



**SAINT MARY'S UNIVERSITY
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**ASSESSMENT ON INTERNET BANKING SERVICE QUALITY:
THE CASE OF NIB INTERNATIONAL BANK S.C.**

**BY
FITSUM TADESSE GEBREMARIAM**

**JUNE 2018
ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO SAINT MARY'S UNIVERSITY SCHOOL OF
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ADMINISTRATION**

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APPROVED BY BOARD OF EXAMINERS

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ENDORSEMENT

This thesis has been submitted to Saint Mary's University, School of Graduate studies for examination with my approval as a university advisor.

Advisor

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List of Abbreviations

ATM – Automatic Teller Machine

CD – Certificate of Deposits

E-Banking – Electronics Banking

E-Mail – Electronics Mail

IB – Internet Banking

IBS – Internet Banking Service (System)

IPA – Importance Performance Analysis

NIB – Nib International Bank

OTP – One Time Password

PIN – Personal Identification Number

S.C. – Share Company

URL – Uniform Resource Locator

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Abstract

The major aim of this thesis is to assess internet banking service quality at Nib International Bank S.C. Using the seven dimension SERVQUAL model i.e. Safety reliability, Transactions efficiency, customer support, service security, ease of use, performance and service content were used to assess the quality of internet banking service offered by the bank. In order to achieve the aim, questionnaire survey were used to collect the data. Convenience sampling procedure was used to obtain the respondent from Nib International Bank S.C. from Addis Ababa city branches customer. The general objective of the study is assessment on internet banking service quality in the case of Nib International Bank S.C. The study was focused methodologically to surveying 95 Addis Ababa located branches through Questioners. Those branches were selected based on their number of internet Banking users. The study also used convenience sampling.

The survey shown that on the level of safety reliability check internet banking service haven't performed the services correctly at the first time login, but users have got the services exactly as promised by the bank after successful login and the system allows them to complete a task accurately when perform activities on the system. The Study revealed that on the level of transactions efficiency confirm internet banking service have up to date information and the users also have got complete help function on the system, but transaction process is not fast on internet banking service. Finally, in order to stay in the business, Nib International Bank needs to keep it the existing good service quality and improvise the poor ones.

Key Words: Internet Banking, Service Quality, Dimensions, Safety, Reliability, Security, Performance

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Today, more and more customers prefer the high quality of service; customers compared the different level of service quality to select the best one in their mind. Normally, high quality service is their choice, because high quality of service can save money and time for them, it can make them feel happy or pleasure in service (Cronin, 1992). Therefore, more and more service providers developed their service quality to gain high customers' satisfaction, because a high quality of service is necessary to be successful in their business (Parasuraman, 1988).

In business field, Internet is used widely by masses, and has numerous benefits to offer, especially in Internet banking services. Nowadays, people are so busy in their work lives, that they don't even have time to go to the bank for conducting their banking transactions. Internet banking enables people to carry out most of their banking transactions using a safe website. The services available online vary from bank to bank. Most of the general services are on all banking websites such as –view account balances, pay bills, view records of transactions, transfer money to linked accounts with the same bank, transfer money to specially selected unlinked accounts, and check interest in accounts.

The National Bank of Ethiopia licensed Nib International Bank S.C for the Internet Banking on January 12, 2016 for the service which allows its customers to transfer money from a bank account by using the internet. Nib International Bank S.C received the license for providing information services, fund transfer, inquiry statement, provident fund, utility approval, and salary payment through internet. The license allows the bank to conduct two types of fund transfers, from the customer's one account to another his/her account at the Bank and transfer from the customer's account to another customer within the bank. The license also allows the bank to provide a service of salary payment and settle utility payments through internet banking.

This service can save money and time for customers, and it created high profitability for banks. Moreover, Internet banking is a new technology in Ethiopia which needs a lot of effort and

resources to be easily adopted by customers. Hence, in order to help banks improve Internet banking adoption by their customers, it is necessary to examine the impact of internet banking service quality on customer.

1.2 Statement of the Problem

Internet banking has made banking transactions more convenient and less time-consuming. It has simply eliminated the long tiresome waiting-lines. But there are some problems that may be encountered while banking through the Internet, due to which many still prefer to go directly to a bank instead of availing this facility (Henok, 2015).

For carrying out banking transactions through the Internet, one needs to have some basic knowledge about computers and the Internet, which to some extent, limits the number of people willing to avail this facility. Moreover, some people find it difficult to trust a completely mechanized system for carrying out their financial transactions. In many instances, a simple mistake like clicking a wrong button may create a big problem. So, many individuals continue to worry if they have properly executed the transactions while availing the online banking facility (Henok, 2015).

Additionally, such services are skewed to only some selected affluent customers to the neglect of majority of the customers who do not have access to internet, computers and even electricity. And the cost of acquiring the internet facility, computers and even the security of internet banking transactions are very high or expensive for the average customer. Therefore most of the product and services offered by the internet banking technology does not meet customers' need and quality (Henok, 2015).

Despite these challenges, there is an increasing adoption of internet banking in Ethiopia. In spite of the increasing adoption of internet banking and relevance towards customer satisfaction in the Ethiopia banking industry sector, very little empirical investigation or research has been conducted in understanding of internet banking service quality that lead to customer satisfaction (Henok, 2015).

Therefore, this study tries to fill this empirical gap in research by conducting a study on assessing the internet banking service quality in the case of Nib International Bank S.C.

1.3 **Research Questions**

Based on the problem stated in this study, the researcher develops the following research questions:

- 1) What are the internet banking safety and reliability dimensions affecting internet banking users?
- 2) What are the internet banking transactional efficiency dimensions affecting internet banking users??
- 3) What are the internet banking customers supports dimensions affecting internet banking users?
- 4) What are the internet banking service securities dimensions affecting internet banking users?
- 5) What are the internet banking ease of use dimensions affecting internet banking users?
- 6) What are the internet banking performances dimensions affecting internet banking users?
- 7) What are the internet banking services content dimensions affecting internet banking users?

1.4 **Objective of the Study**

1.4.1 **General Objective of the Study**

The general objective of the study is assessment on internet banking service quality in the case of Nib International Bank S.C.

1.4.2 **Specific Objectives of the Study**

- To investigate the Internet Banking service safety and reliability.
- To explore the transactional efficiency of Internet Banking service.
- To assess customer support for Internet Banking users.
- To examine service security of Internet Banking service.
- To explore the level of ease of use of Internet Banking service.
- To assess the performance of Internet Banking service.
- To investigate the service content of Internet Banking service.

1.5 **Significance of the Study**

The outcomes and results of this research would have potential value to Nib International Bank to understand how satisfy their internet banking customers. In addition to that, it helps also other banks to know customers need and want with adoption of internet banking technology .In addition, this study expected to help other researchers who will be interested to conduct further study regarding the issue under investigated by providing use full information. Finally based on the factors found to be influencing bankers' decision on internet banking system, the study may provide recommendations for banks about changes needed to accelerate adoption of the internet banking system to deliver service to customers through technological innovation.

1.6 **Scope of the Study**

1.6.1. Conceptual Scope

This study was focused conceptually on Internet Banking service quality in Nib Bank S.C. Accordingly the quality service of Internet Banking assessed from safety reliability, transactions efficiency, customer support, service security, ease of use, performance and service content dimensions.

1.6.2. Geographical Scope

The research was focused geographically bounded to Addis Ababa located branches (95 Branches out of 176 total Branches) of the bank in order to assess internet banking service

quality of the bank due to financial and time constraint. The findings of this study would have paramount importance if more outlying branch will be included in the research since most of Nib International Bank S.C. outlying branch customers have not be got fulfilled banking service due to infrastructure problem.

