (www.rogerclarke.com/EPMIntro).

2.6 Payment Card in Dashen Bank

Card association, the bank is engaged in both card issuing and transaction acquiring. As payment card is a new technology to the Ethiopian banking industry, Dashen Bank is the first bank in Ethiopia to provide of fully fledged payment card service in collaboration with ACI (Applied communications Inc.; a leading international provider of enterprise e-payment solution as principal plus member of visa international and master card, the world leader.

Dashen Bank has been trying its level best to lay the ground in a good footing. It installs state of the art technology that is first class in the payment card industry.

EMV stands (Euro pay, Master card and Visa)In line with the current requirements of the card associations; Dashen Bank started the business being EMV compliant in all aspects of card issuing and transaction acquiring. <https://www.Dashenbanksc.com>.

It is issuing CHIP based (smart) cards and it installs CHIP accepting ATM as well as POS terminals. Thus, the Dashen Bank's payment card system is reliable, seeker and contemporary.

At present Dashen Bank involving in access Master card, Union pay, American Express card&VISA card over the entire world and issued Visa and AMX debit cards work only local networks. At the end of April 30, 2018, report shows that, the bank has issued and managed over 600,000 card holders, 871 POS (point of sales) and 318 ATM (120).(Dashen bank April 30, 2018, month end report)

2.7 Benefits of Dashen Debit Card

According to Ibrahim (2007: 166) With the Dashen debit card, card holders can

- The customer can access his/her account 24 x 7 x 365, without limitation for bank working hours.
- More than one account can be linked to a single card.
- Two cards can be issued against a single account (the second one may be for his close relative)
- The card holder can withdraw up to 5,000 birr per day with visa card subject to the balance in the accounts through ATMs and can withdraw 8,000 birr per day per card at any of the merchant location signed with Dashen bank using POS.

- And the customer can withdraw up to 15,000 birr per day card subject to the balance in the accounts through Amex-Green card on ATMs &30,000 birr on POS per day.
- Withdraw up to 30,000 birr per day with Amex Gold card subject to the balance in the accounts through Amex-Gold card on ATMs and can withdraw 50,000 on POS.
- Can check the balances of all accounts by linked cards.
- Obtain mini-statement that lists the last ten transactions in any of the accounts linked to the card.
- Currently Dashen Bank has two cards (Visa and Amex), the Visa card can withdraw in all Dashen Bank branches and other all banks ATM over all Ethiopia.
- But the customer can access only Dashen Bank ATM & POS by Amex cards because of the other bank limited only visa cards.
- It always requires a card holder PIN (Personal Identification Number)
(<https://www.Dashenbanksc.com>)

Eligibility Criteria

The only criteria for issuance a Dashen debit card to an applicant is possession of an account in one of Dashen bank branches. One can be provided with Dashen debit card, he/she has

- Both saving and demand deposit account holders.
- Authorize to operate by a single individual; either it is a business or personal account.

In case an agent of an account requires a card the principal should apply as a primary applicant filling the agent as a secondary applicant. On the other hand, those accounts with more than one signatory and an overdraft account are not eligible for card. And also the agent individual cannot operate with Visa & Amex cards. (E-Banking Manuel of Dashen Bank)

Expiry period of a card

A Dashen debit card is designed to serve for five years, hence, if the customer requires extending obtaining of the service he/she is required to apply for a replacement card.

This is in line with the KYC (Know Your Customer) principle and it will help in future segmentation programs of the bank. Currently Dashen bank extend expired period of visa card for additional five years. (E-banking manual of Dashenbank s.c.)

Charges

- A debit VISA card is issued at an initial joining fee of Br. 25.00 (twenty five birr)
- If a card is damaged, lost/stolen replacement could be obtained at the same fee of Br. 40.00 (forty birr) per card & 10 Birr for pin reissue.
- A debit Amex Gold & Green card also issue by 15 &10 birr respectively with promotion price to use the card, because the card is new in Ethiopia market and free for replacement of Amex Green and Amex Gold cards.
- A card holder will be debited for an amount of 0.25% of the transaction value while withdrawal of cash on ATM. If the cash withdrawal is at branches using POS terminals the charge is 0.50% per transaction value.
- At merchant locations it is rather the merchant that is charged per transaction and is not the card holder. (E-banking Manual of Dashen Bank)

2.8 Transaction Acquiring

According to internal document of the company, Dashen Bank S.C implemented two kinds acquiring payment card transaction. There are:-

2.8.1 Automated Teller Machine (ATM)

At the end of April 30, 2018, a total 318 ATMs are installed at different convenient sites in Addis Ababa and out let cities. The ATMs provide the following service to card holders.

- Cash withdrawal
- Balance inquiry
- Mini-statement the last ten transaction
- Fund transfer between accounts attached to a single card
- PIN (Personal Identification Number) change
- PIN (Personal Identification Number) unblock
- The ATM diversification is an ongoing process and hence it is planned more than 318 ATMs by the end of the current fiscal year. (E-banking Manual of Dashen Bank and monthly report).

2.8.2 POS Acquiring

Single with different types of merchants the bank is also electronically acquiring both local and international card transactions through point of sale terminals.

Two different types of point of sale terminals are being distributed to merchant. These are:

Standalone POS

It is serving the card holders at merchant locations for sale of goods and service. This type of POS terminal is mainly relevant for reception areas of hotels, supermarkets, hospitals and other shops with similar form of payment structure. (E-banking Manual of Dashen Bank)

Portable POS Terminal

Serving merchants like restaurants and fuel stations to help providing the service at the customer point.

The major merchant categories are Hotels, Tours and travel agents, Galleries and jewelry shops, supermarkets, hospitals/clinics, pharmacies, fuel stations and other retail shops. (E-banking manual of Dashen Bank s.c)

2.9 Merchant Services Provided by the Bank

As (Ibrahim 2007:180) the bank provides the following merchant services.

- Supplying terminals and stationery items. The bank provides two types of terminals (standalone and portable) free of charge along with the necessary stationery.
- Continuous training to merchant staffs
- Transactions supported by the banks terminal standard transaction types are purchase, purchase reversal and refund (only for international cards) and additional transaction types- pre-authorization.
- Daily transaction settlement
- Monthly transaction settlement
- 24 hours available help desk
- Supply of promotional items for Visa Card & American Express card acceptance

2.10 Requirement to become Dashen bank merchant

A merchant fulfilling the following three conditions could be provided with POS terminal and the associated service indicated above.

- Have an account at any Dashen Branches for the purpose of daily transaction
- Have a telephone line for the terminal to communicate with Dashen Bank system (the system must need phone numbers of the account holder).
- Agree on the terms and conditions stipulated in the standard merchant contract developed by the bank.

2.11 POS encasement at Branches/Forex Bureaus

Besides signing with merchants, the bank has also installed point of sale terminals at each of its branches and Forex bureaus for the purpose of providing cash advance service on Visa cards & American Express Cards. This means that a person having a Visa card & American Express card, either issued by Dashen Bank or any financial institution worldwide, can get cash from one of branches, including those in up country. By doing so Dashen Bank has managed to diversify the service all over the country. The customer can withdraw up to 8,000 birr by visa cards and 50,000 & 30,000 birr by Amex Gold & Amex Green card respectively subject to the limit on their card (payment card policies and procedures of Dashen bank sc)

As indicated above local card holders will pay a transaction fee of “0.50” for local card pos encasement service. However, international card holders are charged 2.5% while withdrawing cash from branches/Forex bureaus.

The international transaction commission is higher because on international card transactions the bank is also expected to pay inter change fees to issuing banks.

2.12 Membership with Visa & American Express

Dashen Bank is a principal member of VISA international and American Express and obtained a license to use e-payment technology to become the first bank in Ethiopia to issue and acquire VISA & American Express branded cards. Though it currently manages to accept all kinds of VISA & American Express branded cards coming from all over the world, it is issuing only local

debit cards with the view of following a more cautious move among other things. Visa is an international membership association dealing with payment card business for then half a century now.

At present Visa is a world leader in the payment card industry causing more than 60% of the market share by its own.

It constitutes over 20,000 financial institutions in either principal or associate membership. Internationally over 1.4 billion visa branded cards are circulated by the different financial institutions. Over 24 million merchants and about one million ATMs worldwide are accepting VISA branded cards. In terms of transaction the VISA system entertains over USD 4 trillion per year.

The next giant in the payment industry, with about 30% market share is master card worldwide. At this time Dashen Bank is also a principal member of Master Card and issuing and acquiring a master card branded cards.

