ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

DEPARTMENT OF BUISNESS ADMINSTRATION

FACTORS AFFECTING CUSTOMERS INTENTION TO USE ELECTRONIC BANKING SERVICE CHANNELS.

THE CASE OF COMMERCIAL BANK OF ETHIOPIA

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Signature Approval Form

This is to certify that this thesis entitled "Assessment of Factors Influencing Customers "Intention to Use E-Banking Service", submitted in partial fulfillment of the requirements for the degree of Master of Arts in Business Administration of St. Mary university, done by Maru Molla is an authentic work carried out by him under our guidance. The theme embedded in this thesis has not been submitted earlier for the award of any degree or diploma in any other university to the best of our knowledge.

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This is to certify that the thesis entitles "Assessment of Factors Influencing Customers" Intention to Use E-Banking Service", submitted to St' Mary University for the award of the Degree of Master of business administration and is a record of research work carried out by Maru Molla, under my guidance and supervision. Therefore, I hereby declare that no part of this thesis has been submitted to any other university or institutions for the award of any degree or diploma.

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Abstract

This study aims to examine the Factors Influencing Customers' Intention to Use E Banking Service Channels in Commercial Bank of Ethiopia in Nefas silk district. A sample of 372 respondents selected from the customers of the commercial bank of Ethiopia Nifas Silk district. A questionnaire was distributed to the respondents. The data was collected through questionnaire and by using inferential statistics in SPSS Version 22. The research shows that attitude, subjective norm, behavioral intention, perceived usefulness and perceived ease of use, lack of internet connection and perceived risk were significant in affecting users 'intention to use e-banking service channels. The behavioral intention emerged as a significant factor followed by attitudes and perceived usefulness in predicting an individual's intention to use e-banking service channels. Finally, attitude is jointly predicted by behavioral intention, perceived usefulness, perceived ease of use and perceived risk while perceived ease of use contributed more for the variation in attitude and the reducing the burden on branches, improving customer relations, reducing overall costs, reducing human error, saving time, and other additional benefits identified in the research are considered to be the banks' great potential to improve their public image. It is recommended to cultivate awareness to change the perception that e- banking is suitable and time saving with their some problems.

Keywords: M-banking - Mobile banking, CBE - Commercial Bank of Ethiopia, E-Banking Electronic Banking

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ABBREVIATIONS AND ACRONYMS

ATMs	Automated Teller Machines
EFT	Electronic funds transfer
ICT	Information Communication Technology
ISP	Internet Service Providers
ITU	Internet Technology Utilization
CBE	commercial banks of Ethiopia
SPSS	Statistical Package for the Social Sciences
TAM	Technology Acceptance Model
WWW	World Wide Web

CHAPTER ONE

INTRODUCTION

1.1 Backgrounds of the study

The rapid development of information and communication technology in the last few years has greatly changed every activity process in organizations and companies so that they can carry out any activities related to data very quickly and easily, especially in the banking industry. With so many innovations that develop rapidly, every organization or company is competing to implement every use of the information technology. Currently banking activities are in the hands of customers or users. Because without customers or bank users Banks will not be able to survive in the banking business The use of information technology is changing every activity and social activity that exists so that the bank must continue to make improvements in terms of services to be able to provide good performance to each of its customers. The increasingly competitive environment in the financial services market has created pressure to develop and use alternative delivery channels. The most recently introduced delivery channel is electronic or online banking, also known as E-banking. Banks and other financial institutions have turned to electronic banking to reduce costs while maintaining reliable customer service (Kolodinsky &Hogarth, 2001).

Today, the best banks recognize the need to have more complete and up-to-date services that go beyond traditional offerings. The e-banking concept is based on the development, design, and implementation of financial services that take place on the internet. Simply, e-banking occurs when customers use the internet to access their bank accounts to carry out banking transactions (Sathye, 1999). Thus, offering multi-channel banking has become a competitive necessity and a guarantee of the interaction between banks and their customers (Stoica et al., 2015). Both banks and customers can benefit from e-banking services. Banks can create higher banking efficiency by enabling customers to open accounts, make deposits, transfer funds across accounts and make payments entirely on line(Takieddine and Sun, 2016).

Customers can undertake financial processes such as buying and fund transfer with speed and convenience (Ling et al., 2016). E-banking services offer benefits to customers because they can perform their transactions and other financial activities from home. Despite these e-banking services benefits and the huge investments made by banks into implementing internet banking technology, many customers are reluctant to use these services (Chaoualietal.,

2016; Tarhinietal. ,2016). Indeed, its adoption by customer sis reported to be very low and is not as expected (Shaikh and Karjaluoto, 2015; Shih et al., 2010). Çelik (2008) and Yousafzai and Yani-De-Soriano (2012) found that Turkish and English banks have not succeeded in generating enthusiasm among their customers for adopting and accepting internet banking. This low uptake of e-banking is despite the widespread use of the internet.

To encourage developing countries to further develop the e-banking business, it is important to better understand the barriers that affect the e-banking business (Zhao,2008). A thorough understanding of the factors and conditions that affect the ability of developing countries to fully adopt and realize its benefits can be of strategic importance to researchers and practitioners on how to promote the development of electronic banking in developing countries. However, despite the importance of this intention to uses, there is currently little research available in developing countries, especially Ethiopia. Therefore, more research is still needed to understand the relevance of e-banking in the country and determine where the country is lagging behind in hampering its e-banking practice. Therefore, to address the gaps in the current literature, this research focuses on assessing the influencing factor over the intention to use e-banking in Commercial Bank of Ethiopia customers.

Commercial Bank of Ethiopia (CBE) was established in 1942, following the establishment of the State Bank of Ethiopia. Later, in 1963, it was formally incorporated as a share company. CBE merged with the privately held in Addis Ababa Bank in 1974. Since then, it has played an important role in the country's growth. Commercial Bank of Ethiopia was the first bank to bring modern banking in Ethiopia. February 2, 2023 (FBC) ADDIS ABABA – The Commercial Bank of Ethiopia (CBE) announced that it obtained 13 billion birr in profit in the first half of the current financial year, showing a 15.6% year-on-year growth started the 2022/23 Ethiopian fiscal year. During the press conference, Abbie Sano, President of the Commercial Bank of Ethiopia, said that the total asset of the bank has reached 1.2 trillion Birr.