1.6.3. Methodological Scope

The study was focused methodologically to surveying 95 Addis Ababa located branches through Questioners. Those branches were selected based on their number of internet Banking users. The study also used convenience sampling.

1.7 Limitation of the Study

The geographical coverage was limited to Addis Ababa Nib International branches, because of inaccessibility, cost/expense, and other logistics related problems outlying branches have not included on sampling. The study may not reflect internet banking service quality opinion of outlying branches user.

1.8 Organization of the Study

The study is organized in to five chapters. The first chapter deals with introduction part of the study such as: background of the study, problem statement, significance of the study, objectives of the study and scope & limitations of the study. Chapter two deal with the review of related literatures. Chapter three explains with the Research design and methodology of the study. Chapter four is about data presentation analysis and interpretation. Finally, chapter five contains summary, conclusions and recommendations of the result.

CHAPTER TWO LITERATURE REVIEW

2.1. Theoretical Literature Review

Internet banking refers to the delivery of banking services over the internet. Internet Banking allow customers to get banking services that any transactions can be processed electronically that includes balance enquiry, account statement generation, transferring funds to other accounts, loan application, facilitate payments like bill payments and so on. Banks have adopted various means in providing banking services over the internet and those are: creation of an internet-only bank, called as virtual bank where bank does not have physical existence and provide services through the internet, ATMs and other remote delivery channels (Carlson, 2001); offer services through its website as a complementary distribution channel besides its traditional delivery channels; creation of an internet bank as a subsidiary of bricks and mortar bank targeting complementary user segments (Centeno, 2003).

The objectives of internet banking include cost containment through reduction in operating cost, performance improvement by making the service available at all times of the day, wider coverage by enabling the access to services from any location, revenue growth through better quality and additional non-financial services, and customer convenience through personalized service (Bradley, 2002). From the customer's perspective, internet banking facilitates a convenient and effective approach to manage personal finances, as it is accessible 24 hours a day and 365 days in a year without visiting the bank and from any locations (Rotchana, 2003).

According to Michael, the President and Chief Operation Officer of the world's first virtual bank, Security First Network Bank, the idea of Internet Banking is as follows.

- You do not have to purchase any software, store any data on your computer, back up any information, since all transactions occur on the bank server over the infrastructure of the Internet.

- You will be able to conduct your banking services anywhere you like but you need to have a computer and a modem, no matter where you are (e.g. at home, at office, or in a place outside the country).
- You can use the banking services 24 hours a day, 7 days a week, and 365 days a year. You no longer have to reconcile a bank statement or manually track your ATM and paper Checks.

2.2. The Advantages of Internet Banking

Many banks have begun to offer customers the option of online-internet banking, a practice that has advantages for both all parties involved. The convenience of being able to access accounts at any time as well as the ability to perform transactions without visiting a local branch, draw many people to be involved. Some of these advantages of internet banking but are not limited to include:

2.2.1 Customer's Convenience

Direct banks are open for business anywhere there is an internet connection. They are also 24 hours a day, 365 days a year open while if internet service is not available, customer services is normally provided around the clock via telephone. Real-time account balances and information are available at the touch of a few buttons thus, making banking faster, easier and more efficient. In addition, updating and maintaining a direct account is easy since it takes only a few minutes to change the mailing address, order additional checks and be informed for market interest rates.

2.2.2 More Efficient Rates

The lack of significant infrastructure and overhead costs allow direct banks to pay higher interest rates on savings and charge lower mortgage and loan rates. Some offer high-yield checking accounts, high yield certificate of deposits (CDs), and even no-penalty CDs for early withdrawal. In addition, some accounts can be opened with no minimum deposits and carry no minimum balance or service fees.

2.2.3 Services

Direct banks typically have more robust websites that offer a comprehensive set of features that may not be found on the websites of traditional banks. These include functional budgeting and forecasting tools, financial planning capabilities, investment analysis tools, loan calculators and equity trading platforms. In addition, they offer free online bill payments, online tax forms and tax preparation (Cronin, 1997).

2.2.4 Mobility

Internet banking also includes mobile capabilities. New applications are continually being created to expand and improve this capability on smart-phones and other mobile devices (Cronin, 1997).

2.2.5 Transfers

Accounts can be automatically funded from a traditional bank account via electronic transfer. Most direct banks offer unlimited transfers at no cost, including those destined for outside financial institutions. They will also accept direct deposits and withdrawals that the customer authorizes such as payroll deposits and automatic bill payment (Cronin, 1997).

2.2.6 Ease of Use

Online accounts are easy to set up and require no more information than a traditional bank account. Many offer the option of inputting the customer's data online or downloading the forms and mailing them in. If the customer runs into a problem, he has the option of calling or e-mailing the bank directly (Goldsmith, 1987).

2.2.7 Environment Friendly

Internet banking is also environmentally friendly. Electronic transmissions require no paper, reduce vehicle traffic and are virtually pollution-free. They also eliminate the need for buildings and office equipment (Goldsmith, 1987).

2.3. The Disadvantages of Internet Banking

Internet banking seems like an obvious choice to leave the hassles of traditional money management behind in exchange for it. However, there are potential problems associated with banking over the internet of which customers may not be aware. Consumers need to weigh the advantages as well as the disadvantages of internet banking some of the disadvantages of internet banking include:

2.3.1 Bank Relationship

A traditional bank provides the opportunity to develop a personal relationship with that bank. Getting to know the people at your local branch can be an advantage when a customer needs a loan or a special service that is not normally offered to the public. A bank manager usually has some discretion in changing the terms of customer's account if the customer's personal circumstances change. They can help customers solve problems such as reversing an undeserved fee. The banker also will get to know the customer and his unique needs. If the customer has a business account, this personal relationship may help if the customer needs capital to expand. It's easier to get the bank's support if there is someone who understands customer's business (Goldsmith, 1987).

2.3.2 Transaction Issues

Sometimes a face-to-face meeting is required to complete complex transactions and address complicated problems. A traditional bank can host meetings and call in experts to solve a specific issue. Moreover, international transactions may be more difficult (or impossible) with some direct banks. If a customer deposits cash on a regular basis, a traditional bank with a drive-through window may be more practical and efficient (Goldsmith, 1987).

2.3.3 Service Issues

Some direct banks may not offer all the comprehensive financial services such as insurance and brokerage accounts that traditional banks offer. Traditional banks sometimes offer special services to loyal customers such as preferred rates and investment advice at no extra charge. In

addition, routine services such as bank signature guarantee are not available online. These services are required for many financial and legal transactions (Cronin, 1997).

2.3.4 Security

Direct banks are subject to the same laws and regulations as traditional banks. Sophisticated encryption software is designed to protect your account information but no system is perfect. Accounts may be subject to hacker attacks, malware and other unauthorized activity. Most banks now make scanned copies of cleared checks available online which helps to avoid and identify check fraud. It enables verification that all checks are signed by the customer and that dollar or euro amounts have not been changed. The timely discovery of discrepancies can be reported and investigated immediately (Cronin, 1997).

2.4. Service Quality

Research on “quality” in the goods sector has been in existence long before it started in the service sector (Gummesson, 1991). All the same, the meaning of quality in the goods sector is inadequate for its application into the service sector due to the fundamental differences between the two terms (Parasuraman, 1996) also indicates that the definition of the term quality differ from author to author and it is usually based on the person making the definition, the measures applied and the context within which it is considered.