- a) Visa is an international membership association dealing with payment card business for more than half a century now. As any card association its basic role is to facilitate transaction clearing and settlement activities among member financial institutions.
- b) At present Visa is a world leader in the payment card industry covering more than 60% of the market share by its own. It constitutes over 20,000 financial institutions in either principal or associate membership. Internationally over 1.4 billion Visas branded card are circulated by the different financial institutions.
- c) Over 24 million merchants and about one million ATMs worldwide are accepting Visa branded cards. In terms of transaction the visa system entertains over USD 3.3 trillion per year.
- d) Being a principal member of Visa International, Dashen Bank joined this huge financial network in the payment card industry.
- e) The next giant in the payment card industry, with about 30% market share, is MasterCard Worldwide. Dashen Bank's applications for Principal membership with master Card has also got acceptance so that it will soon start issuing and acquiring of Master Card branded cards (Ibrahim 2007, pp12.)

2.13 Internet connection a persistent problem in Ethiopia

A variety of factors impede the access and penetration of the internet. Only 26.6% of the individuals in Africa think that the internet is easy to use, 40.7% of them believe that it is difficult to find places where they can access the internet and 45.3% of the respondent's internet is expensive. <http://partnerplatform.org/eps-peaks>.

Customer of the sole internet provider Ethio telecom often complain about various elements of internet service in the country including the slow speed of the connection, constant breaks in service and ineffective customer service.

Not only is the connection speed very slow, but Ethio telecom does not provide the speed of connection we subscribe. The slow internet connection in the country is also exacerbated by the intermittent nature of the service where connection is cut unpredictably as much as several times in one working day.

Ethio telecom is also adversely affected by the use of cheap and low quality products in its physical set up, some source explain. The low grade equipment fails to provide the service it was intended for and hence contributes to the general problems in internet connection and the other problem comes from lack of coordination the government development organizations like Ethio telecom with Road Authority, Road Authority with Ethiopia Electric Power Corporation etc...

However, the poor service and technical problems many complain about today were also present, if not worse, before the changes establish Ethio telecom took place.

Ethio telecom has get its objective on offering international standard quality service, this however, remains to be far from the reality on the ground as complaints against the services the organization providers are heard from all sectors.

“Some ascribe to the option that the best way to modernize telecommunications would be to liberalize the sector and allow international competitors in to the market”.(WorkuBogale, 2005).

2.14 Service quality evaluation and Customer Expectations

2.14.1 Service quality evaluation

“service quality management is the process of attempting that the gap between consumer expectation and perceived service delivery is as small as possible”(koteler,2002:158).according to this authors exaggerated claims merely lead to high expectation ,which an organization may not be able to deliver. Therefore unrealistic expectations can lead to the perception that the service delivers poor quality.

The intangibility of service in the service industries makes it difficult to evaluate each firm’s quality of service rendered .the quality of a particular professional service is a subjective matter which can inject a great deal of uncertainty into the buyer’s decision process. Quality of service problems are further aggravated by the simultaneous production and consumption of the services (Robert, 2001:265). According to this author service customers expect fulfillment in five areas to diminish service-performance gap.

There are:

- Tangibles- the physical facilities, equipment and appearance of personnel
- Reliability- the ability to perform the desired service dependably, accurately, and consistently
- Responsiveness- the willingness to provide prompt service and to help customer
- Assurance-employee’s knowledge, courtesy and ability to convey trust and confidence to the customers
- Empathy-the provision of caring &providing individualized attention to customer.

According to Kotler, (2009, 258) customer expectations are pretrial beliefs a customer has about the performance of a service that are used as the standard or reference against which service performance is judged.

As Asfaw (2007:144) says, satisfaction and delight are both strongly influenced by customer expectations.

2.14.2 Levels of customer expectations

There are two levels of expectations potential customers hold before they experience service. The first can be termed as “Desired Service” and defined as the level of service the customer hopes to receive-the “Wished for” level of performance.

A desired service is a blend of what the customer believes “can be” and “Should be”. For example, when Dashen Bank first introduced and announced payment Card service to the public, numerous potential customers may expect to receive, 24x7 quality electronic banking service with a reasonable service charge

They may hold this desire until they encounter the company’s service. Customers hope to achieve their service desires but recognize that this is not always possible. For this reason, they hold another, lower-level expectation for the threshold of acceptable service. This lower expectation has been termed “adequate service-the level of service the customer will accept”.

Adequate service represents the “minimum tolerable expectation.” the bottom level of performance acceptable to the customer, and reflects the level of service customers believe they will get on the basis of their experience with services. In their discussion (Award, 2003:350), services are heterogeneous in that performance may vary across providers, across employees from the same provider, and even within the same service employee. The extent to which customers recognize and are willing to accept this variation is called “The Zone of Tolerance”.

If service drops below adequate service-the minimum level considered acceptable-customers will be frustrated and their satisfaction with the company undermined. If a service performance is outside the zone of tolerance at the top end where performance exceeds desired service, customers will be very pleased and probably quite surprised as well. You might consider the zone of tolerance as the range or window in which customers do not particularly notice service performance. When it falls outside the range (either very low or very high), the service gets the customer’s attention in either a positive or negative way.

For example, consider an Electronic Banking Service through deployed ATMS at selected sites and POS at the merchant Site are thought to provide service without interruption 24 hours and 7days.(E-payment Manual of Dashen bank sc).

2.15 Empirical Review

There are different related literatures was written by different researchers in different parts of the world. But, there are limited numbers of studies conducted in Ethiopia on the adoption of payment card system. Specifically, Gardachew (2010) was written related research on challenges of E-payment system. The aim of his study was focused on analyzing the status of payment card system in Dashen Bank located in Addis Ababa and investigates the main challenges and opportunities of implementing E-banking system. The author conducted a survey on the existing operating style of banks and identifies some challenges of using E-banking system, such as, lack of suitable legal and regulatory frame works for E-commerce and E-payments, high rates of illiteracy and absence of financial networks that links different branches. According to Gardachew (2010), Opportunities offered by ICT through e-learning programs and Commitment of the governments on development of ICT infrastructures is considered as drivers of using E-commerce and E-payment systems.

Sited by AyanaGemechu, Wondwossen and Tsegai (2005) also studied on the challenges and opportunities of E-payments in Ethiopia; their objective was studying of E-payment practices in developing countries, Africa and Ethiopia. The authors employs interview and on site observation to investigate challenges to E-payment in Dashen Bank and found that, the main obstacles to the development of E-payments are, lack of customers trust in the initiatives, Unavailability of payment laws and regulations particularly for E-payment, Lack of skilled manpower and Frequent power disruption. According to Wondwossen and Tsegai (2005), an adequate legal structure and security framework could foster the use of E-payments, which is contradicting with the finding of the previous study.

2.16 Conceptual frame work

We can see different researchers use different conceptual frame work to accomplish their research papers. The basic questions that asks only is it appropriate conceptual frame work for this paper among frameworks that have been developed based on the past Studies includes, the Technology-organization-Environment framework (TOE) sited by Ayana Gemechu, (Tornatzky& Fleischer 1990),which identifies three basic Factors for the adoption of technological Innovation, i.e. technological factors, organizational and environmental factors.

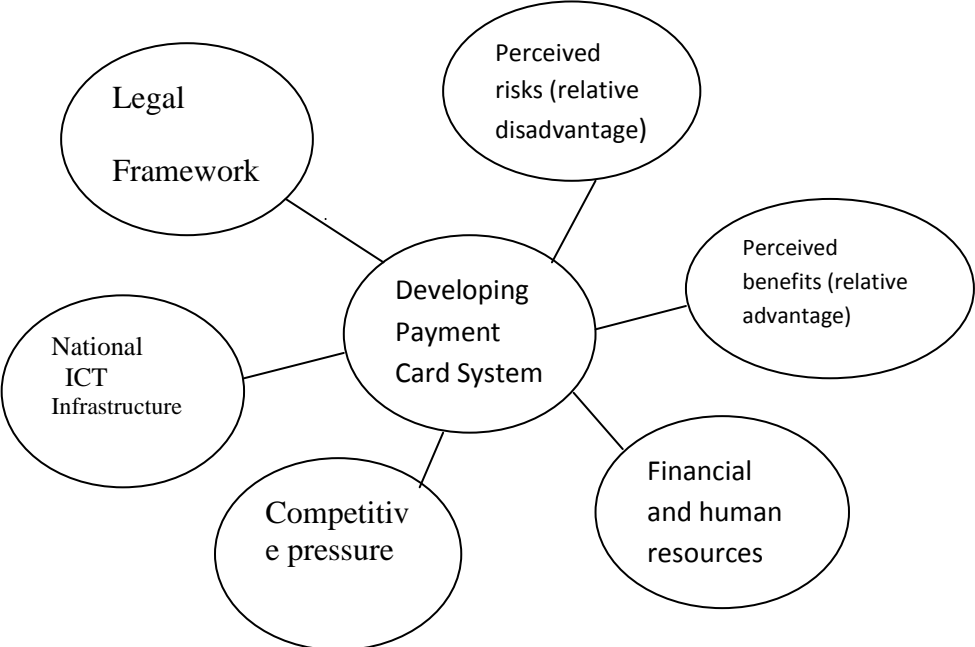
Technology Acceptance Model (TAM) (Davis, 1989), which posit the two sets of beliefs, i.e., perceived ease of use (PEOU) and perceived usefulness (PU) to determine individual's acceptance of a Technology. PEOU refers to the degree to which an individual believes that using a particular system would be free of physical and mental effort, PU on the other hand is related to users perception of the degree to which using a system will be beneficial (AlemayehuMolla 2004).