Commercial Bank of Ethiopia Established in 1942 with a capital of one million Maria Theresa thaler (MTT) and two branches in Addis Ababa, the cumulative value of the transactions has also more than doubled from the total amount recorded last year. Abie said more than 1.3 trillion -birr worth of transactions were made through the bank's various digital payment services. The bank's total deposit also reached 978.8 billion Birr after 88.7-billion birr deposit was made in the first half of the financial year, beginning in July. The bank secured12.96 billion profits attaining

102.4% of the target, CBE President Abie Sano told a press briefing. The half-year performance report also put CBE‟s total revenues at 58.7 billion Birr. In the first half of the current Ethiopian financial year, more than 1.3 trillion-birr payments were made through the bank's digital service options, the President said. Replacing the Payment in Cash system, the digital system has accounted for39.3percent of the total payments of CBE, he added the bank with 60 Billion Birr paid-up capital currently has a network of 1,879 branches and 70,000 employees, and serving 38 million customers. 39.3 percent of the total transactions, as the president of the bank said. The number of ATM service active users of 8.7 million while CBE mobile banking service active customers reached 7.9 million. These customers made 365.6 million transactions in the six-month period, up by 105% from last year's 179 million. CBE's total asset value has now reached 1.23 trillion, maintaining its position as the richest entity in Ethiopia. The purpose of this study is to assess Factors Influencing Customers' Intention to Use E-Banking Service in order to more attainable bank to its customers as well as to the whole society.

1.2 Statement of the problem

With the increase in the number of enterprises and the increase in international contacts and relations, the current banking system cannot provide efficient and reliable services in Ethiopia. By referring to different documents and services provided by banks, Ethiopia's banking system is under developed compared to the reports of the world, so it is urgent to start capacity development arrangements and system modernization. As a result, the primary goal of this research is to find out what Factors Influencing Customers‟ Intention To Use E-Banking Service in the commercial bank of Ethiopia in Nefas Silk district.

As indicated in different publications on electronic banking, some of the problems associated with electronic banking are low Internet penetration and underdeveloped telecommunications infrastructure. The lack of appropriate legal and regulatory frameworks for electronic commerce and electronic payments is another problem in the practice of new technologies in the banking industry. The low literacy rate is a problem for e-banking in Ethiopia because it hinders the accessibility of banking services. For citizens to fully enjoy the benefits of electronic banking, they must not only be literate, but also have basic knowledge of information and communication technology (Gardachew, 2010). But risks related to security issues, lack of competition between local and foreign banks, and society's awareness of the electronic banking system have not been resolved. LazarosSarigiannidis(2013)found perceived usefulness, security risk and

performance risk, perceived ease of use and quality of the internet connection seemed to have an indirect effect on internet banking adoption in Greece.

MohammedA. Al Sharafi (2016) revealed that perceived usefulness and service visibility directly influence Saudi customers "intention to use internet banking in china. Moreover, perceived, trust, system reliability and accessibility significantly influence perceived ease of use of internet banking. According to Andrew Musiime and Malinga Ramadhan (2011), accessing account, usage, advantages accruing from the usage and use account were significant factors in fluencing customers" adoption of e banking services in Uganda. Kariuki John Gikonyo (2014)revealed that gender difference, awareness, website features and security are the factors that in fluence the adoption of e-banking services in other countries.

In Ethiopia, although the e-banking service is infant compared to most neighboring countries, Bultum(2014) was reported as the security risk, lack of trust, lack of legal and regulatory frame work, Lack of ICT infrastructure and absence of competition between local and foreign banks are the challenges to adopt e- banking services. From my experience in the bank industry for the last two decades, even though technological advancement of E-banking in Ethiopia is in the in fan stage but the Technology of E-Banking service was creating dissatisfaction on the customer among other factors. Besides, previous studies in Ethiopia are limited to perceived benefits and challenges of e-banking adoption of private commercial banks and targeting only bank officials and bank employees as a study population which excluded customers" domain. Thus, this study examines the crucial factors such as trust, cost, security, privacy and Technology as the factor influencing customers" service of e-banking services usage among commercial banks in Ethiopia.

Even though E-banking has a lot of benefit in delivering service to customers, in Ethiopia customers were missed to enjoy with the technological advancement in banking sector which has been entertaining elsewhere in Africa and the rest of the world(Alam,2010).However, computerized banking has far-reaching implications. Despite all the advantages that electronic banking that in the commercial bank of Ethiopia have in providing electronic banking services. The lack of suitable technology infrastructure to support the service is one of the primary road blocks that usually seen in the electronic banking service. In a banking company also complain about internet issues such as congested connections, security, and service quality (Megersa,2010).There is also a scarcity of experts with the necessary technological abilities to

construct that infrastructure. It may also be difficult to persuade customers, particularly those who are unfamiliar with the internet and who may find it difficult to deal with a service that is complex and annoying. From the stand point of providing electronic banking services, the commercial bank of Ethiopia has not been extensively explored the facility and other problem to use electronic banking. Despite Ethiopians began using electronic banking services in late 2005.Therefore, the findings of this study aim to provide a greater understanding on the crucial factors affecting e-banking service usage and contribute to the current body of literature on Customers" Intention to Use E-Banking Service. The main target of this research is to fill the gap the previous study was missing such as customer domain instead of focusing only on bank officials and employees and excluding one of the main factors of e-banking service that is technology. This study used to investigate to assess and analyze factors influencing E-banking intention to use among the customers of commercial bank of Ethiopia Nifas Silk district.

1.3 Basic research questions

Based on the above stated problem statement, the subsequent research questions are going to be answered:

1. What is the effect of technology infrastructure on the intention to use electronic banking service in CBE?
2. How Subjective norm and Perceived ease of use affect the intention to use electronic banking service in CBE?
3. How attitude toward behavior of the customer affect the intention to use electronic banking service in CBE?
4. What is the effect of trust and Perceived usefulness on the intention to use electronic banking service in CBE?

1.4 Objectives of the Study

1.4.1. General Objective of the Study

The general objective of this study is to examine the factors influencing customers' intention to use e-banking service in case of commercial bank of Ethiopia Nifas Silk district.