Service quality is an important contemporary issue in service management and marketing (Clotey, 2008). Banking is seen as a service that captures all the characteristics of service (Chakrabarty, 2006).

Service quality is the customers’ expectations and judgments about a service performance. The most important method of a firm to attain perceived quality is to focus on improving its’ object quality. Thus, the customers perceive the related qualities of the service through their individual experiences and information attained from their environment. (Zeithaml, 1988)

Service quality has recognized as a key factor in keeping competitive advantage and sustaining satisfying relationships with customers and leads to overall customer satisfaction. Service quality is one of the service factors contributing to customers' satisfaction judgments.

2.5. Service Quality and Internet Banking

In the internet banking industry, there are various interactions in service quality between customers and internet bank. Though the concept of time is increasingly important for customers and the change of customers' life style in internet banking are developing their service quality for differentiating their service to attract customers. These internet banking competitive forces depend on their service quality as perceived by customers. Therefore developing and keeping quality service is the key for internet banking industries even all of business and industries (Rangsan, 2013).

Situating service quality and customer satisfaction within the internet banking domain introduces a whole perspective to finding answers to the research question of finding the major factors that affects customer satisfaction with internet banking in Nib International Bank. The quality of service provided by the use of internet in the banking sector has generated a lot of debate over the years. Attribute of Internet Banking in the next section and will form the basis of finding the major factors that affect customer satisfaction with internet banking (Minjoon, 2001). The challenging financial service environment increased the pressure on banks pushing them to adopt alternate channels in order to serve customers better (Ibrahim, 2006). Research in the area of service quality has primarily focused on satisfying customer expectation. Importance Performance Analysis (IPA) uses the way customers perceive the importance of factors that affects quality as well as performance with the aim of improving performance.

Internet banking service quality noted that management implication is within the service interface and managing increased customer role. Adding to this noted again that a feature of customer interaction is not confined to internet banking transactions but also involves many other interfaces working in consonance with each other to impact on customer perception (Broderick, 2003).

2.6. Attribute of Internet Banking

Three functional level/kinds of internet banking that are currently employed in the market place and these are: Informational, Communicative and Transactional (Yibin, 2003).

1. Banking service product quality
2. Customer banking service quality
3. Online systems quality

These three broad categories have seventeen attributes which are useful no note when assessing internet banking service quality (Minjoon, 2001). Those attributes are presented in the below table.

Table 2.6 Attributes of Internet banking service quality

Banking service product quality (1 dimension)	
1. Product variety/diverse features	
Product range Product features	
Customer banking service quality (10 dimensions)	
2. Reliability Correct service Keep service promise Accurate records Keep promise as advertised	7. Access Availability to help ATM Phone access E-mail access Account access when abroad
3. Responsiveness Prompt service Quickly solve problems Convenient service	8. Communication Clear answer Informing customer of important information Availability of status of transactions
4. Competence Ability to solve problems Knowledge to answer questions	9. Understanding the customer Personal attention
5. Courtesy Address complaints friendly Consistently courteous	10. Collaboration External collaboration Internal collaboration
6. Credibility Confidence in the bank's service Good reputation	11. Continuous improvement Continuous improvement on online system Continuous improvement on banking products Continuous improvement on customer services

Online system quality (6 dimensions)	
12. Contents Information on products and services online Other information that customer needs	15. Timeliness Up-to-date information
13. Accuracy Accurate online transactions Errors in interface Errors in contents	16. Aesthetics Attractiveness of the web site
14. Ease of use Compatibility User friendly Easy login Speed of responses Accessibility of the web site Functions that customers need Easy navigation	17. Security Privacy Information transaction safety

Source: Minjoon, 2001

2.7. Empirical Literature Review

Dogarawa examined and assessed the impact of e-banking services on customer satisfaction in the Nigerian banking industry. Data analysis was done using descriptive statistics and Chi-square test. It was found that customers enjoying e-banking services are not satisfied with the quality and efficiency of the services. Study suggested that banks should try to win customers' confidence by providing adequate security and ensuring good connectivity (Dogarawa, 2005).

Gupta developed an instrument for measuring Internet banking service quality in India and also analyzed the impact of Internet banking service quality dimensions on the Overall Internet Banking Service Quality and customer satisfaction. Exploratory factor analysis resulted into five dimensions: Security/Privacy, Reliability, Efficiency, Responsiveness, and Site Aesthetics. A survey was carried on a mixed sample of 1,350 Internet banking customers of private sector, public sector and foreign banks in the Delhi Metropolitan Area. Results of multiple regression analysis revealed that security/Privacy dimension carry the maximum impact on the Overall Internet Banking Service Quality whereas customer satisfaction is most impacted by the Efficiency dimension as compared to other dimensions (Gupta, 2012).

Liu and Arnett identified five critical dimensions of online service quality in relations to customer satisfaction in the website. Among these, the quality of information that is relevant, accurate, timely, customized and complete are given priority for the customer satisfaction in the online service.

Bisrat in his study showed that perceived usefulness, perceived ease of use; attitude, perceived risk, and culture have a significant effect on intention to adopt Internet banking. In addition attitude is negatively and significantly related to perceived risk and positively and significantly related to perceived ease of use and perceived usefulness (Bisrat, 2015).

Abenet in his research the key findings revealed that demographic factors including age, income, education level and occupation have a relationship with the adoption of internet banking. Psychological factors including perceived relative advantage, perceived compatibility, perceived complexity, perceived risk, and perceived cost were found to influence the adoption of internet banking. Social influences including opinions of friends, parents and colleagues were not found to be significant factors to influence the adoption of internet banking in the Ethiopian context (Abenet, 2010).

From the reviewed literatures, we can understand that, first one is that most of the researches are conducted in foreign countries and the second one is there is a minimal researches on internet banking on the Ethiopian banking sector as compared to other electronic banking innovations. That is why the researcher is interested in conducting a study to assess the impact of internet banking service quality on customer satisfaction in the case of Nib International Bank.

2.8. Definition and Features of Independent Variables

2.8.1. Safety Reliability

Reliability is the capacity of service organization performs a service truthfully; provide the service on time accurately and dependably. Reliability is a key factor in service quality that can affect customers' satisfaction directly (Parasuraman, 1994). High reliability will improve the customers' satisfaction. It has a positive relationship between reliability and customers

'satisfaction, they also find that the reliability consists of providing services as promised, dependability in handling customers' service problems, performing services right the first time, provides services at the promised time and maintaining error-free record.

2.8.2. Transactional Efficiency

Transaction efficiency is the ability of the customers gets into website, find they desire product and information associate with it, and check out with minimal of effort. Transaction efficiency also can understand as performance of Internet banking base on some elements: up to date information, response time, download time, complete product information, tutorial/demonstration, and help function.

Transactional efficiency is an important point that influences customers' satisfaction; there is a positive relationship between transaction efficiency and customers' satisfaction (Johnston, 1995).

2.8.3. Customer Support

Customer support including before sell support and after sell supports. Before customers make decisions, the company should give some support to attract them, let customers feel they are at home. The relationship is like a good friend not like a business. After customers buy the services or products, company should solve the problem that customers met or response customers' questions immediately and according to the problems (Johnston, 1997).

In the Internet banking industries, support is also important. Not everyone good at the computer so they need guide how to use. And maybe someone good at computer, but still have problems, and then they also need support. Sometimes, after services on the internet, customers might have questions waiting to answer, so he or she also needs support. So support is very important for customers.