2.16.1 Technology- organization- Environment (TOE) framework.

TOE framework was proposed by Tornatzky and Fleischer; it is designed for studying the likelihood of adoption success of technology innovations. This framework is comprehensive and well received framework in the context of innovation adoption by organizations and has been used in many studies (Salwani, et al, & Ellis 2009; Chang et al2007, Zhu & Kraemer 2006). According to Tornatzky and Fleischer (1990), technology adoption within an organization is influenced by factors pertaining to the technological context, the organizational context, and the external environment. Based on this, the researcher adopt the TOE framework to summarize possible key factors affecting payment card system as shown in Figure 2.1 The technological factor refers to adopter's perception of payment card systems. Typical characteristics of technology considered in technology adoption studies are based on the assumption of Rogers diffusion of innovation (Rogers 2003), Which include relative advantages (perceived benefits), and relative disadvantages (perceived risks).While the organizational factor refers to the organization's characteristics that influence its ability to access and easily use payment card new technology. The environmental factor refers to the external environment in which an organization operates and its condition for supporting the development of facilitating payment card coordinating with Ethio telecom.

For each context, various factors have been identified from the literature but only those that are considered relevant assessment of payment card systems are included in the framework. Additional Details of factors considered in this study are discussed below.

Figure 2.1 Technological-Organizational-Environmental Frameworks.



Source: cited by Ayana gemechu (2012), Tornatzky and Fleischer (1990)

2.16.1.1 Technological Factors

It appears that there is a lack of consensus on what factors belong to this context. For example, one study (Salwani 2009) includes technology competence covering existing technology infrastructure and skills to utilize the technology in this context, while other studies (Ellias 2009 & Chang 2007) consider some relevant characteristics of technology. To avoid overlapping between technology and organizational contexts, researcher chooses two basic factors related to technology competence, which have relevant to the organizational factors, i.e. perceived benefits and perceived risks are considered in this study from the technological factors. Organizational factors Financial and human resources Environmental factors

1. Perceived benefits: - Perceived benefits of payment card system both direct and indirect benefits for the banking industry as well as for the consumers. Direct benefits include the savings on operational cost, improved organizational functionality, productivity gain, improved efficiency and increased profitability.

Indirect benefits include the opportunity or intangible benefits such as improved customer's satisfaction through improved services, improved banking experience and fulfillment of their changing needs and lifestyle (Lu et al. 2005; Kuan & Chau 2001 & Iacovou 1995).

2. Perceived risks: - One of the highest risks faced by banking institutions in offering visa payment card, American express card & other new E Banking services is the customers' resistance to use the services which significantly hinder the growth of E-banking (Zhao et al. 2008 & Laforet 2005). Even if Dashen Bank is the founder & the first Visa & Amex card service provider, there is challenges and different resistance. Therefore, the perception of the risks regarding Visa, Amex & other international cards is expected to influence its adoption and further growth.

2.16.1.2 Organizational Factors

Organizations are different in their preference to adopt technological innovation (Iacovou 1995 & Grover 1993) influenced by a number of factors, like firm size, top management Support and financial and human resources. In the framework for this study, researcher uses one basic organizational factor as discussed below.

Financial and human resources: - Financial & human resources are an important factor in facilitating innovation adoption for any organization and they are often correlated with the firm size (Kuan2001 &Iacovou1995). These resources enable banking institutions to obtain human related resources including the required skills and expertise to develop and support provision of payment card systems.

2.16.1.3 Environmental factors

Researcher identified factors related to the environmental context that plays a crucial role in technology adoption and some factors in this category are more influential than Others, especially when countries under study have an authoritative government leadership. The Four factors relevant for payment card system adoptions included in this study are:-

1. Legal Frameworks: - The existence and maturity of E-commerce legal frameworks within a country influence the diffusion of online transactions including payment card system as demonstrated in various studies (Tan & Wu 2002; Martinson &Trappey 2001).

2. The National ICT infrastructure: - National ICT infrastructure is a major factor that supports the adoption of payment card system as the case for other E-commerce initiatives. Without an adequate development level and quality of a nation's ICT infrastructure, payment card service adoption and use cannot do well (Efendioghu 2004 &Scupola 2003).

3. Competitive pressure: - Competitive pressure can strongly influence any bank to develop and adopt payment card system initiatives and it may affect the bank's perception towards E-banking system. As implied in previous studies (Quaddus &Hofmeyer 2007; Gibbs, Kraemer & Dedrick 2003).

4. Government Support:-Government can either directly or indirectly affect the adoption of Payment card system in terms of creating a favorable environment and impetus for banking institutions and their customers so that the services can be diffused with the community (Kuan 2001 &Iacovou 1995).

2.16.2 Technology Acceptance model (TAM)

TAM was developed by Davis (1986) to explain the computer-usage behavior. According to the model, in explaining the adoption of any information system, perceived ease of use (PEOU) and perceived usefulness (PU) are the two most important determinants.

1. Perceived ease of use: - refers to the degree to which a person that using a particular system would be free from effort (Davis 1986).

2. Perceived usefulness: - refers to the degree to which an organization that using a particular system would enhance or improve its job performance.

According to Masrom and Hussein (2008) the adoption of whether to use an information system for a particular individual is very much dependent on the perceived usefulness and perceived ease of use of the information system.

TAM was developed to explain and predict particular IT usages. However, this particular Model has been using by many researchers in studying adoption and diffusion of various IT technologies. For this study researcher uses two basic factors of TAM, i.e., perceived ease of Use and perceived usefulness to analyses the perception of users on the adoption of payment card system in Dashen Bank.

The frameworks discussed above have their own advantage and disadvantages based on the nature of the study.

In this study, technology-organization-environment framework and technology acceptance model were used to have a more precise forecast on the assessment of payment card system in Dashen bank.

CHAPTER THREE

RESEARCH METHODOLOGY

All researchers have written at length on research methodology. The fundamental factor in most studies on research methodology is that the selection of methodology is based on the research problem and stated research questions. Most of the time methodologies by itself cannot be true or false (Silverman, 2001). All conducting research should be governed by a well-defined research methodology based on scientific principles.

3.1 Research Approach

Research approach is selected by researcher(s) based on the research purpose, the nature of the research, the problem area, and research questions (Alhamdani et al. 2006). The research approach in this study is chosen based on the purpose and the research questions set out to be addressed.

According to Creswell (2003, p.6-13) There are three basic types of research approaches, quantitative, qualitative, and Mixed approach. Mixed research approach, inquirers draw liberally from both quantitative and qualitative assumptions. In order to achieve the objective of this study and to answer the research questions the researcher has been followed mixed research approach (both qualitative & quantitative), because the basis of such an approach helps to neutralize or cancel the limitations of applying any of a single approach.

Mixed research approach is both compiled quantitative and qualitative research approaches. In order to achieve the objective of this study and answer the research questions researchers adopts mixed research approach to investigate the assessment of payment card service in dashen bank on qualitative and quantitative methods. Employing this approach is used to neutralize or cancel the biases of applying any of a single approach and a means to offset the weaknesses inherent in a single method with the strengths of the other method (Creswell 2003). Mixed research approach helps to access multiple methods of data collection and helps to generate the findings to a population and develop a large view of the meaning of a phenomenon or concept for individuals (Creswell, 2003; pp. 12-22).

3.2 Research Strategy

The most important condition for differentiating among the various research strategies is to identify the type of research question being asked, cited by Ayanagemechu (Creswell, 2003; Hair *et al.* 2006; Leedy, 1989; McNabb, 2004; and Yin, 1989). It is possible to identify some situations in which all research strategies might be relevant and other situations in which two strategies might be considered equally attractive. We can also use more than one strategy in any given study. To this extent, the various strategies are not mutually exclusive. But we can also identify some situations in which a specific strategy has a distinct advantage (Yin, 1989; p. 20). According to Yin (1994), the most important condition for differentiating among various research strategies is to identify the research question being asked.

The research questions depend on the characteristics of the stated research question. The main goal of this study is assessment of payment card system in Dashen bank.

This study focuses on contemporary events that do not require control over behavioral events & the research questions of this study are in the form of what, so that the most appropriate strategy is assessment.

Finally the data obtained from questioner were analyzed by using descriptive statistics, statistical Package for social science (SPSS).