1.4.2. Specific Objectives of the Study

In addition to the general objective of the study specifically, the study will seeks to:-

1. To find out the effect of technology infrastructure on the intention to use electronic banking service in CBE
2. To identify how Subjective norm and Perceived ease of use will affect the intention to use electronic banking service in CBE
3. To investigate how the attitude toward behavior of the customer affect the intention to use electronic banking service in CBE
4. To identify the effect of trust and Perceived usefulness on the intention to use electronic banking service in CBE

1.5. Scope of the Study

This thesis is useful in collecting a lot of knowledge about some selected branches of commercial bank of Ethiopia in Nifas Silk district. Due to resource constraints, it is impossible or unmanageable to have all branches, including in Nifas Silk district. Therefore the study assessed commercial bank of Ethiopia Nifas silk (Saris) ,Jemo, Mekenissa and Hana Mariam branches that are found in Nifas Silk District. The study is done this year 2015/2023.This study is limited to four electronic banking technologies. They are ATMs, mobile banking, internet banking, CBE birr and point of sale (POS), including electronic banking technology. The reason behind this is that e-banking technology is a frequently and frequently used type of e-banking in Ethiopia. Another reason is to cover all the elements of electronic banking, there are time and cost limitations.

1.6 Significance of the Study

The study's findings are notable and intended to increase stakeholders' understanding of E-banking service distribution to consumers in Ethiopia, especially in commercial bank of Ethiopia. Furthermore, this paper intended to assist other researchers who are interested in conducting further analysis on the topic under investigation by having complete access to the data. Finally, the analysis will include guiding for banks on improvements required to accelerate the practice of the system to deliver service to customers through technical innovation, based on the factors discovered bankers' decision on E banking system.

It also offers evidence on key factors influencing over the intention to use Electronic banking service channels from the perspectives of CBE, customers, and agents. It addresses the technological and organizational difficulties of using E-banking in CBE and offers suggestions for how to overcome them. Decision makers (e.g., department managers), risk managers (e.g.,

insurances), regulators, and policymakers will all benefit from this study (National Bank of Ethiopia). Furthermore, the study's findings are intended to help other researchers in future research in the field of e-banking.

1.7. limitation of the study

Research is the complex process, which involve a lot of challenges and limitation either before or during the research process itself. The first limitation was time constraint since the scope of the study was in CBE in Addis Ababa which needs an effort to travel in different branch to collect the research data, printing cost of the instruments also the cost of movements. Again customer's time was another constraint where the researcher was forced to concentrate on numbers of branches listed in the sample size. Here in addition Bank officials considered information related to their customer's confidential secondary data depicting customer list it was difficult to obtain as such researcher relied on conveniently obtained primary data and documentary sources. Furthermore, some customers fear of to give right response and incomplete questioners by the respondents are some of the limitations of this research

1.8. Operational definition of terms

Internet banking - Products and services that could define as one of the banks‟ distribution channel, the definition of Internet banking varies according to the given subject and researchers (Daniel,1999).Internet banking is services delivered though the Internet

Intention-is the amount of effort one is willing to exert to attain a goal (Ajzen,1991)

Perceived usefulness - is defined as the subjective probability that a user will increase its productivity using a specific application in its work, this application will help them to do a better and more efficient job (Davis, 1989)

Perceived ease of use - refers to the degree in which the future user thinks that the system use will be free of effort (Davis, 1989)

Attitude toward behavior-is de fined as a person ‟general feeling of favorableness or favorableness for that behavior (Ajzen &F ishbein, 1980).

Subject Norm - is defined as a person's perception that most people who are important to him/her think they should or should not perform the behavior in question (Ajzen&Fishbeing,1980)

1.9. Organization of the study

The research paper has five chapters; the first chapter includes background of the study, statement of the problem, research questions, objectives, significance, and scope of the study, limitation of the study and also definition of terms. The second chapter is about review of related literature which is related to the study area and it gives a detail description of the study phenomenon by relating other scholar papers on the area. The third chapter telling all about methodology of the study in which research approach and method, sources of data, sampling techniques and procedure, method of data collection and analysis and the like were included. The fourth chapter the collected data analyzed discussed and interpreted. And the last chapter contains summary of the findings, conclusion, recommendation, references and annex.

CHAPTER TWO
2. LITERATURE REVIEW

2.1. Introduction

The aim of this chapter was to review literature in relation to the focus of the study that is Factors Influencing Customers' Intention to Use E-Banking Service, the review helped in building knowledge that informed the design of the study, including the formation of research objectives and questions. The review was also essential in identifying the gaps in research the study contributed to fill. This chapter consists of three parts; the first part presents theoretical literature review while the second part reviewed empirical literature, the third parts also discusses the conceptual frame work of the study

2.2 Theoretical literature review

2.2.1. An Over view of E-banking

Electronic banking (E-banking) is described differently by different experts, depending on their interpretation of the implementation of electronic banking different scholars have described it in various ways. Mentioned below are a few of them. E-banking is characterized as the electronic, digital distribution of modern and conventional banking products and services directly to customers. Also, the term e-banking can be interpreted in many ways. In a very simple form, it means that customers provide information and services to the bank through computers, ATM, telephones, and mobile phones (Daniel, 1999). For example, Burr (1996) describes it as an electronic connection between the bank and the customer to prepare and manage financial transactions. E-banking refers to the platforms that enable customers, individuals, and companies of financial institutions to access accounts, conduct business, and receive information on financial products and services through a public or private network, such as the Internet ATM, debit card, and credit card etc.

In today's market world, electronic banking technologies are a top priority for banks, and the internet has emerged as the primary medium for all financial, banking, and commercial transactions. Magembe and Shemi (2002). It is a priceless and effective tool for fostering production, prosperity, creativity, and competition (Kamel, 2005; Nath, Shrick, and Parzinger, 2008). Banks and other companies are relying on information technology (IT) to boost business productivity by providing services at a low cost, improving service quality and attracting new consumers. (Nath et al, 2001).

The contribution of technological advances to bank delivery networks has been established. Changes in delivery networks have fueled the advancement of banking technologies, as demonstrated by the automated teller machine (ATM), debit card, credit card, visa card, phone banking, and tele-banking. The use of a computer to retrieve and process banking data is known as electronic banking. (Statements, transaction details, etc.) And to facilitate transactions (payments, deposits, service orders, etc.) with a bank or other financial service provider remotely through a telecommunications network (Yang, 1997, pp.2) the same is shared(Malak, 2007).