The similar result that high customers support will improve the high customers 'satisfaction. It has a positive relationship between customer support and customer's satisfaction (Johnston, 1997).

2.8.4. Service Security

Security is defined as the freedom from danger, risk, or doubt. It involves physical safety, financial security and confidentiality. It consists of employees who instill confidence in customers, making customers feel safe in their transactions, employees who are consistently courteous and employees who have the knowledge to answer customer question. Moreover; security is defined as personal and possessions safety of the customers. It is includes confidentiality maintained by service providers.

High service security reflects a company has a high competence to protect customers' life and money (Jun, 2001). It leads customers trust and enjoys service in a safety environment.

2.8.5. Ease of Use

Ease of use is as the factor influencing the adoption of Internet banking, and related to an easy-to-remember, URL (uniform resource locator) address, well-organized, easy in site navigability, concise and understandable contents, terms and conditions (Sathye, 1999).

Ease of use as an ability of a company's innovation for customers. It includes functional tools, creative design and professional management (Jun, 2001). Customers prefer a simple or convenient service. It can attract customers and expand a company's market.

2.8.6. Performance

Performance is the accomplishment of complete the task by accuracy, low cost, and high speed (Gronroos, 2001). Performance indicates how well the services provided to customers.

2.8.7. Service Content

Is all information that provides to customers? For internet banking service, it mean the content that bank provide to customers through website. High value added content is essential.

2.9. Research Framework

The aim of this study is to assess internet banking service quality in the case of Nib International Bank S.C.

In this research, the conceptual framework is developed by the concepts and models from the previous studies (Rangsan, 2013).

Safety reliability
Transactions efficiency
Customer support
Service security
Ease of use
Performance
Service content

Figure 2.9 - Conceptual Framework of Internet Banking service quality (Rangsan, 2013)

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

The purpose of this chapter will be to present the research design and the research methodology used to answer the research questions and to test the hypotheses regarding service quality measurements leading to customer satisfaction in internet banking. It presents in detail the Research Design, Research approach, Target Population, sample size, Sampling techniques, Data collection and Data analysis.

3.1 Research Design

There are basically three research designs as stated and categorized by (Ghauri, 2005) and they distinguished them based on their problem structure or natures such as exploratory, descriptive and explanatory. When the research problem is badly understood an exploratory design is adequate. Exploratory studies are a valuable means of finding out “what is happening; to seek new insights, understanding and knowledge; to ask questions and to assess phenomena in a new light” (Mark, 2003). It is particularly useful to clarify understanding of a problem and it is also believed that all methods are valuable if used appropriately in light of the research problem and objectives. Therefore, this study targeted to assess the quality of internet banking in Nib International Bank. To do that, a descriptive type of study was selected because it helps to gain information about a phenomenon or to gain new insights or understanding about the situations. The research adopted mixed research approaches. The sampling techniques, method of data collection and data analysis aspect, in this study are further elaborated in the following sections.

3.2 Research Approaches

In research there are two basic approaches, these are qualitative and quantitative. The quantitative research approach makes use of statistics and numbers which are mostly presented in figures while qualitative approach relies on describing an event with the use of words. A research approach chosen should be done according to the research questions in that particular situation (Yin, 1994). In this study quantitative research approaches have used.

3.3 Target Population

The target population for the study has consisted of all Nib International bank internet Banking users. The total numbers of Internet Banking users are Seven hundred thirty (730).

3.4 Sample Size

Sampling, as it relates to research, refers to the selection of individuals, units, and/or settings to be studied. Whereas quantitative studies strive for random sampling, qualitative studies often use purposeful or criterion-based sampling, that is, a sample that has the characteristics relevant to the research question(s). The goal of qualitative research can be stated as “in-depth understanding” (Lacey, 2001).

When you decide size for sample in qualitative researches, it is important to keep in mind that there is no one direct rules. However, we have to consider the sample sizes that reach saturation or redundancy. In other words, you might conduct interviews, and after eleventh one, realize that there are no new concepts emerging. And, in the second place large enough sample in order to assess an appropriate amount of diversity. Qualitative research typically starts with a specific group type thus the goal is credibility, not representativeness or the ability to generalize (Nastasi, 2004).

The study will use the following sample size determination formula to determine the sample size of the population .The formula was developed by Taro Yamane (1967). It is calculated as follows:

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

Where

n = the sample size,

N = the population size, and

e = the level of precision or sampling error (0.05)

Given

N = Total user of internet banking = 730

$$n = \frac{730}{1+730(.05)^2} = \frac{258.40}{1+730(.05)^2} \text{ approximately } = \underline{258}$$

So, sample size used for this study will be two hundred fifty eight (258) respondents who are Nib Bank internet banking customers and e-banking staff of the bank.

The researcher have conducted reliability test by offering the questioner to 30 respondents.

3.5 Sampling Techniques

To collect and present the data from every possible corner is time taking, costly. Sampling techniques provide a range of methods that enable to reduce the amount of data need to collect by considering only data from a subgroup rather than all possible cases or elements (Mark, 2003). Purposive sampling represents a group of different non-probability sampling techniques and it is also known as judgmental, selective or subjective sampling, purposive sampling relies on the judgment of the researcher when it comes to selecting the units (e.g., people, cases/organizations, events, pieces of data) that are to be studied. Purposive or judgmental sampling enables to use judgment to select case that will best enable to answer research

questions and to meet the objectives. This form of sample is often used when working with very small samples (Saunders, 2003).

Convenience sampling method have used for data collection for this study. The researcher has used it because units are sampled based on availability at selected branches counter.

3.6 Data Collection

Data collection is an important component to conduct a research. The common data sources of researches are primary data sources and secondary data sources. The primary data are those which are collected fresh and for the first time, and thus happen to be original in character. The secondary data, on the other hand, are those which have already been collected by someone else and which have already been passed through the statistical process (Kothari, 2004).

Quite often questionnaire is considered as the heart of a survey operation. Hence it should be carefully constructed. If it is not properly set up, then the survey is bound to fail (Kothari, 2004). The questionnaires were structured type and responses to the questions were measured on Yes/No questions and on a five Likert rating scale where Strongly Agree (SA) = 1; Agree (A) = 2; Neutral (N) = 3 (i.e. Neither agree nor disagree), Disagree (DA) = 4; and Strongly Disagree (SD) = 5; the use of Likert scale is to make it easier for respondents to answer question in a simple way and allow them to express their willingness in favor of the statements.

Data have collected through questionnaire because questionnaire is good for gathering data, can cover a wide range of topics, are relatively inexpensive and can be analyzed using a variety of existing software's. The questionnaires consist of three sections. These are the demographic section, the characteristics of internet banking service quality section and general overview of internet banking. Under the demographic section variables such as age of the respondent, gender, income level, marital status and educational level is asked and the second section consist of service quality dimension such as safety reliability, transaction efficiency, customer support, service security, ease of use, performance and service content. This section is used a five point Likert Scale where respondents are asked to indicate the extent to which they agree/disagree with

various statements. The Five-Point Likert's scale having the ratings of "strongly disagree" (1) and "strongly agree" (5) is used and the last section, section three respondents are asked general over view of internet banking service.

3.7 Data Analysis

The term analysis refers to the computation of certain measures along with searching for patterns of relationship that exist among data-groups (Kothari, 2004). Data analysis is bodies of methods that help to describe facts, detect patterns, develop explanations, processed and analyzed. (Geoffrey, 2005) describes the research studies the process of data analysis involves the following three steps: (1) Preparing the data for analysis, (2) Analyzing the data, and (3) Interpreting the data.