3.2.1 Study Area

This section describes the payment card service in Dashen Bank located Addis Ababa. The banking industry in Ethiopia is controlled by the National Bank of Ethiopia (NBE) acting as the central bank of the country. There are 19 commercial banks registered under the NBE which comprises 3 government owned banks and 16 private commercial banks. It should be noted that the researcher selected only Dashen Bank head quarter and branches located in Addis Ababa for time and financial constraints.

3.4 Research Method

This study is intended to assess the service of payment card system in Dashen bank. To undertake this research, the specific methods of data collection were survey and document sources. Survey for the quantitative strategy is used through distributing self-administered questionnaires to 100 respondents of selected employees and customers.

3.4.1 Survey Design

The research questions mainly focus on “what” questions; it is also rationale for conducting descriptive research and it is more likely to favor survey than others Yin(1989; pp. 17-18). Survey design provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population. Its purpose is to generalize from a sample to a population so that inferences can be made and it is also economical and rapid turnaround in data collection Creswell, (2003; pp.153-154).

The questionnaire is divided into three parts. Part I, covers basic personal information of the respondents such as age, salary & educational background, and part II comprised information about the nature of the risks and challenges in the payment card service. The last part tries to determine the perceived benefits of using payment card system in Dashen bank.

3.4.2 Sample Size and Design

According to Leedy, sampling is the process of choosing, from a much large population, a group about which wish to make generalized statements so that the selected part represent the total group (Leedy, 1989; pp. 158).

Which was twenty branches selected from each branches located in Addis Ababa & five respondents were participated for this study. Therefore, a total of 100(20 x5) respondents on the selected bank staffs and customer respondents from each branches were sampled to see their intention on the benefit and drawbacks of payment card system in Dashen Bank. The researcher chooses to take Dashen bank located on Addis Ababa branches as sample, because it is difficult or too much expensive to collect data from all branches located in Ethiopia. Hence samples are chosen to represent the relevant attributes of the whole population. According to Graziano & Raulin (1997) the samples are not perfectly representative of the population from which they are drawn, therefore the researcher unlikely to be able to generalize the conclusions to the entire population.

3.4.3 Method of Data Collection and Data Source

For this research paper, to achieve the objectives of the study both primary and secondary sources of data are used. Primary data are collected from bank employees through questionnaire and interviews, whereas secondary data was collected from different websites, annual reports, case studies, journal articles, magazines and books that are reviewed in the area of E-Banking.

The most important use of this secondary data source is to corroborate and increase evidences from other sources Yin (1989; pp. 86) and describe the environment in which the selected industry operates. Thus, the document examination helps to support the patterns that evolved from the data collected via questionnaires and interview, so that the validity of the findings could be enhanced.

3.4.3.1 Questionnaire Method

Questionnaires were distributed to 100 respondents of purposely sampled bank branches located in Addis Ababa.

Questions present in the form of affirmative statements, relating to the concepts on payment card system and to identify their intention on the drawback and benefits of payment card system, in such a way to enable measurement of the respondent's opinions. The respondents were asked to indicate their level of agreement on a five point likert scale with the following ratings. "5" Strongly agree, "4" agree, "3" moderate or neutral, "2" disagree, and "1" strongly disagree. The questionnaire is a close ended questionnaire to get guided responses and for easy analysis and to obtain additional information, the respondents also requested to forward any suggestions so as to provide open-ended responses if they have opinions which they feel the researcher would find useful.

3.4.3.2 Interview Method

According to Denscombe (2000) together the required data and also provide deep insight into the topic of payment card, the researcher considers interview to be the most suitable way to gather valid and reliable data that is relevant to the research question. The techniques of personal interviewing is undertaken in order to reach the objectives since it is the most versatile & productive method of communication which enables spontaneity & provide with "The skill of guiding the discussion back to the topic outlined when discussions' are unfruitful while it has the disadvantages of being very costly, time consuming & can introduce bias through desires of the respondents to please the interviewer" Aaker & Day (1990).

For the purpose of this research, semi-structured interview had been conducted with five managers from Dashen bank to have sufficient information regarding the research problem. According to Yin (1989pp. 89) the major purpose of this interview is to support certain facts that

the investigator already thinks have been established. Therefore, the semi-structured interview was conducted to enhance and supplement the results of questionnaires.

3.5 Data Analysis Method

The researcher analyzed the collected data through questionnaires with descriptive statistics using statistical package for social scientists (SPSS: Version 20.0). Furthermore, Creswell (2003; pp. 182), suggested that qualitative research is fundamentally interpretative i.e. the researcher makes an interpretation of the data by using percentages, ratios and other statistical methods. Thus, the data that are collected from the interview and reviews of documents were interpreted qualitatively.

According to Creswell (2003, pp. 222), the analysis of quantitative data and interpretation of qualitative data combines to seek convergence among the results.

3.6 Ethical Considerations

There is an important ethical concern connected with the collection and validity of data. In fact ethical issues are not only important during the data collecting phase, but throughout the whole research process including during the phase of data analysis and diffusion of findings to ensure that the final thesis report provides fair, unbiased, honest and does not negatively affect those who might have participated in this research. To ensure that the interest of all parties have been protected and respondents were informed about the objective of the interview prior to each interview. Validity of data is also another researcher's concern. This is achieved by checking one interview transcript against other interviews to assess the level of consistency and contacting respondents if necessary to check the accuracy or meaning of statements.

In order to attain the desired objective, descriptive research where applied. In order to get the full information to address the objective of the research, the student researcher use both quantitative and qualitative data sources. (Creswell 2003), cited by Ayana Gemechu).

Data collection methods consists questioner and document analysis from books, journals and articles. Many researchers have written extensively on research methodology. The underlying factor in most studies on research methodology is that the selection of methodology is based on the research problem and stated research questions.

According to Silverman (2001) research methodologies cannot be true or false, only more or less useful. Nachamias *et al.* (1996) for instance states that methodologies are considered to be systems of explicit rules and produced, upon which research is based, and against which claims for knowledge are evaluated. Conducting any type of research should be governed by a well-defined research methodology based on scientific principles. Eldabi (2002) suggested that a series of steps as a research paradigm to be followed in a methodology part of a research. Based on this suggestion researcher follows the basic framework of research paradigm developed by Foster.

CHAPTER FOUR

DATA ANALYSIS & INTERPRETATION

At this chapter tries to discuss demographic analysis, analysis of data related with challenges and analysis of data with benefits and with deep analysis and interpretation.

4.1 Demographic Analysis

Demographic analysis consists of the gender of respondents, age, educational level, marital status, monthly income, current position on the organization and year of experience.

4.1.1 Gender of respondents

Table 4.1 Respondents gender

		Frequency	Percent (%)
Valid	Male	53	60.2
	Female	35	39.8
	Total	88	100.0

Source: SPSS result

From the above table 4.1 shows that 53(60.2 %) of respondents were male and 35 (39.8 %) of respondents were female.

4.1.2 Analysis on Age of respondents

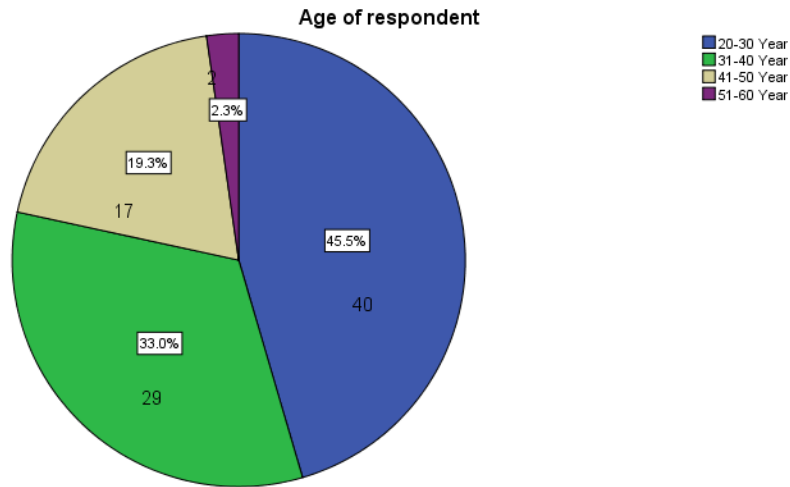


Figure 4.1 Age of respondents

Source: SPSS result

As shown figure 4.1 above from the total 88 respondents 40 (45.5%) of respondents were between 20-30 years, 29 (33%) of respondents were between 31-40 years, 17 (19.3%) of respondents were between 41-50 years and the remaining 2 (2.3%) of respondents were between 51-60 years old. We can understand from the above figure more respondents are youths between 20 up to 30 years.