E-banking is a mechanism in which a customer's conducts banking transactions through online rather than entering a branch. It is a mixture of two words: mobile banking technology As an umbrella concept, it entails intensive use of information technology that removes the need for the consumer to go directly to the bank It covers a wide range of products and services, including ATMs, debit/credit cards, phone/mobile banking, and PC/Internet banking, among others. Electronic banking has recently emerged as a means of advancing the banking system, and its importance is growing in many countries. It enables the development of service processes that need little internal resources. and As a result, the price is lower. It also gives you more options and the chance to reach out to more people. Customers benefit from electronic banking because it provides them with easy access to financial services and helps them to manage their finances more efficiently. (Almazari and Siam, 2008; Ayrga, 2011; Tan and Teo, 2000).

2.2.2.E-Banking System in Ethiopian Banking Industry

E-banking first introduced in Ethiopia in late 2001G.C, when the largest state-owned commercial bank in Ethiopia (CBE) launched ATMs to serve local consumers. CBE has been a Vis a member since November 14,2005 G.C, in addition to eight ATM sin Addis Ababa. However, owing to a shortage of adequate infrastructure, it was unable to enjoy the benefits of its membership. Despite being the first to introduce an ATM-based payment system and to obtain visa membership CBE continues to advance at a rapid rate in developing its solution for Card Based Payment system, CBE has been the lone player in the field of E-Banking since 2006 G.C. Gardachew (2010) .

Commercial bank of Ethiopia is an early adopter of E-banking in Ethiopia, has put ATMs inconvenient locations for its own cardholders. Commercial bank of Ethiopia ATM is open 24hours a day, 7 days a week, and 365 days a year, serving Debit Cardholders and International Visa Cardholders coming to the country. Dashen Bank had constructed more than 125 ATMs inits area offices, university compounds, shopping malls, restaurants, and hotels by the end of June2009.

In 2011, payment card providers made huge strides, with commercial bank of Ethiopia ATM operation expanding to 280 and 1654 POS terminals (Annual report of the bank 2011).Commercial bank of Ethiopia ATMs provides the following services: cash withdrawal, balance inquiry, mini statement, fund transfer between accounts linked to a single card, and PIN update. Currently, the bank only accepts Visa cards for debit card transactions. Commercial bank of Ethiopia customers can withdraw up to 10,000 birr in cash and spend up to 8,000 to 13000 birr per day on goods and services.

2.2.3 Types of E-banking

E-banking refers to a range of systems such as internet banking or (online banking), TV-based banking, cell phone banking, and PC (personal computer) banking (or offline banking), through which consumers access these services from an intelligent electronic system such as a PC, personal digital assistant (PDA), automated teller machine, or mobile phone (ATM), POS (point of sale), kiosk, or contact tone phone (Alagheb and 2006, p.11). According to Alghaeb and, there are various modes of E-banking, with the following being the most basic:

Automated Teller Machines (ATM) - An ATM is an electronic terminal that allows customers to obtain banking services at virtually any time. A borrower would require an ATM card and a personal identification number to with draw cash, make deposits, or move funds between accounts (PIN).

Point-of-Sale Terminals(POS)- The device enables customers to pay for store purchases with a check card, which is a new name for a debit card. This card seems to be a credit card, but there is a major distinction. The funds for the order are moved directly from the debit card holder's account to the store's account (Malak 2007).

Internet banking- This is an automated home banking system based on online technologies that allows bank customers to make business transactions with the bank using personal computers.

Electronic banking - Electronic banking is a technology that allows clients to carry out such banking transactions, including bank enquiries and transfers of money, using a quick text message (SMS).

2.2.4. Need for E-banking

One has to approach the branch in person for a cheque or a statement of accounts to be withdrawn or deposited. Any inquiry or sale in true e-banking is processed electronically at any

time, without any connection to the subsidiary (everywhere banking). The provision of e-banking becomes more and more "need to" than "good to." In many developing countries, internetBanking is therefore now more a standard than normally since it is the cheapest means of supplying banking services. Historically, banks have been at the forefront of using technologiesto enhance their products, services, and performance. In order to offer a broad variety of value added products and services, they have used electronic and telecom networks for a long time.

teller machines are included in the transmission channels. Because of the prevalence of computers, convenient access to the Internet, and the World Wide Web (WWW), banks are gradually using the Internet as a medium for getting orders and providing goods and services to their clients. This form of banking is commonly known as electronic Banking, although the spectrum and complexity of the goods and services provided by various banks varies greatly. (Singer, Daniel, Albert Avery, Douglas Ross, 2001).

2.2.5 Benefit of E-banking system

Business companies are attempting to discover emerging innovations derived from E-commerce applications that have a lower processing cost as a result of eliminating associations in distribution networks (Salman &Kashif 2010). Any programs, such as information and finished goods information, may be provided at no fee. Low-cost and simple transactions allow for the intention to use of a new trend in technology to trade information among various groups and business parties. Business has been transformed by information and communication technology, which has enabled it to expand from a local to a global scale. However, it has been stated that E-banking is critical in the banking sector of developing countries (Polatoglu and Ekin 2001). The online payment system is relatively new in banking institutions, and the spread of these innovations can result in more competent online banking systems, which has resulted in numerous changes in banking sector technologies. In general, E-banking has advantages for banks, customers, and the economy..

2.2.6 Benefit of E-banking for Banks

It should be remembered that E-banking will provide many advantages to both banks and their customers. It is clear that cost savings, productivity, attracting new client markets, improving the bank's image, and providing improved customer experience and loyalty are the key advantages to banks (Jayawardhena & Foley, 2000). According to Robinson (2000), the relevant costs of making a financial transaction online are much smaller than those of a main branches.

Furthermore, Sheshunoff (2000) contends that one of the most significant considerations driving customers to E-banking practice is the need build up strong barriers to customer exiting. According to the source, once consumers get acquainted with the use of full-service E-banking, it is doubtful that they will go to another financial institution. The banking sector, in particular, has reaped various benefits as a result of the expansion of E-Banking technology. The following was highlighted below: Mols (1998).