Descriptive statistics data analysis method have used for quantitative data to check frequency distribution.

3.8 Reliability and validity of Instruments

3.8.1 Reliability Test

Reliability test is an assessment of the degree of consistency between multiple measurements of a variable (George, 2003). According to George (2003), reliability is the degree to which measure are free from error and therefore yield consistent results. The reliability of a measure indicates the stability and consistency with which the instrument measures the concept and helps to assess the "goodness" of a measure (Cavana, 2001).

Cronbach's alpha is the most widely used measurement tool with a generally agreed lower limit of 0.7. According to Cavana (2001), if α is greater than 0.7, it means that it has high reliability and if α is smaller than 0.3, then it implies that there is low reliability. To meet consistency reliability of the instrument, the researcher considered the 31 questionnaires result which includes the service quality dimensions.

As can be seen from table 3.1, all the alpha coefficients of measure of service quality dimensions were above the required level of 0.7. Therefore, there is high degree of consistency on the all measurements of service quality dimensions.

Table 3.1. Reliability Statistics of Service Quality Dimensions

Reliability Statistics for	Number of Items	Cronbach's Alpha
Expected Safety Reliability	4	0.853
Expected Transactions efficiency	5	0.869
Expected Customer Support	4	0.925
Expected Service Security	5	0.763
Expected Ease of use	4	0.795
Expected performance	5	0.763
Expected Service Content	4	0.795

Source: Survey Result (2018)

3.8.2 Validity Test

Validity is concerned with whether the findings are really about what they appear to be, Validity is defined as the extent to which data collection method or methods accurately measure what they are intended to measure (George, 2003). Literatures states that there is no single source has a complete advantage over all others. The different sources are highly complementary, and a good case study should use as many sources as possible. The validity of scientific study increases by using various sources of evidence (Yin, 2003).

The following steps were taken to ensure the validity of the study:-

- Data were collected using SERVQUAL 'as is' with close-ended questions.
- Data was collected from retail customers who operated regular and active accounts.

3.9 Ethical Consideration

This study considered original customer information as it is collected using questionnaire and information gathered from the secondary data sources. The study also cited various literatures as originally cited by the authors as input for justifying and supporting the findings of this thesis paper.

Any information provided from the survey is treated with the confidence of respondents.

CHAPTER FOUR

RESULTS AND DISCUSSION

The previous chapter presented the research approaches adopted for this study. This chapter presents the results and discussion of the research.

4.1. Response Rate

This section presents the survey results obtained from 241 respondents results gathered from selected sample based on the available information gathered from them. Moreover, the results obtained from the survey are presented in three parts. The researcher used Microsoft Excel to create tables to correspond the received questionnaire responses. The researcher also adopted the Likert Scale Formula in the 1-5 scale/opinion questions, in order to present result of the responses. In the opinion questions, the researcher used SA to denote Strongly Agree, A to denote Agree, N to denote Neutral, D to denote Disagree and SD to denote Strongly Disagree.

4.2. Demographic Characteristics of Respondents

In this part the researcher has collected respondents profile information on gender composition, age composition, marital status, Educational level and income level. The profile information is organized as follows.

Table 4.2 – Demographic Characteristics of Respondents

		Frequency	Percentage
Gender Composition	Male	188	78.01%
	Female	53	21.99%
Age Composition	18-30	139	57.68%
	31-40	44	18.26%
	41-50	53	21.99%
	>50	5	2.07%
Marital Status	Single	151	62.66%
	Married	90	37.34%
	Divorced	0	0.00%
	Widow(er)	0	0.00%
Educational Level	Basic Education	12	4.98%
	Diploma	34	14.11%
	First Degree	163	67.63%
	Above First Degree	32	13.28%
Income Level	<1000 Br.	36	14.94%
	1000 Br. - 2,500 Br.	11	4.56%
	2,501 Br. - 4,000 Br.	14	5.81%
	4,001 Br - 5,500 Br.	37	15.35%
	>5,501 Br.	143	59.34%

The above table shows that the extent to which respondents gender composition between male and female. From the total 241 respondents 78.01% are male and 21.99% respondents are female. This implies that the majority respondents from male gender.

Moreover the table shows that the extent to which respondents age composition by categorizing in to four groups. From the total 241 respondents 57.68%, 18.26%, 21.99% and 2.07% are between the age of 18-30, 31-40, 41-50 and greater than 50 years accordingly. This means most of the respondents are between the age group of 18-30 years.

Additionally the table demonstrates that the extent to which respondents marital status by categorizing in to single, married, divorce and widow. From the total 241 respondents 62.66% and 37.34% are single and married accordingly. None of the respondents are divorced and widow. This means majority of the respondents are single.

As well the table shows that the extent to which respondents educational level by categorizing in to four groups. From the total 241 respondents 4.98%, 14.11%, 67.63% and 13.28% have learnt basic education, diploma, first degree and above first degree consequently. This means most of the respondents are first degree holders.

Furthermore the table shows that the extents to which respondent's income level are distributed by categorizing in to five groups. From the total 241 respondents 14.94%, 4.56%, 5.81%, 15.35% and 59.34% have earned less than 1,000 Br., between 1,000 – 2,500 Br., between 2,501 – 4,000 Br., between 4,001 – 5,500 Br., and above 5,501 Br. consequently. This means most of the respondents have earned income above 5,501 Br.

4.3. Analysis of Data Collected for the Study

In this part the researcher has collected data from respondents on seven (safety reliability, transactional efficiency, customer support, service security, eases of use, performance and service content) internet banking service quality dimensions. The internet banking service quality dimensions data is organized as follows.

4.3.1 Safety Reliability

Reliability is the capacity of service organization performs a service truthfully; provide the service on time accurately and dependably. Reliability is a key factor in service quality that can affect customers' satisfaction directly (Parasuraman, 1994). High reliability will improve the customers' satisfaction. It has a positive relationship between reliability and customers' satisfaction, they also find that the reliability consists of providing services as promised, dependability in handling customers' service problems, performing services right the first time, provides services at the promised time and maintaining error-free record.

Table 4.3.1 – Safety Reliability

		Frequency						Percentage				
1	Safety Reliability	SA	A	N	D	SD	Total	SA	A	N	D	SD
1.1	IBS performs the service right at the first time	29	33	11	111	57	241	12.03%	13.69%	4.15%	46.06%	23.65%
1.2	IBS deliver s the service exactly as promise	22	198	4	12	5	241	9.13%	82.16%	0.00%	4.98%	2.07%
1.3	IBS completes a task accurately	92	121	3	22	3	241	38.17%	50.21%	1.24%	9.13%	1.24%

Source: Own Survey 2018

The above table depicts that the level of agreement or disagreement on Internet Banking safety reliability check in three dimensions. The majority respondents (46.06%) have disagreed on safety reliability check of IBS performance the service right at the first time. This implies that IBS is not performing the services right at the first time. As well as the respondents (82.16%) have agreed on safety reliability check of IBS deliver the service exactly as promise. This entails that IB users have got the service exactly as promised by the bank. On the other hand half of the respondents (50.21%) have agreed on safety reliability check that IBS completes a task accurately. This means that the great majority of IBS users complete a task accurately.

4.3.2. Transactions Efficiency

Transaction efficiency is the ability of the customers gets into website, find they desire product and information associate with it, and check out with minimal of effort. Transaction efficiency also can understand as performance of Internet banking base on some elements: up to date information, response time, download time, complete product information, tutorial/demonstration, and help function. Transactional efficiency is an important point that influences customers' satisfaction; there is a positive relationship between transaction efficiency and customers' satisfaction (Johnston, 1995).