4.1.3 Analysis on educational level of respondents

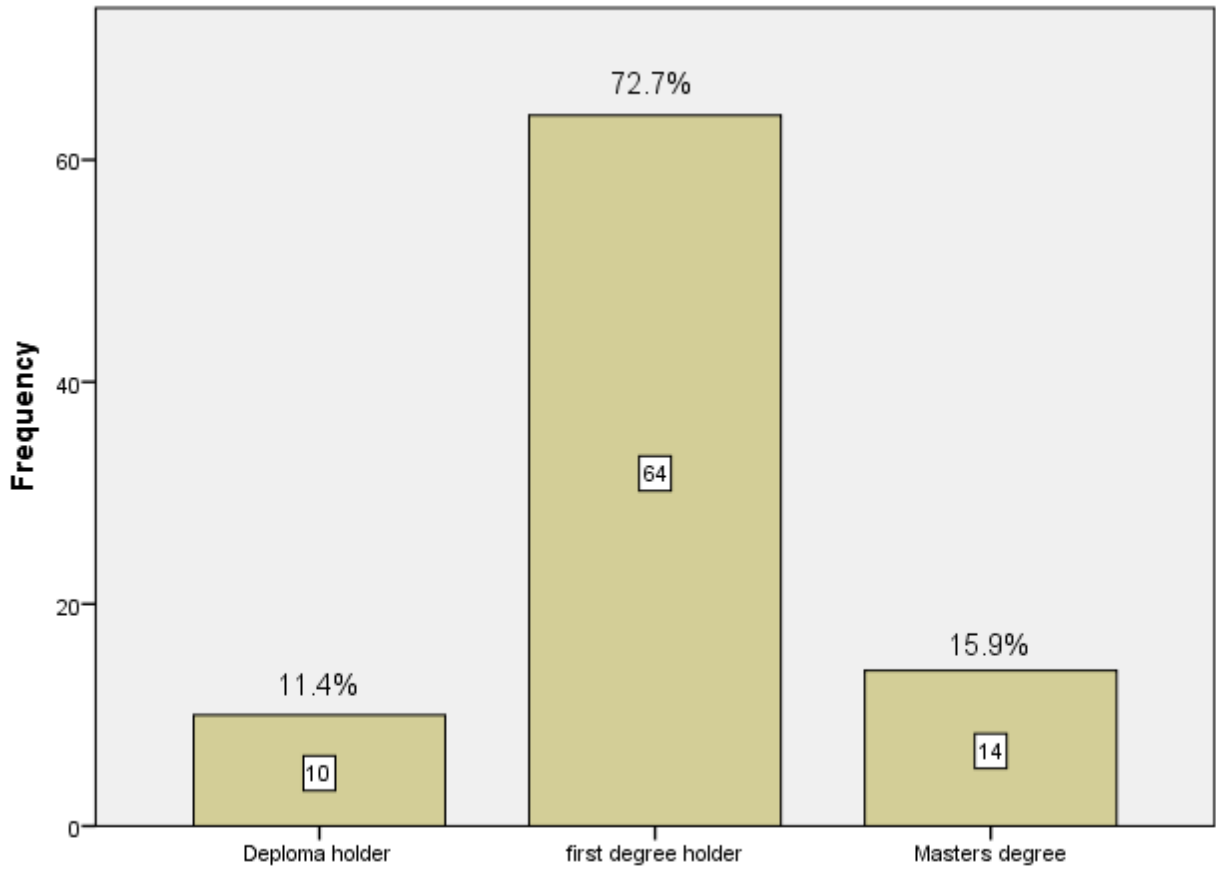


Figure 4.2 Educational level of respondent

Figure 4.2 above elaborated that from the total 88 respondents, 64 (72.7%) of respondents were first degree holder, 14 (15.9%) of respondents were master's degree holder and the rest 10 (11.4%) of the respondents are diploma holder. It indicates that more than 72 % of respondents are first degree holders.

4.1.4 Analysis on marital status of respondents

Table 4.2 Respondents Marital status

		Frequency	Percent (%)
Valid	Married	37	42.0
	Un Married	51	58.0
	Divorce	0	0
	Total	88	100.0

Source: SPSS result

The above table showed that 37 (42%) of respondents were married, 51 (58%) of respondents were unmarried and no divorce respondents.

4.1.5 Analysis on monthly income of respondents

Table 4.3 Monthly Incomes of Respondents

		Frequency	Percent (%)
Valid	1,500-5,000 birr	27	30.7
	5,001-10,000 birr	31	35.2
	10,001-15,000 birr	26	29.5
	Above 15,000 birr	4	4.5
	Total	88	100.0

Source: SPSS result

The researcher were asked respondents about their monthly income and the result shown on the table above 4.3, 27(30.7%) of respondents were answered that they received between 1,500-5,000 birr, 31(35.2%) of respondents were between 5,000-10,000 birr, 26(29.5%) of respondents were between 10,000-15,000 birr and the remaining 4(4.5%) of respondents were received above 15,000 birr.

4.1.6 Analysis on current positions of respondents

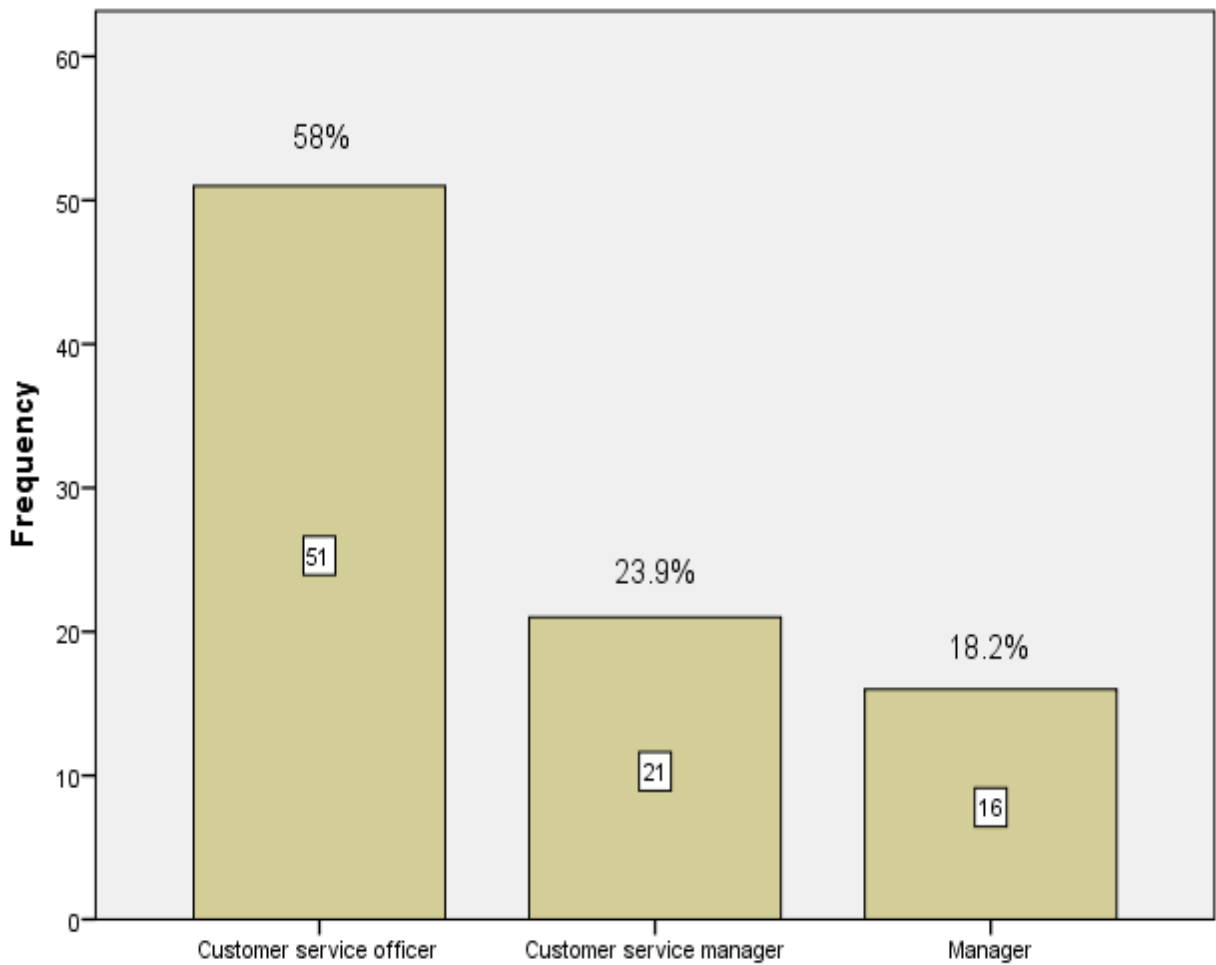


Figure 4.3 Current positions of respondents

From figure 4.3 above shown that 51(58%) of respondents were customer service officer, 21(23.9%) of respondents were customer service manager and the remaining 16(18.2%) of respondents were managers. More than half of the total respondents were customer service officers.