2.2.7 Benefit of E-banking for Customers

The advantages of E-banking extend not only to banks but also to their customers. Banking transfers are no longer constrained by time and distance, thanks to the advent of the Internet. Consumers all over the world can easily open their bank accounts 24 hours a day, seven days a week. Customers can take advantage of a wide range of offerings, including those not offered by conventional bank branches (Pham 2010). It is argued that one of the most significant advantages of E-banking is that it is inexpensive, if not free, for consumers to use E-banking products/services. However, some people assume that price seems to be one aspect impeding the spread of E-banking (Sathye 1999). Price controversies often center on geographical gaps and inequalities in the prices of Internet connections and phone call pricing. It is also suspected that E-banks have changed in order to adapt to customers' ever-changing demands (Pham 2010). Customers also do not want to fly to or from a bank branch to make such financial transactions. To put it another way, they tend to use E-banking to save time and money E-banking will increase flexibility and usability, which would boost customer retention and loyalty (Pham 2010). Customers will monitor their financial activities anytime they want and have greater anonymity in their dealings with the bank. Furthermore, by using E-banking, consumers can reap more advantages at lower cost costs (Mols 1998) It is contended by Turban (2008), that E- banking is really beneficial to customers such as:-

Convenience – With e-banking, consumers can conduct their banking transactions anytime they choose. Customers are no longer restricted to the hours of the branch and e-banking is available 24 hours a day, seven days a week. Furthermore, they do not have to fly to the branch and stand in the inevitable queues, allowing you more time to do what you want.

No Fees – Since an e-bank does not have to care about financing a physical bank site, fees may be minimized and are often non-existent. Checking and savings accounts provided by fully online banks usually have no fees.

Mobility – Consumers can conduct e-banking from any location as long as they have an Internet

link.

Direct Deposit – Consumers should pay for all new money, such as salary, to be automatically deposited into their bank account by the business sending the money. Customers profit from this in two ways: they don't have to take the time to deposit the check, and the money is deposited into their account faster, allowing them to collect interest faster.

Online Statements– The majority of online banks strive to be as paperless as possible. The majority of statements and communications are completed electronically, minimizing the volumeof paper used and forwarded to you. This, too, would continue to reduce the online bank's expenses. As an added bonus, online banking is a great environmentally friendly choice. Be aware that certain banks will bill you for a paper copy of something.

Automated Bill Paid – Consumers may use automatic bill pay to simplify the payment of their monthly bills.

Real Time Account Updates– Since clients can access their accounts at any time, they can offer up-to-the-minute, real-time details about the funds in their accounts.

Transfers– Online transfers between accounts of the same financial institution are nearly instantaneous. Not only is there no restriction on the amount of money that can be transferred, but you can also do so anytime and from anywhere you choose.

2.2.8 Benefits to General Economy

As previously mentioned electronic banking has significantly benefited both the general public and the banking industry. As a result, a stronger supporting climate that promotes development, competitiveness, and prosperity has been developed. Aside from many concrete benefits such as cost savings, faster processing, greater performance, and less waste, an electronically regulated and thoroughly supervised environment discourages many unethical and unlawful activities associated with the banking industry such as money laundering, bribery, and embezzlement. 2010 (Pham). From an economic standpoint, there are many advantages. E-banking provided many advantages not only to the bank but also to society as a whole.(Pham 2010).

E-banking made finance economically possible:

2.3 Theoretical framework and model

Various information systems experts have been involved in researching the theories and models which have the ability to predict and explain behavior across the domains of use. These studies focus mostly on how use may be promoted by looking at what supports or inhibits the use of

technology. Since every prominent technology acceptance theory has different premises and benefits, it is vital to analyze some of them and consider how they may contribute towards a sound basis for creating a model that could be applicable to e-banking

2.3.1 Innovations Diffusion Theory(IDT)

In diffusion of innovations, Rogers (1995) described how new ideas spread through communities. According to Rogers there are identifiable characteristics that predict whether and how quickly an innovation will spread through a community this are:-

An innovation that have these five characteristics still needs to be communicated to members of the community in order to be adopted. Rogers identified communication channels like internet as an important element of the diffusion process. With respect to adopting innovation and personal communication between people was more important than mass media communication because innovation are not adopted instantly time is also an important element of Rogers model and innovations are communicated over time through a social system.

2.3.2 Theory of Reasoned Action(TRA)

The theory of reasoned action (TRA) suggests that a person's behavior is determined by their intention to performs the behavior and that this intention is in turn a function of their attitude to ward the behavior and subjective norms.(fishbein&ajizen,1975). Also ,Ajzen and Fishbein(1980) established this theory and offers the foundation for investigations on the links between conduct and attitude. The concept argues that the actual behavior of an individual is governed by the intention of the individual to conduct. The intention is to indicate the cognitive tendency of a person to a certain activity and to be seen as an instant antecedent of behavior.

2.3.3 Theory of Planned Behavior (TPB)

The theory of reasoned action developed TPB with a new building known as the perceived behavior management. TPB acknowledges the purposeful and premeditated behavior. The additional assist therefore takes into consideration instances in which a person lacks control or resources for the free performance of the desired behavior (Ajzen, 1991). In the case of TPB, three key components are determined: a behavioral intention, attitude, subjective norms and the behavioral control felt. Perceived behavioral intention relates to people's beliefs of their ways capacity to conduct a particular behavior (Ajzen, 1991). TPB sees human behavior in three, namely conduction convictions, normative views and control convictions.

2.4 Factors influencing the intention to use electronic banking system

Electronic banking has obviously a cost minimizing target for both financial organizations and customers but the delay of internet and lack of online and virtual support due to lack of skilled bank staffs forced customers incur high cost and that is why most users may not accept internet banking. In addition, the author also states that insufficient trust on financial institutions is c ritical perceived credibility issues that lower internet banking acceptance. Customer trust is an essential way to retain existing bank customers as well as encouraging the intentions to use of electronic banking. The factors influencing the intention to use electronic banking are behavioral intention, perceived usefulness, perceived ease of use, availability of internet connection, awareness, security, attitude and subjective norms.

A) Behavioral intention to use

When behavioral intention refers to the cognitive representation of a person‟s readiness to perform a given behavior, and it is considered to be the immediate antecedent of actual intention to use behavior (Fishbein and Ajzen, 1975). The direct as well as the mediating effect of intention on users actual intention to use behavior has been validated in many prior empirical studies conducted by using Theory of planned behavior (TPB) and Technology acceptance model (TAM) and both suggested that a person's behavior is determined by his/her intention to perform the behavior. The best predictor of behavior is intention. There are numerous related past studies that have found a significant relationship between intention and behavior (I. Ajzen, 1985, 1991; Tan et al., 2012; Venkatesh et al., 2003).