Table 4.3.2 – Transactions Efficiency

		Frequency						Percentage				
2	Transactions Efficiency	SA	A	N	D	SD	Total	SA	A	N	D	SD
2.1	IBS have up to date information	88	138	1	9	5	241	36.51%	57.26%	0.00%	3.73%	2.07%

2.2	IBS provides complete help function	33	186	15	4	3	241	13.69%	77.18%	5.39%	1.66%	1.24%
2.3	Transaction process is fast when you are using IBS	9	33	12	156	31	241	3.73%	13.69%	4.56%	64.73%	12.86%

Source: Own Survey 2018

The above table depicts that the level of agreement or disagreement on Internet Banking transactions efficiency check in three dimensions. The majority respondents (57.26%) have agreed on transactions efficiency check of Information in IBS is up to date. This implies that the information on IBS is up to date. Moreover the respondents (77.18%) have agreed on transactions efficiency check of IBS provides complete help function. This entails that IB users have got complete help function on IBS. In addition to that the majority respondents (64.73%) have disagreed on the third transactions efficiency check that transaction process is fast. This means IBS transaction process is not fast.

4.3.3. Customer Support

Customer support including before sell support and after sell supports. Before customers make decisions, the company should give some support to attract them, let customers feel they are at home. The relationship is like a good friend not like a business. After customers buy the services or products, company should solve the problem that customers met or response customers' questions immediately and according to the problems (Johnston, 1997).

Table 4.3.3 – Customer Support

3	Customer Support	Frequency						Percentage				
		S A	A	N	D	S D	Tota l	SA	A	N	D	SD
3.1	IBS contains enough services	17	202	15	5	2	241	7.05%	83.82%	5.81%	2.07%	0.83%
3.2	You can contact staff immediately in case of problem happen	29	41	4	94	73	241	12.03%	17.01%	0.00%	39.00%	30.29%
3.3	IBS process can solve problem fast	11	198	2	13	17	241	4.56%	82.16%	0.83%	5.39%	7.05%
3.4	Staff can describe step and condition to use clearly	21	20	16	159	25	241	8.71%	8.30%	5.81%	65.98%	10.37%
3.5	The Bank have knowledgeable staff to solve problem	48	117	34	37	5	241	19.92%	48.55%	14.11%	15.35%	2.07%

Source: Own Survey 2018

The above table depicts that the level of agreement or disagreement on Internet Banking customer support check in five dimensions. The majority respondents (83.82%) have agreed on customer support check of IBS contains enough services. This implies that IBS contains enough services for users. Furthermore the respondents (39%) have disagreed on customer support check of Case of problem happens can contact staff immediately. This entails that IB users have not got contact staff immediately in case of problem happens.

On the other hand the majority respondents (82.16%) have agreed on customer support check that IBS process to solve problem fast. This means IBS process have solve problem fast. Moreover the respondents (65.98%) have disagreed on customer support check of Staff can describe step to use and condition to use clearly. This entails that staffs of the Bank is not described clearly the steps to use and conditions to use IBS. Plus the majorities respondents (48.55%) have agreed on customer support check that IBS provide knowledgeable staff to solve problem. This means IBS have provide knowledgeable staff to solve problem.

4.3.4. Service Security

Security is defined as the freedom from danger, risk, or doubt. It involves physical safety, financial security and confidentiality. It consists of employees who instill confidence in customers, making customers feel safe in their transactions, employees who are consistently courteous and employees who have the knowledge to answer customer question. Moreover; security is defined as personal and possessions safety of the customers. It is includes confidentiality maintained by service providers. High service security reflects a company has a high competence to protect customers' life and money (Jun, 2001). It leads customers trust and enjoys service in a safety environment.

Table 4.3.4 – Service Security

4	Service Security	Frequency						Percentage				
		SA	A	N	D	SD	Total	SA	A	N	D	SD
4.1	IBS keeps accurate record of transaction	209	29	0	3	0	241	86.72 %	12.03 %	0.00%	1.24%	0.00%
4.2	IBS provides security for transaction data and privacy	211	18	5	5	2	241	87.55 %	7.47%	1.24%	2.07%	0.83%
4.3	You feel safe when using IBS	66	122	17	25	11	241	27.39 %	50.62 %	7.05%	10.37 %	4.56%
4.4	You face problem when using IBS	114	68	54	4	1	241	47.30 %	28.22 %	21.58%	1.66%	0.41%
4.5	IBS is secure	191	37	9	2	2	241	79.25 %	15.35 %	3.73%	0.83%	0.83%
4.6	You can check validity and detail of past transaction every time	201	37	3	0	0	241	83.40 %	15.35 %	1.24%	0.00%	0.00%

Source: Own Survey 2018

The above table depicts that the level of agreement or disagreement on Internet Banking service security check in six dimensions. The majority respondents (86.72%) have strongly agreed on service security check of IBS keeps accurate record of transaction. This implies that IBS keeps accurate record of transaction. Plus the respondents (87.55%) have strongly agreed on service security check of IBS provide security for transaction data and privacy. This entails that IBS provide security for transaction data and privacy. Moreover half of the respondents (50.62%) have agreed on service security check that feels safe when using IBS. This means the users feel safe when using IBS.

Most respondents (47.30%) have strongly agreed on service security check of problem during using IBS service. This entails that the users doesn't face problem during using IBS service. Plus the majorities respondents (83.40%) have strongly agreed on service security check that IBS is secure. This means IBS is secure. Moreover the respondents (83.40%) have strongly agreed on validity and detail of past transaction every time. This entails that the users can check validity and detail of past transaction every time.

4.3.5. Ease of Use

Ease of use is as the factor influencing the adoption of Internet banking, and related to an easy-to-remember, URL (uniform resource locator) address, well-organized, easy in site navigability, concise and understandable contents, terms and conditions (Sathye, 1999). Ease of use as an ability of a company's innovation for customers. It includes functional tools, creative design and professional management (Jun, 2001). Customers prefer a simple or convenient service. It can attract customers and expand a company's market.

Table 4.3.5 – Ease of Use

5	Ease of Use	Frequency						Percentage				
		SA	A	N	D	S D	Total	SA	A	N	D	SD
5.1	IBS system is easy to find information	74	107	12	26	22	241	30.71%	44.40 %	3.32%	10.79%	9.13%
5.2	IBS website is easy to use	38	187	6	9	1	241	15.77%	77.59 %	1.66%	3.73%	0.41%
5.3	The language in website is easy to understand	38	177	9	14	3	241	15.77%	73.44 %	3.73%	5.81%	1.24%

5.4	Information and text are clear and easy to understand	98	96	18	18	11	241	40.66%	39.83 %	6.64%	7.47%	4.56%
5.5	IBS system provides clear instruction	117	83	6	24	11	241	48.55%	34.44 %	2.49%	9.96%	4.56%
5.6	IBS displays output or transaction fast	153	48	2	35	3	241	63.49%	19.92 %	0.83%	14.52%	1.24%

Source: Own Survey 2018

The above table depicts that the level of agreement or disagreement on Internet Banking ease of use check in six dimensions. The respondents (44.40%) have agreed on easiness to find information in the IBS system. This implies that users easily find information in the IBS system. Plus the respondents (77.59%) have agreed on easiness to use internet banking website. This entails that IBS website is easy to use for users.

Most of the respondents (73.44%) have agreed the third ease of use check that “The language in website is easy to understand”. This means the users easily understand the language on IBS website. Moreover the respondents (40.66%) have strongly agreed on clarity and easiness to understand Information and text on internet banking service. This entails that the users have understood the information and text clearly and easily.