4.1.7 Analysis on respondents experience

Table 4.4 Respondents experience

		Frequency	Percent (%)
Valid	Below 2 years	31	35.2
	2-5 Years	24	27.3
	6-10 Years	24	27.3
	Above 11 years	9	10.2
	Total	88	100.0

Source: SPSS result

As shown table 4.4 above, 31(35.2%) of respondents were below 2 years' experience, 24(27.3%) of the respondents were 2-5 years, 24(27.3%) of the respondents were 6-10 years and the rest 9(10.2%) of the respondents were having an experience above 11 years.

4.2 Analysis on Questioners with challenges on payment card system

The following part of the research clearly identified and makes analysis on challenges and benefits on payment card systems. This is included forty questioners and makes analysis on this part with divided in two parts. The first part mainly focuses on challenges on payment card system and second also potential benefits on implementing payment card system on Dashen bank.

Table 4.5 Risk and Lack of Confidence

No	Item	Scale	No	%
1	Customer of our bank fear risk to use automated teller machine (ATM)	SA	11	12.5
		A	5	5.7
		N	18	20.5
		DA	31	35.2
		SD	23	26.1
2	Lack of confidence with the security aspects of using Visa & Amex payment card system	SA	23	26.1
		A	42	47.7
		N	6	6.8
		DA	16	18.2
		SD	1	1.1

3	In the case of using visa & American Express card on ATM and others, security risk affect users decision to use the product	SA	7	8
		A	14	15.9
		N	1	1.1
		DA	25	28.4
		SD	41	46.6

Source: SPSS result

On the first question 31 respondents DA on bank fear risk to use automated teller machine (ATM) and 18 respondents SD. On security risk of using Visa & Amex card, 42 respondents agree and 23 also strongly agree.

Table 4.6 Lack of Trust and Security Risk

No	Item	Scale	No	%
4	ATM deducts customers money during triaging card on the machine without receiving the money by the customer	SA	28	31.8
		A	52	59.1
		N	2	2.3
		DA	2	2.3
		SD	4	4.5
5	Sometimes the ATM gives money to the customer more than their balance on the account.	SA	17	19.3
		A	41	46.6
		N	9	10.2
		DA	4	4.5
		SD	17	19.3
6	Customers do not trust the new Amex card provided by the banks	SA	3	3.4
		A	1	1.1
		N	47	53.4
		SD	37	42
7	Lack of trust is considered as big challenges for the services of payment card system in Dashen bank.	SA	23	26.1
		A	42	47.7
		N	6	6.8
		DA	16	18.2

Source: SPSS results

On the above table 4.6 question no.4 shows that, 52 respondents agree & 28 respondents strongly agree. It means the bank takes appropriate actions to maintain customers and satisfy their needs related to security and ease of use.

On question no.5 also show that, 41 respondents agree, 17 respondents strong agree & 17 respondents strong disagree. And question no.6 shows that 47 respondents are neutral and 37 respondents are strongly disagree.

The question no. 7 shows that 42 respondents are agree & 23 respondents are strongly agreed.

It shows that lack of trust is challenges for the service of payment card in Dashen bank.

Table 4.7 Cost, Technology & Innovations

No	Item	Scale	No	%
8	Using payment card system increases cost to do banking task	SA	7	8
		A	14	15.9
		N	1	1.1
		DA	25	28.4
		SD	41	46.6
9	Relatively using of payment cards and other new technologies needs know how and knowledge	SA	30	34.1
		A	56	63.6
		N	2	2.3
10	Lack of sufficient advertisement will affect customer's willingness to use technological innovation	SA	47	53.4
		A	24	27.3
		N	3	3.4
		DA	11	12.5
		SD	3	3.4

Source: SPSS result

On the above table question no. 8 shows that 41(46.6%) strongly disagree & 25(28.4%) disagree, question no. 9 respondents are also (56(63.6%) are agree on payment cards and other new technologies needs know how and knowledge and 30(34.1%) respondents are strongly disagree.

And question no.10 shows that 47(53.4%) respondents are strongly agree and 24(27.3%) respondents are agree on the lack of sufficient advertisement will affect customers willingness to use technological innovations. It means that know how to customers is the key element to expand market share and attract new customers. This knowledge gap was filled by advertisement and different researches papers.

Table 4.8 Familiarity and Managerial skills on ATM& POS.

No	Item	Scale	No	%
11	Customers of our bank were not familiar with service provided though ATM & POS terminal services	SA	7	8
		A	8	9.1
		N	7	8
		DA	18	20.5
		SD	48	54.5
12	Lack of technical and managerial skills on the use of ATM	SA	6	6.8
		A	9	10.2
		N	7	8
		DA	39	44.3
		SD	27	30.7

Source: SPSS result

On the above table question no.11 reflects that 48(54.5%) respondents were strongly disagree on familiarity and 18(20.5%) disagree. It shows that the customers are easily adopted and use the ATM machine &Pos services.

When we see the question no. 12 on lack of technical and managerial skills on use of ATM, 39(44.5%) respondents disagree and 27(30.7%) respondents strongly disagree. It means we can use ATM machines easily without any technical and additional skills.

Table 4.9Lack of Skills& Internet Connections

No	Item	Scale	No	%
13	Lack of skills to implement payment card	SA	14	15.9
		A	19	21.6
		N	32	36.4
		DA	16	18.2
		SD	7	8

14	Internet connection was not good enough to perform payment card transaction in Ethiopia	SA	47	53.4
		A	28	31.8
		DA	8	9.1
		SD	5	5.7

Source: SPSS result

As we see from the above SPSS result of question No 13 the majority of the total respondent 33(37.5%) of respondents were strongly agree and agree that the lack of skills affects the implementation of payment card system while the remaining 32(36.4%) neutral and 23(26.2%) of the respondents were strongly disagree & disagree. For question No 14 almost all of the respondents were strongly agree and agree that internet access was affects the payment card system.

Table 4.10 ICT infrastructure & Network Problems.

No	Item	Scale	No	%
15	Lack of available ICT infrastructure	SA	45	51.1
		A	22	25
		N	11	12.5
		SD	10	11.4
16	payment card services may not perform well because of network problems	SA	24	27.3
		A	48	54.5
		N	5	5.7
		DA	7	8
		SD	4	4.5

SourceSPSS result

The above question No 15 & 16 result shows that 67(76.10%), 72(81.5%) of respondents were strongly agree & agree and 11(12.5%), 5(5.7%) of respondents with no idea and the remaining 10(11.4%), 11(12.5%) of respondents were strongly disagree and disagree respectively.

Table 4.11 Problemson Regulatory Frame Work & Others.

No	Item	Scale	No	%
17	Competition among local banks on card issuance & its service charge.	SA	45	51.1
		A	27	30.7
		N	7	8
		DA	6	6.8
		SD	3	3.4
18	Cross-country legal and regulatory differences will have impact on payment card systems, like withdrawal limit difference on Amex card & Visa card	SA	23	26.1
		A	38	43.2
		N	5	5.7
		DA	10	11.4
		SD	12	13.6
19	Customers may not willing to accept payment card service because of the above reasons	SA	6	6.8
		A	6	6.8
		N	1	1.1
		DA	44	50
		SD	31	35.2

Source: SPSS result

The result for the above three questions shows that from the total population 84% of the respondents were strongly agree, 80.7% were agree, 14.9% neutral, 52.2% strongly disagree and the remaining 61.4% of the respondents were disagree.

Generally, we see from the analysis, more respondents agree with question number 2 (47.7%), 4(59.1%), 5(46.4%), 7(47.7%), 9(63.6%), 16(54.5) and 18(43.2%). The respondents also strongly agree with question number 10(53.4%), 14(53.4%), 15(51.1%) and 17(51.1%). But the respondents also disagree with question number 1(35.2%), 12(44.3%) & 19(50%) and strongly disagree with question number 3(46.6%), 8(46.6%) & 11(54.4%) and respondents select neutral with question number 6(53.4%) and 13(36.4%).

When we see the above analysis the questions divided in to three parts. i.e. Technological factors, organizational factors and environmental factors.

4.3 Technological, Organizational and Environmental Factors

On this part we discuss the external factors that affect the payment card service and opportunities that enforce the bank to implement the product in to market.

4.3.1 Technological Factors

We can see the result of respondents more of agree on their response with different degree selects 4 agree questions from 7 and the technological factor affects the payment card system implementation on the bank. This is also known technology change and innovation fast and increase time to time. So, this reason also affects when the bank is not update their system through new technology and create innovative idea to satisfy customers and makes the bank profitable.

Technology also must be adopted by the customers and run together forward through advertisement and different knowledge transfer mechanisms. Because globe comes to one and all world countries go forward through technology innovation in the banking industries and others.