B) Perceived usefulness

It is defined as "the degree to which a person believes that using a particular system would enhance his or her job performance (Davis, 1989). The importance of perceived usefulness has been widely recognized in the field of e-banking. According to the previous research studies usefulness is the subjective probability that the application of a new technology would improve the way a user could complete a given task (Singh, 2012). There is also broad research that presents evidence of the significant impact of perceived usefulness on user acceptance of e- banking. The positive effect of perceived usefulness on customer's attitude as well as their intention to use e-banking services (Al-Yitbarek & Zeleke, 2013).

C) Perceived ease of use (PEU)

Perceived ease of use (PEU) is the degree to which a person believes that using a

particular information system or information technology would be free of effort (Davis, 1989). Hence, an application perceived to be easier to use than another is more likely to be accepted by users..

D) Subjective Norm

Subjective norms (SNs) refer to the individual's perception that people who are important to him think that he should perform, or steer clear of performing a certain behavior (Fishbein and Ajzen,1977). Literature shows that studies are not of a consensus as to the subjective norms effects. For instance, no significant effect of subjective norm was found on intention to use in Mathieson‟s(1991) study, while in Venkatesh and Davis‟s (2000) study, they revealed subjective norms to have a direct effect on intention to use in a voluntary use setting . Meanwhile, Taylor and Todd(1995) and Abbad (2013) revealed a significant direct effect of Subjective norm on intention to wards e-banking use.

2.5 Customer attitude towards the intention to use electronic banking

The variable of electronic banking acceptance is measured based on the attitude towards the use of electronic banking (attitude towards using digital banking). Attitude towards use is a person‟s attitude towards an object is a function of his beliefs about that object and is an assessment response related to his beliefs.

Electronic banking has been considered to be important as an innovation. Ajzen's (1985) theory of planned behavior, as well as Rogers' theory of innovative dissemination, was used as a survey by Tan and Teo (2000) of (mainly male) electronic users and found the key effects as: attitude, compatibility, complexity, subjective norms, perceived risk, perceived usefulness and precived ease of use. The research also revealed that customers who did not utilize the Internet did not believe that they had to, and that they felt that relative advantages were important. Sathye's study (1999) highlights a similar conclusion that many customers just do not know about the particular advantages of electronic banking..

Attitude explains a person's favorable or unfavorable assessment regarding the intentin to use of the service or the person positive or negative feeling about e-banking intentin to use (Davis et al., 1989). An individual will hold a favorable attitude toward a given behavior if he/she believes that the performance of the behavior will lead to mostly positive outcomes. Attitude plays an important role in influencing an individual's intention to adopt a new technology. The direct as well as the mediating effect of attitude on customers‟ intention to adopt e-banking services has

been validated in many prior studies such as Al-Smadi (2012), Qureshi et al. (2008), Olatokun and Owoeye (2012), Aderonke and Charles (2010), and Poursaleh and Parhizgar (2014).

2.6 Challenges of electronic banking system

According to Harrison (2012), it is hypothesized that many of the factors affecting the successful intention to use of new technologies such as e-commerce and E-banking are generic in nature and that the successful intention to use of internet technologies in part depends on how these are used in conjunction with the other technologies and management practices that form a technology cluster. However, the most critical challenges can be ascribed to the very limited information and communication infrastructure available in most developing countries. Reasons vary widely among sectors and countries and are most commonly related to lack of applicability to the business, preferences for established business models, (OECD, 2004).

Common challenges include, Network infrastructure, Security and trust factors, Dynamic change in IT and Illiteracy are some Common challenges of electronic banking system

It is however important to note that challenge to e-commerce intention to use work differently according to organizational type and culture. Areas of training and people development need to be addressed Harrison (2012). The study that was conducted by Isaac (2005) indicated that the challenges for the intention to use of E- banking in commercial bank are security, human face i.e. customers still value personalized and responsive services from their bankers, poor and/or lack of technological infrastructure, lack of proper legislation governing e-transactions and preference to paper money, as opposed to "virtual" cash in transactions etc. Ziad et al., (2009) also analyzed E-banking challenges in terms of three categories: economic, socio-political and cognitive. The economic obstacles include several factors that affect the diffusion of e-commerce such as slow internet diffusion and unavailability of credit cards

Network Infrastructure-The most common communication infrastructure for E-banking is computer network such as internet. According to Kumaga (2010), low level of internet penetration and poorly developed telecommunication infrastructure impede smooth development and improvements in E-commerce in developing countries. In this regard, a study made by microfinance Nigeria (2010) indicated that efforts made by the Nigerian Government and other financial & ICT stakeholders to move Nigeria"s payment system from cash dependent platform to the global acceptance electronic-driven alternative ways is impeded by shortage of well-developed telecommunication infrastructure. Another major problem that relates to E-banking

System is frequent electric power interruption. This will create a lot of problems in E-banking activities which are basically depending on power supply.

Security issue-Security one of the biggest challenges & the basic requirements of E-Banking are ensuring its security. Securing the process in E-Banking involves authenticating data of the customer and banker and protecting the information to be transmitted from interception. According to Garadachew (2010) ,E-banking system must also take into account multilateral security keys i.e. security needs of all participating parties in the E-banking system .

According to Suoranta and Mattila (as cited in Gichana, 2013), as a dynamic change in technology continues to be an important element in electronic banking service system, understanding the factors that influence the intention towards using electronic banking technologies will continue to be an important area of research. While carrying out online transactions there are many instances when the banker might need help of a representative, from the bank. It is also necessary to understand the rights and responsibilities as an online banking consumer, in order to make a difference to one's own financial well-being (Ruby and Pankaj, 2011) Illiteracy challenge-There are some roles of e-banking sector in e-banking such as online corporate banking electronic fund transfer, automated teller machines (ATM), debit card, credit card etc. bank is the authorized organization which can store and transact money. Commercial bank of Ethiopia faces numerous challenges to fully adopt E-banking. One of the major challenges in Ethiopia is high illiteracy rate. This challenge hinders the intention to use of e-banking service channels.