The respondents (48.55%) have strongly agreed on IBS system provides clear instruction. This means IBS system provides clear instruction for users. In addition to that the majority respondents (63.49%) have strongly agreed on IBS display output or transaction fast. This entails that IBS display output or transaction requests fast for users.

4.3.6. Performance

Performance is the accomplishment of complete the task by accuracy, low cost, and high speed (Gronroos, 2001). Performance indicates how well the services provided to customers.

Table 4.3.6 – Performance

6	Performance	Frequency						Percentage				
		SA	A	N	D	SD	Total	SA	A	N	D	SD
6.1	IBS provides 24hours by7 days service	91	106	2	32	10	241	37.76 %	43.98 %	0.41%	13.28 %	4.15%
6.2	IBS site serves in multi-language	4	11	4	199	23	241	1.66%	4.56%	1.24%	82.57 %	9.54%
6.3	IBS can allow to transfer between banks	7	8	9	173	44	241	2.90%	3.32%	3.73%	71.78 %	18.26%
6.4	IBS supports online registration	16	14	0	121	90	241	6.64%	5.81%	0.00%	50.21 %	37.34%

Source: Own Survey 2018

The above table depicts that the level of agreement or disagreement on Internet Banking performance check in four dimensions. The majority respondents (43.98%) have agreed on IBS

provide 24hours by 7 days service. This implies that IBS gives service 24 hours-7 days for users. Plus the respondents (82.57%) have disagreed on IBS site provides in multi-language. This entails that IBS site have not provide the services in multi-language. Moreover the majority respondents (71.78%) have disagreed on IBS allows transferring between banks. This means IBS does not allow amount transferring between banks. Furthermore half of the respondents (50.21%) have disagreed on IBS provide online registration. This entails that IBS system doesn't provide online registration.

4.3.7. Service Content

Is all information that provides to customers? For internet banking service, it mean the content that bank provide to customers through website. High value added content is essential.

Table 4.3.7 – Service Content

7	Service Content	Frequency						Percentage				
		SA	A	N	D	S D	Total	SA	A	N	D	SD
7.1	IBS website provides information that exactly fits needs	117	74	21	21	8	241	48.55%	30.71 %	6.22 %	8.71%	3.32%
7.2	IBS website provides accurate information	112	64	14	40	11	241	46.47%	26.56 %	4.98 %	16.60 %	4.56%
7.3	IBS website provides information that trust	108	67	19	41	6	241	44.81%	27.80 %	7.88 %	17.01 %	2.49%

Source: Own Survey 2018

The above table depicts that the level of agreement or disagreement on Internet Banking service content check in three dimensions. The majority respondents (48.55%) have strongly agreed on IBS website provides information that exactly fits needs”. This implies that IBS website provides information that exactly fits needs of users. Plus the respondents (46.47%) have strongly agreed on IBS website provides accurate information. This entails that IBS website provides accurate information. Furthermore most of the respondents (44.81%) have strongly agreed on IBS website provides information that trust. This means IBS website provides accurate information for users.

4.4 General Over View of Internet Banking Service

In this part the researcher has collected respondents' data on general over view of internet banking service through semi open ended questions. The respondents' information is organized as follows.

4.4.1 Customers faced challenge when using Internet banking service

Direct banks are open for business anywhere there is an internet connection. They are also 24 hours a day, 365 days a year open while if internet service is not available, customer services is normally provided around the clock via telephone. Real-time account balances and information are available at the touch of a few buttons thus, making banking faster, easier and more efficient. In addition, updating and maintaining a direct account is easy since it takes only a few minutes to change the mailing address, order additional checks and be informed for market interest rates.

Table 4.4.1 – Customers faced challenge when using Internet banking service

Do you have face a challenge when using Internet Banking service?	Yes	No	Neutr al	Total
Frequency	44	139	58	241
Valid Percentage	18.26 %	57.68 %	24.07 %	100.00 %

Source: Own Survey 2018

The above general over view question depicts that the extent to which respondents faces challenges when using Internet Banking service. 57.68% of the respondents haven't face a challenge when using IBS, But 18.26% of the respondents only face a challenge when using IBS. They have given different reasons for a challenge. Some of the most repeated reasons are couldn't login to the system, the system is not working, couldn't activate the user, forget Personal Identification Number (PIN) or One Time Password (OTP), couldn't get support, system slowness and couldn't complete the transaction. 24.07% of the respondents have missed this question and the system is working only by English, some banking activities are not included and the system is not user friendly.

4.4.2 The bank has procedures in place when there is an interruption in service of Internet banking for the customer

Direct banks typically have more robust websites that offer a comprehensive set of features that may not be found on the websites of traditional banks. These include functional budgeting and forecasting tools, financial planning capabilities, investment analysis tools, loan calculators and equity trading platforms. In addition, they offer free online bill payments, online tax forms and tax preparation (Cronin, 1997).

Table 4.4.2 – The bank has procedures in place when there is an interruption in service of Internet banking for the customer

Does the bank have procedures in place for the customers when there is an interruption of Internet Banking service?	Yes	No	Neutral	Total
Frequency	34	51	156	241
Valid Percentage	14.11%	21.16%	64.73%	100.00%

Source: Own Survey 2018

The above general over view question depicts that the extent to which the bank have procedures in place for when there is an interruption in service of internet banking for the customer. The great majority respondents 64.73% respondents have missed this question. 21.16% of the respondents said that the bank doesn't have procedures in place for when there is an interruption in service of Internet Banking for the customer. But 14.11% respondents only said that the bank have procedures in place for when there is an interruption in service of Internet Banking for the customer. Only one user has given reason by saying that the bank give broacher.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary of Findings

The researcher founded the following findings on the survey of internet banking service quality in Nib International Bank S.C. The survey done on the seven internets' banking service quality dimensions and it is summarized the main findings on the following.

- ❖ It's observed that the majority internet banking users are male within the age group of 18 to 30years old. In addition to that majority internet banking users are single on their marital status and have first degree. Additionally most of internets banking users have earned more than 5,501 Br incomes per month.
- ❖ The survey shown that on the level of safety reliability check internet banking service haven't performed the services correctly at the first time login, but users have got the services exactly as promised by the bank after successful login and the system allows them to complete a task accurately when perform activities on the system.
- ❖ The Study revealed that on the level of transactions efficiency confirm internet banking service have up to date information and the users also have got complete help function on the system, but transaction process is not fast on internet banking service.
- ❖ The survey shown that on the level of Customer Support validity internet banking system has contained enough services for users, but users haven't got contact staff immediately in case of problem happens. The Bank support staffs haven't described the steps and conditions clearly to users, if they have been available for support. The Bank should assign knowledgeable support staff and the problems should be solved fast.

- ❖ The study revealed that on the level of Service Security confirm internet banking system has kept accurate record of transaction and it have provided security for transaction data and privacy. Moreover the users have felt safe and secure as well as they haven't face problems when they have used the system. Furthermore the users could check successfully the validity and detail of past transaction every time.
- ❖ It's observed that the majority internet banking users have got found information easily on the system and the internet banking system website is easy for users to use it and the language used on the system is understandable. The system provides clear instructions, information and texts that can be easily understood by the users. Moreover the system has displayed the requests of outputs/transactions fast for users.
- ❖ The study revealed that on the level of Performance confirm that the system performs 24/7 hours and days. But the system lacks multi-language service, it doesn't allow amount transfer between banks and online registration for new users.
- ❖ The survey shown that on the level of service content validity the system have provided information exactly that fits the customer need and accurate information.