4.3.2 Organizational Factors

When we see the organizational factors, respondents strongly disagree with 2 questions from 6 questions. This is not strictly seen the originations structure before implementing the payment card system on the bank based on the result.

4.3.3 Environmental Factors

This is also assessing with 6 questions and 3 strongly agree, 2 agree and 1 disagree. Therefore, the half respondents strongly agree on environmental factors affect the implementation of the payment card system.

So, the bank should be consider the environmental factor like infrastructure, ICT & network problems are exist or not before implementing the payment card system.

4.4 Analysis on Questioners Related with Benefits

The following are some of the benefits the company derived from developing payment cards systems. The questioner respondents divided in to two parts i.e. ease of use and perceived usefulness and included 20 questions.

Table 4.12 ATM makes it Easier Banking Service.

No	Item	Scale	No	%
20	payment card makes it easier for me to do banking activities	SA	59	67
		A	27	30.7
		N	1	1.1
		SD	1	1.1
21	In the case of payment card, our customers can simply use our home 24 hours	SA	34	38.6
		A	53	60.2
		DA	1	1.1
22	from the bank perspective it is easy to use card service to accomplish banking tasks	SA	52	59.1
		A	26	29.5
		N	1	1.1
		DA	5	5.7
		SD	4	4.5

Source: SPSS result

The above questions 20 shows that 59(67%) respondents SA and 27(30.7%) A on the ease the service and question no 21 shows that 53(60.2%) respondents are A and 34(38.6%) respondents are SA. The question no 22 shows that 52(59.1%) respondents are SA and 26(29.5%) respondents are A.

Table 4.13 Payment Card System Simplifies Banking Service.

No	Item	Scale	No	%
23	Using payment card system simplify the activity of workers to deliver Service to customers	SA	36	40.9
		A	51	58
		DA	1	1.1
24	Our bank provide guidelines on the use of payment card system	SA	50	56.8
		A	36	40.9
		N	1	1.1
		SD	1	1.1

25	The management of the bank provides training courses for its staff when introducing new services.	SA	27	30.7
		A	48	54.5
		N	7	8
		DA	2	2.3
		SD	4	4.5
26	payment card system helps to perform banking task in a simple way	SA	54	61.4
		A	25	28.4
		N	3	3.4
		DA	2	2.3
		SD	4	4.5

Source: SPSS result

On the above three questions, question no 23, 51(58%) respondents are A and 36(40.9%) are SA and Question no 24, 50(56.8%) respondents are SA and 36(40.9%) respondents are Agree. And on question no 25, 48(54.5%) respondents are Agree and 27(30.7%) respondents are strongly agree on the ease of use. On question no 26, 54(61.4%) respondents are SA and 25(28.4%) respondents are Agree on the above questions.

4.14 Perceived Benefits on Convenient in terms of Time saving& Access.

No	Item	Scale	No	%
27	using payment card services enables users to complete banking activities more quickly and easily	SA	52	59.1
		A	35	39.8
		DA	1	1.1
28	payment card system is convenient, in terms of time saving, access & convenience	SA	53	60.2
		A	26	29.5
		N	7	8
		DA	1	1.1
		SD	1	1.1
29	payment card system is convenient, in terms of 7 days and 24 hours services	SA	55	62.5
		A	26	29.5
		N	4	4.5
		DA	1	1.1
		SD	2	2.3

Source: SPSS result

The above question no 27, 28 & 29 shows are 52(59.1%) respondents SA, 35(39.8%) respondents Agree, 53(60.2%) respondents SA and 26(29.5%) respondents are agree and 55(62.5%) respondents are SA and 26(29.5) respondents are agree respectively.

4.15 Accessibility, Cost and Customer Satisfaction.

No	Item	Scale	No	%
30	using payment card system is more accessible to users than visiting a bank	SA	25	28.4
		A	58	65.9
		N	5	5.7
31	the transactions in payment card system are at a lower price, or at no cost	SA	12	13.6
		A	19	21.6
		N	1	1.1
		DA	33	37.5
		SD	23	26.1
32	Using technological tools like ATM helps to perform transaction at lower cost	SA	38	43.2
		A	41	46.6
		N	2	2.3
		DA	6	6.8
		SD	1	1.1
33	Helps to improve customer service	SA	55	62.5
		A	30	34.1
		N	2	2.3
		SD	1	1.1

Source: SPSS result

Questioner respondent's clearly specified that on the above questioner are 58(65.8%) respondents are agree and 25(28.4%) respondents are strongly agree, 33(37.5%) respondents are DA and 23(26.1%) respondents are SD, 41(46.6%) respondents are Agree and 38(43.2%) respondents are and 55(62.5%) respondents are SA and 30(34.1%) respondents are Agree on the above question no. 30, 31, 32 & 33 respectively.

4.16. Customer Access without Time Limit.

No	Item	Scale	No	%
34	Increase speed and efficiency	SA	60	68.2
		A	26	29.5
		DA	2	2.3
35	Reduce number of customers comes to the banking hall	SA	39	44.3
		A	46	52.3
		DA	1	1.1
		SD	2	2.3
36	Increased the profitability of bank	SA	60	68.2
		A	25	28.4
		N	2	2.3
		DA	1	1.1
37	Increase reliability and accessibility	SA	61	69.3
		A	25	28.4
		N	1	1.1
		SD	1	1.1
38	Create better relationship among banks and clients	SA	39	44.3
		A	41	46.6
		N	8	9.1
39	Used as better information control tools	SA	18	20.5
		A	26	29.5
		N	35	39.8
		DA	3	3.4
		SD	6	6.8
40	No time limit to access bank account and information	SA	60	68
		A	25	28.4
		N	2	2.3
		SD	1	1.1

Source: SPSS result

4.5 Perceived Ease of Use

The above questioner perceived ease of use contains seven questions. From seven questions four are strongly agree and the remaining three also agree with the questioner. This means the Dashen bank implement the payment card system and pass all challenges, it can be profitable successful on the new banking sector.

The research respondents strongly agree with question number 20, 22, 24 and 26 and also agree with number 21, 23 and 25 respectively. More than the questions asks to respondents strongly agree and agree .it mean the payment card system in Dashen bank is strictly apply and follow seriously to adopt the technology by the customers through advertisement and different mechanism.

4.6 Perceived Use fullness

From the above questioner under perceived use fullness asks to respondents included fourteen questions and the eight questions answered by the respondents strongly agree, four agree, one disagree and finally one neutral. These means based on the respondents point of view the bank makes profitable and threat customers and satisfied. Especially if you see on the age of respondents, most respondents agree on the payment card system are young and young payment card users also helps banks profitable and keep forward for the future.

CHAPTER FIVE

Findings, Conclusions and Recommendations

The research mainly studied on assessment of payment card system in Dashen bank and the researcher follows mixed research approach and the researcher used to review the related literatures, questioners and documents. The purpose of this chapter is to outline summary of findings, conclusions and researcher recommendations.

5.1 Research Findings

The following were the findings of the researcher were found and discussed as follows. The researcher used to the review of related literatures, questioners and different documents. The result of this questioner& document assessment can be identified with challenges and benefits.

The following are results on questioners related on challenges on implementation of payment card system in Dashen bank.

- ✓ The result of these questionnaire & interviews conducted by the researcher indicates that banks faced challenges related lack of confidence&lack of trust was exist on implementation of payment card system.
- ✓ Even if the bank follows different promotional and advertisement mechanisms, the bank designed more competitive promotional styles to penetrate on customers.
- ✓ The other one finding shows that, lack of internet connection, lack of available ICT Infrastructure &network break down and not well defined legal & regulatory frame works affects the implementation process of payment card system in Dashen Bank.

The following are results on questioners related on benefits on implementation of payment card system in Dashen bank.

- ✓ The finding of the study shows that, the customer using payment card system can simplify and easier banking activities, increase accessibility for 24 hours&it is the way to make customers satisfied and convenience,

- ✓ As per the questioner assessment indicates that payment card system plays a great role to save time and access their money with short period of time, improve customer service and dramatically increase profitability of the bank.
- ✓ The researcher also find that payment card system create better relationship with customers and totally cancel the time limit to access bank accounts.

5.2 Conclusions

This study aims at investigating and assesses the main challenges and opportunities of payment card system in Dashen bank. Based on the assessment question results on Payment card systems basically using Visa & Amex Gold and Green card has the following a strong challenges on lack of confidence, lack of trust, advertisement, internet connection, lack of available ICT Infrastructure, network break down and the well-defined legal & regulatory frame works affects the implementation process of payment card system.

Even if there is low level of ICT infrastructure and lack of legal frame works at NBE, which can initiate to implement the payment card system and opportunities on easier banking activities, increase accessibility for 24 hours, convenience, save time, access, improve customer service, increase profitability, create better relationship with customers and totally cancel the time limit to access bank accounts (Jakub Gorka 2012).