2.7 Empirical literature review

Freedman (2018) suggests that internet banking and internet money consists of three devices; access devices, stored value cards, and network money. Internet banking is simply the access to new devices and is therefore ignored. Internet money is the sum of stored value (smart cards) and network money (value stored on computer hard drives). In another study conducted by R.A. Oluoch (2012) in Kenya the findings regarding factors which affect the adoption of M-banking in Kenya in the case of Nakuru Municipality "perceived useful-ness is the most important significant factor affecting the adoption of M-banking technology per-ceived risk hinders majority of bank customers from adopting mobile banking Mobile banking service providers should ensure security measures are enforced".

Heikki (2002) in the study "Electronic banking in Finland Consumer Beliefs, Attitudes, Intentions, and Behaviors" By means of 30 in-depth interviews and a mailed questionnaire (1167 responses), we found that 39 percent of the Finnish consumers who responded to this survey were already using Internet banking services in their homes or workplaces. The results of the study indicate the following: (1) beliefs and attitudes toward electronic banking varied between non-users and users of Internet banking. The results suggest that well educated and relatively wealthy segment uses Internet banking services. Internet banking was considered a fast way to take care of banking affairs. (2) Personal banking experience and prior experience of computers and technology were the main factors underlying the formation of attitude toward Internet banking. Attitude toward using computers was found to be the most significant factor affecting intention to engage in Internet banking. Internet banking users had a more positive attitude toward technology, especially toward computers, than did nonusers. (3) A negative attitude toward technology, valuing personal service, and demographic characteristics were found to be most substantial barriers to the adoption of Internet banking in Finland.

Wu (2005) in his study "Factors that influence the adoption of internet banking by South Africans in the Ethekweni metropolitan region" The study presents both the results of the 400 interviews and the analysis of these results, with graphs and figures to determine the extent that the factors studied influence customer adoption of internet banking. The hypotheses of the research were tested with a chi-square test and independent sample t-test. A chi-square test was used to test for relationship between consumers" demographic characteristics and the adoption of internet banking. An independent sample t-test was used to test differences between users and non-users in terms of their perceptions of internet banking.

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 a similar study conducted in Tanzania by A.R. Ishengoma (2011), adoption of mobile banking technology by customers is highly influenced by perceived value of the technology to the customers "the intention to use M-Banking service was brought forward by the perceived value

of the M-Banking services, most were registered because of the belief in M-Banking that enabled them to access financial services in an easy way Also, the level of education, age and sex were determi-nants of usage behaviour of the M-Banking system." Mobile banking service allows customers to manage their accounts with ease. (Mols, Bukh, & Neilsen, 1999) stated that the diffusion of electronic banking is more determined by customer acceptance than by seller offerings. Not enough is known regarding how customers perceive and evaluate electronically delivered services. Lee and Lin (2005) have also recently highlighted the need for further research to measure the influence of e-service on customer-perceived service quality and satisfaction (Ibrahim et al., 2006).

Karma (2014) in his study to identify key factors affecting the adoption of mobile banking adoption among bank customers in Sudan uses Technology acceptance model, however, like others researches it includes additional variables beyond the two original independent variables of TAM i.e., perceived usefulness and perceived ease of use as shown in figure six below. As result Karma added two additional important variables in the model as determinant variable these are perceived trust and perceived risk regarding how customers perceive and evaluate electronically delivered services. Lee and Lin (2005) have also recently highlighted the need for furtherresearch to measure the influence of e-service on customer-perceived service quality and satisfaction (Ibrahim et al., 2006).

(Michael, 2013) the study indicated that the major challenges for the development of electronic banking in Dashen and Nib International Banks are lack of infor-mation, security risk, lack of trust, lack of legal and regulatory framework, lack of infrastructure, shortage of skilled professionals and lack of awareness. The study also identified perceived ease of use and perceived usefulness as benefits for the development of E-banking in Ethiopia. The study suggests a series of measures which could be taken by the two private commercial banks and to address various challenges identified in the study. (Etsebel, 2014) The this study indicates that there are positive and strong relationships exists between infrastructure, security ,trust, perceived ease of use ,subjective norms , perceived behavioural control and perceived usefulness with customers" adoption of e-banking. Moreover, the correlation analysis reveals that there is a positive and strong relationship exist among independent variables(security, perceived risk, perceived ease of use, perceived behavioral control, trust, perceived usefulness, subjective normsand infrastructure) and customers adoption of e-banking, however, perceived risk has negative

and strong effect on customers‟ adoption of e-banking followed by security in Commercial Bank of Ethiopia. (Meron, 2016) The result of the study indicated that, the major barriers Ethiopian bank-ing industry faces in the adoption of Electronic banking are poor interconnectivity among banks, lack of technical and managerial skills to use and implement the system, lack of trust from customer side, lack of sufficient legal framework national level, lack of competition among local and foreign banks and the absence of government support to enhance and encourage E-banking adoption. The Result showed that perceived usefulness and trust as most significant factors affecting customers‟ intention towards using e-banking services. In addition, attitude and perceived behavioral control positively affect the intention to use e-banking products. On the other hand, perceived ease of use and subjective norm negatively affect usage of electronic bank-ing. Therefore banks should exert effort to develop trust of customers and also do necessary on the areas of perceived usefulness of e-banking services.

2.8 Conceptual framework

Mugeenda and Mugenda (2008) defines conceptual framework as a hypothesized model identifying the concepts under study and their relationship. The study model was developed the conceptual framework which has conceptualized the focal constructs, that is the factors influencing the intention to use of electronic banking services. Attitude toward behavior, Subjective norm, Perceived usefulness, Perceived ease of use are independent variables of the Intention to use internet banking.