The majority users of IBS don't face a challenge when using Internet Banking service, but some users face challenge. some of the most repeated challenges are couldn't login to the system, the system is not working, couldn't activate the user, forget Personal Identification Number (PIN) or One Time Password (OTP), couldn't get support, system slowness and couldn't complete the transaction.

5.2 Conclusion

This research was conducted to assess internet banking service quality in Nib International Bank S.C. Research indicates that internet banking service quality is the important factors that can increase the loyalty of a customer towards its bank but customers are slightly satisfied with the internet banking services of bank. The research indicates that the bank has good condition of internet banking service quality in most of quality dimensions. But the bank also has poor condition in some of internet banking quality dimensions. So, the bank should improve the poor ones and maintain the good ones.

When the bank focuses on service quality, IB users will keep their loyalty with the bank. Hence in order to be successful, bank should focus on improve the service quality by offering quality services and by treating users how they want to be treated for better and greater customer satisfaction.

Undoubtedly, no business can exist without customers. In the philosophical words of Peppers and Rogers “*The only value your company will ever create is the value that comes from customers-the ones you have now and the ones you will have in the future*”. This is absolutely true. Customer value is an asset to the organization. Hence, in order to maintain the customer, the bank needs to ensure that the right products and quality services, supported by the right promotion and making it available at the right time for the customers. While quality service is essential in today’s competitive market, it is equally important that a customer experiences that only superior customer service can deliver. A business that caters to their customers` needs will inevitably gain the loyalty of their customers. Consequently, it is imperative that businesses get to know their customers. When a business focuses on delivering what is of value to their customers, this will generate the potential for profitability as well.

It is far more difficult to measure the level of service quality and satisfaction when it comes to the intangible expectations. The result provides valuable insight to internet banking service quality. Based on the assessment, it is found that the service quality with respect to each SERVQUAL dimensions namely safety reliability, transactions efficiency, customer support, service security, ease of use, performance and service content is on the positive side the bank. This is measured by taking the overall value from the results value which enables to compute the performance of the bank internet banking service quality. Thus in most dimensions Nib International Bank’s internet banking customers are satisfied with the services which they perceive. In addition, the assessment result regarding service quality with respect to Nib International Bank S.C. internet banking service delivery to the customers has been found to be good.

5.3 Recommendation

The researcher forwarded the following recommendations to the management of the banks and suggestion for other researchers. The main theme of the recommendation focus on the proper enhancement of the seven internet banking service quality dimensions. Since, customer's actual perception of internet banking service quality dimensions was not adjacent to the real customer's expectation.

- ❖ It is found that safety reliability is core to most Internet banking customers. So, it should use every opportunity to build a do-it-right-first attitude, deliver the service exactly as promised and completes a task accurately.
- ❖ In order to advance the Willingness of employees to help customers and provide prompt service, frontline staffs need to be continuously trained with proper skill of providing effective communication, accurate response and prompt service.
- ❖ The Bank should check internet Banking service security every time. Otherwise, the customers lose confidence in the bank service.
- ❖ Internet Banking services, posted information, language, texts, instructions and displayed outputs should be easy for understand and use.
- ❖ The Bank should enhance the performance of Internet Banking to provide the service 24 hours – 7 days and also should think to provide the service with local languages. In addition to that internet banking services include online registration and bank to bank transfer.
- ❖ In general, as customer expectations are changing over time, bank practitioners are advised to measure their customer expectation against the actual performance regularly and handle complaints timely and effectively. Because, wisely improvement of service quality and gaining a strategic advantage and survive in today's ever-increasing competitive environment comes from continuous and regular measurement of the expectations and perceptions of customers.

This study was conducted to assess internet Banking service quality on NIB International Bank S.C. However, the present study has a number of limitations which can be overwhelmed by the future studies. Firstly, the nature of sampling unit under study cannot be generalized to a larger population because samples have taken from city branches only and future researches should have to draw sample of respondents from outlying branches for the sake of generalizing the results of the study.

Secondly, the use of single-item measurement for overall service quality levels also need to be substituted with other measurements and through time the customer expectations will change.

Thirdly, future study should use more banks which are more fruitful to conduct the study that creates a comprehensive picture about nationwide Internet banking service quality.

Finally, in order to stay in the business, Nib International Bank needs to keep it the existing good service quality and improvise the poor ones.

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Appendix

St. Mary's University

Post Graduate Study

MBA Program

My name is Fitsum Taddese G/Mariam I am conducting research for Masters in Business Administration at St. Mary's University. The title of my research project is "**Assessment on Internet Banking Service Quality: The Case of Nib International Bank S.C.**". The

information you will provide treated confidentially and your co-operation will be highly appreciated. Please be assured that the responses you give are for academic purposes only.

Section A: Demographic Details

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

- 1) **Gender:** Male Female
 2) **Age:** 18-30 31-40 41-50 above 51 yrs.
 3) **Marital status:** Single Married Divorced Widow (er)
 4) **Education level:** Basic education Diploma Degree Above degree
 5) **Income:** 1,000-2,500 2,501-4,000 4,001-5,500 Above5, 501 birr

Section B: Internet Banking Service Quality Dimension

Instructions: Please tick the number that you feel most appropriate, using the scale from 1to 5 (Where 1 = strongly Disagree (SD), 2 = Disagree (DA), 3= neither Agree nor Disagree (N), 4= Agree (A) and 5= strongly Agree (SA))

Note: IBS-Internet Banking Service.

Internet Banking Service Quality Dimension		SA	A	N	DA	SD
1	Safety Reliability					
1.1	IBS performs the service right at the first time					
1.2	IBS delivers the service exactly as promise					
1.3	IBS completes a task accurately					
2	Transactions Efficiency					
2.1	IBS have up to date information					
2.2	IBS provides complete help function					
2.3	Transaction process is fast when you are using IBS					
3	Customer Support					
3.1	IBS contains enough services					
3.2	You can contact staff immediately in case of problem happen					
3.3	IBS process can solve problem fast					
3.4	Staff can describe step and condition to use clearly					
3.5	The Bank have knowledgeable staff to solve problem					
4	Service Security					
4.1	IBS keeps accurate record of transaction					
4.2	IBS provides security for transaction data and privacy					
4.3	You feel safe when using IBS					
4.4	You face problem when using IBS					
4.5	IBS is secure					
4.6	IBS can allow to check validity and detail of past transaction every time					

5	<i>Ease of Use</i>					
5.1	IBS system is easy to find information					
5.2	IBS website is easy to use					
5.3	The language in website is easy to understand					
5.4	Information and text are clear and easy to understand					
5.5	IBS system provides clear instruction					
5.6	IBS displays output or transaction fast					
6	<i>Performance</i>					
6.1	IBS provides 24hours by 7 days service					
6.2	IBS site serves in multi-language					
6.3	IBS can allow to transfer between banks					
6.4	IBS supports online registration					
7	<i>Service Content</i>					
7.1	IBS website provides information that exactly fits needs					
7.2	IBS website provides accurate information					
7.3	IBS website provides information that trust					

Section C: General Over View of Internet Banking Service

1. Do you have face a challenge when using Internet Banking service?

Yes No if yes, what are they?

2. Does the bank have procedures in place for the customer when there is an interruption of Internet Banking service?

Yes No if yes, what are they?

3. What should be expected from the bank to provide efficient Internet Banking service to the Customers?

4. Any suggestions regarding the adoption of internet banking service of the Bank?