In addition to the above basic factors affecting adoption of payment card in Dashen bank shows that security risk and lack of trust on the use of technological adoption are other major challenges for the system. The level of security risk associated with E-banking product or service, such as VISA & AMEX card pose different challenges in Dashen banks. Improvements are required to ensure client confidence.

The result of the study shows that security risk and lack of trust on the use of technological adoption are other major challenges for the system. The level of security risk associated with new card product or services pose different challenges.

The Technical and managerial skills availability in Dashen banks enables the bank to easily adopt new payment card system. On the other hand, the study reveals that the benefits of technological innovation are well known to the banks and can get fruitful results to attract customers and satisfied using payment card.

In general perceived Ease of use is one of the basic benefits for payment card, in which it enables bank staff to perform banking activities in a simple way as well as for customers to easily access banking services. The other driving force for the adoption of the system is perceived usefulness, in which, it is used for time saving and cost reduction accessible for 24 hours for the whole year long. The adoption of whether to use an information system for a particular individual is very much dependent on the perceived usefulness of the information system (Masrom and Hussein 2008). This and the other benefit identified in the study were considered as a very great potential for banks to improve their public image.

Finally, the findings of this study offer additional insights into the assessment of payment card system. Furthermore, the understanding of challenges and obstacles on payment card system identified in this study may help to overcome take actions to make banks service flat and free from risk. On the assessment the respondents approve the payment card system is more preferable and ease to provide banking service.

5.3 Recommendations

Payment card system is a new financial service in Ethiopia, but it's an important issue, because it has a great impact on the whole banking system, at the same time it's difficult and need a lot of efforts to be adopted and accepted by the banking industry (ayanagemechu, adopting e-banking, pp77). Based on the above conclusion, the researcher recommends the following points:

- From the research result we conclude that the current promotion and advertisement of payment card system for its customers is not enough to create the customer awareness. So that the researcher recommends that Dashen Bank shall to design new and adequate promotional systems in order to have competitive advantage than its competitors as well as to enhance the customer's awareness on the payment card services. To exploit the benefit of payment card system, Dashen bank needs to address problems and familiarize their customers with the processes and benefits of the system.
- As shown on the research output Ethio telecom affects the payment card systems that in availability of internet connection, lack of ICT infrastructure & network breakdown. For the successful implementation of payment card system, is a major prerequisite, so the bank shall done cooperatively with Ethio-telecom to support banksthrough ICT

infrastructure development, internet connection and network break down to enhance the payment card system.

- In the adaptation of new payment card system the payment card department create and focus on cost reduction, awareness, credibility, security, ease of use, and wider scope of products and services.
- The outcome of the research indicates that, there were knowledge gaps on the payment card systems, while the payment card usefulness has not been implemented by the user due to the lack of awareness how to easily use the payment cards and finally it affects the banks service thorough creating customer queue to get the bank service. So that researcher would like to recommends Dashen bank to make awareness on the payment card usefulness and create a clear directions how to use on the payment card machine.
- DashenBank shall pay special attention to deliver excellent service to customers by expanding ATM & POSs machines in order to get customers satisfactions by using payment card system, which can easily be accessible.
- Finally, when customers not get the service from bank the required service (Issuing and delivering), it may lead the bank to bankruptcy. A result on this research indicates that in Dashen bank there is lack of providing payment cards on time to its customers. So, the bank keeps its customers promise to give payment card system, issuing, delivered on time and ready to use through Automated teller Machine (ATM) and Point of sells (POS).

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Payment Card in Dashen Bank, available on [/https://www.Dashenbanksc.com/](https://www.Dashenbanksc.com/)

Dashen bank 2016/17, Annual Report, available at: <http://www.Dashenbanksc.com>

Appendix A: Questionnaire

Dear Sir/Madam

This questionnaire is prepared by General MBA Department students of St Mary University to conduct academic research on assessment of payment card system in Dashen Bank.

Please Put (√) mark on your response and give us your opinions freely as the information you provide will be used only for academic award purpose. The results of the study are anticipated to supply to the understanding of the basic challenges and benefits of payment card system in Dashen Bank delivering of service to customers. Your involvement is regarded as a great input to the quality of the research results. We thank you in advance for your cooperation & honestly giving your idea to fulfill this research. If you need any information you can call + 251-9-20-49-76-45.

Email;tamiruasmare@gmail.com

MBA student at St Mary University

Best Regards,

Asmare Tamiru

May, 2017

General Instruction

This questionnaire contains two sections and 6 pages that will be expected to take

Approximately 15 minutes to complete. Please provide your responses to the questions based on the instructions under each section. If you have comments or if you want to provide further explanations, please use the space provided at the end of the questionnaire.

Section I: Demographic profile of respondents

Please indicate the following by ticking (✓) on the spaces in front of the response options:

1. Gender:

Male Female

2. Age:

20-30 31-40 41-50 51-60

3. Educational level:

Diploma holder First degree holder Master's Degree Above Ph.D

4. Marital status: Married Un Married Divorce

5. Monthly income (in Eth. Birr):

1,500-5,000 5,001-10,000 10,001- 15,000 above 15,000

6. Current position in the organization :

Customer service officer Customer service Manager, Manager Director

7. Year of Experience in the Organization:

Below 2 year 2- 5 year 6- 10 year above 11

Section II: Questionnaires related with assessment of payment card system on challenges and benefits.

Instruction: Below are lists of statements pertaining to Assessment of payment card systems in Dashen Bank. Please Indicate whether you agree or disagree with each statement by ticking (√) on the spaces that specify your choice from the options that range from "strongly agree" to "strongly disagree". Each choice was identified by numbers ranged from 1 to 5.

Note: SA- Strongly Agree, A- Agree, DA- Disagree, N- Neutral, SD- Strongly Disagree

Part one: Questionnaires related with challenges on payment card system.

The following are some difficulty and challenges face the company using payment card, Please indicate levels of your choice.		SA	A	N	D	SD
		1	2	3	4	5
I, Technological factor (perceived risk)						
1	Customers of our bank fear risk to use automated teller machine (ATM)					
2	Lack of confidence with the security aspects considered as core banking of payment card system					
3	In the case of using visa & American Express card on ATM and others, security risk affect users decision to use the product					
4	ATM deducts customers money during triaging card on the machine without receiving the money by the customer					
5	Sometimes the ATM gives money to the customer more than their balance on the account.					
6	Customers do not trust the new Amex card provided by the banks					
7	Lack of trust is considered as big challenges for the services of payment card system in Ethiopia					
II. Organizational factor						
8	Using payment card system increases cost to do banking task					

9	Relatively using of payment cards and other new technologies needs know how and knowledge					
10	Lack of sufficient advertisement will affect customer's willingness to use technological innovation					
11	Customers of our bank were not familiar with service provided through ATM & POS terminal services					
12	Lack of technical and managerial skills on the use of ATM					
13	Lack of skills to implement payment card system					
III, Environmental Factor						
14	Internet connection was not good enough to perform payment card transaction in Dashen Bank.					
15	Lack of available ICT infrastructure					
16	payment card services may not perform well because of network problems					
17	Competition among local banks on card issuance & its service charge.					
18	Cross-country legal and regulatory differences will have impact on payment card systems, like withdrawal limit difference on Amex card & Visa card					
19	Customers may not willing to accept payment card service because of the above reasons					

If any other problems? Please specify below.

Part two: Questionnaires related with perceived usefulness and ease of use on the assessment of payment card system Dashen Bank.

The following are some of the benefits the company derived from developing payment cards systems, please indicate your choice.		SA	A	N	D	SD
		1	2	3	4	5
IV, Perceived Ease of use						
20	payment card makes it easier for me to do banking activities					
21	In the case of payment card, our customers can simply use our home 24 hours					
22	from the bank perspective it is easy to use card service to accomplish banking tasks					
23	Using payment card system (like debit card, salary card, ATM Or credit card) simplify the activity of workers to deliver Service to customers					
24	Our bank provide guidelines on the use of payment card system					
25	The management of the bank provides training courses for its staff when introducing new services.					
26	payment card system helps to perform banking task in a simple way					
V. Perceived Usefulness						
27	using payment card services enables users to complete banking activities more quickly and easily					
28	payment card system is convenient, in terms of time saving, access & convenience					
29	payment card system is convenient, in terms of 7 days and 24 hours services					
30	using payment card system is more accessible to users than visiting a bank					

31	the transactions in payment card system are at a lower price, or at no cost					
32	Using technological tools like ATM helps to perform transaction at lower cost					
33	Helps to improve customer service					
34	Increase speed and efficiency					
35	Reduce number of customers comes to the banking hall					
36	Increased the productivity of bank					
37	Increase reliability and accessibility					
38	Create better relationship among banks and clients					
39	Used as better information control tools					
40	No time limit to access bank account and information					

If any other benefits? Please specify