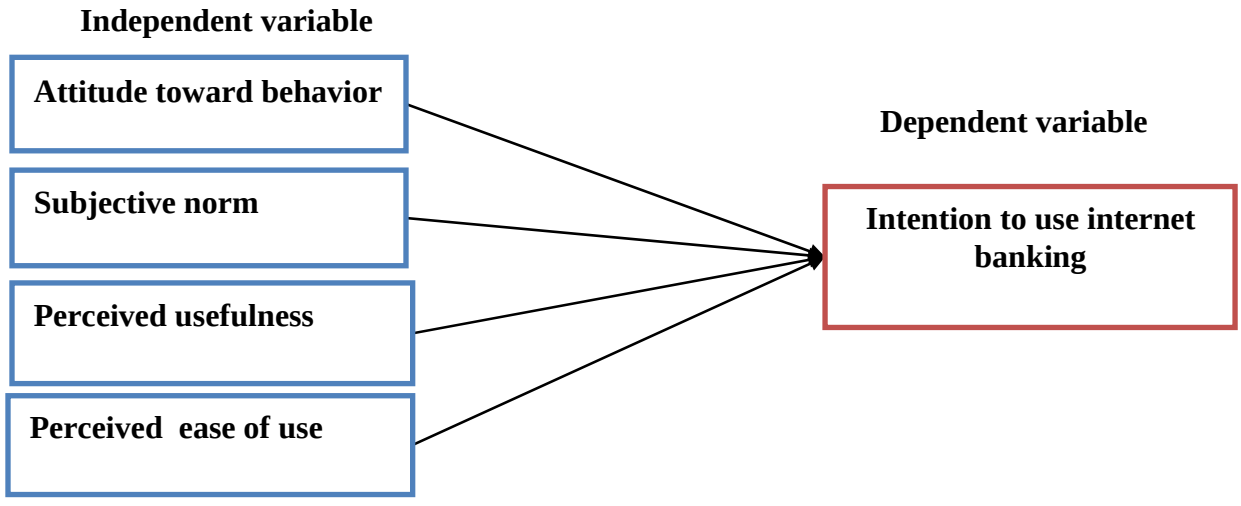

Figure2.1:-Conceptual Framework

Source : own 2023

CHAPTER THREE
RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter focuses on the numerous methods and procedures used by the researcher to perform the study and answer the research objectives mentioned in the previous chapter. The research design, research approach, population characteristics, sampling design and sample size, data collection methods, research procedures, data analysis methods, and ethical issues were organized in the following order: research design, research approach, population characteristics, sampling design and sample size, data collection methods, research procedures, data analysis methods, and finally the ethical issues. The data type, sample design and procedure, data gathering procedures, and data analysis approaches are also discussed.

3.2 Research Design

A research design is outline or plan that used to generate answers to research problems by collecting and analyzing the required data according to (Cooper and Schindler (2008), and Churchill (2002). In this research at both explanatory and Descriptive research design was applied to this study. Data analysis provides a hypothesis test. Collecting information systematically requires careful selection of the research unit and careful measurement of every variable. (Brewer, 2000). Therefore it was useful in describing the intention to use of electronic banking as the dependent variable by exploring eight different independent variables that are influencing them include the complexity ,compatibility, perceived ease, perceived usefulness, subjective norms, behavioral intention, availability of internet connection and attitudes toward electronic banking; challenging factors are affecting the intention to use electronic banking.

3.3 Research approach

The researcher used a mixed research approach in order to achieve the study's goal and answer the research questions. In this study Individuals contacted and questionnaires distributed, which will filled up and returned. With the factor influencing in the intention to use electronic banking will investigate using Spearman rank correlation and linear regression. This method was chosen because it is an effective instrument for gathering data from a sample population to research the topic at hand.

3.4 Target population

The population about analysis was made the total customers of the Nifassilk district of Commercial Bank of Ethiopia. The target populations from which the sample respondents were

selected are the total number of individuals who uses e-banking service channels. The number of users of the four conveniently selected from (Nefas silk, Mekanissa, Jemo and Hana Mariam branches).

No branches	Total population
Nefassilk (Saris)	2,523
Mekanisa	2,276
Jemo	2,029
Hana Mariam	2,672
Total	9,500

3.4.1 Unit of analysis

The unit of analysis for this study was the active users of e-banking service channels of the selected branches of Nifas silk district of Commercial Bank of Ethiopia.

3.4.2 Sampling techniques and sample size

3.4.2.1 Sampling technique

Using a convenience selection technique, four branches from the CBE's Nifas silk district were chosen for this study, namely Nefas silk, Mekanissa, Jemo and Hana Mariam branches, based on relative size, year of operation, cost, and availability of time for the study.

The number of sample units is large, and time and cost-constrained samples are drawn from the target population by using non-probability sampling. Therefore, it is difficult to know Nefas silk district e-banking user list, which uses non-probability sampling. This study uses non- probability sampling; because the sampling unit is not available, and it is difficult to personally arrive at the randomly selected sample based on the customer list. When the population is unlimited, it is better to use convenient sampling techniques to reduce cost, time and ease of handling (Saunders, Lewis &Thornhill, 2009). (Laekemariam, 2015) The convenience sampling technique used in the study of "Factors Influencing the intention to Use of e-Banking by Commercial Banks in Ethiopia in Nefas silk district". In order to increase the representativeness of the sample, the same number of respondents was selected from four CBE branches in order to avoid lower responsiveness, and the questioners collected through the direct help of researchers. The right sample size must be determined in order to draw confident generalizations about the construct under research. Size of the sample the act of determining the number of observations or repetitions to include in a statistical sample is known as sample size determination.

3.4.2.2 Sample size

The target population of this study used all customers of commercial bank of Ethiopia who are active users of electronic banking in Nefas silk district,in four selected branches. Using all population for data collection is difficult for one researcher. So it is difficult to use all population, and the researcher using formula developed by (Yamane, 1967).

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

Where N= number of total population

n= sample

e=level of precision (5%)

$$n = \frac{N}{1+N(e)^2} = n = \frac{9500}{1+9500(0.05)^2} = 383.84 \sim 384$$

Therefore , size is **=384**

If N = 9,500; respondent

Each branches =?

For example, N = 9,500 = 384 respondent

Nefas silk (2,523) = ?

Then, by using the cross Math multiplication we get,

No branches	Total population	Sample size
Nefassilk (Saris)	2,523	102
Mekanisa	2,276	92
Jemo	2,029	82
HanaMariam	2,672	108

3.5 Variables of the study

Dependent variable:- The intention to use e-banking is the dependent variable of the study, and it may be affected by different known and unknown factors, but in this study, the relative impact of six certain factors on the use of e-banking was evaluated. The intention to use of e-banking is the result of a combination of different factors, which can be measured by the comprehensive effect and significant relationship of factors such as regression and related analysis.

Independent variable:- Although the intention to use e-banking is affected by different known and unknown factors, the known factors that have a direct impact on the intention to use of e-banking in the study are perceived risks, compatibility, complexity, perceived ease of use, subjective norms, availability of internet connection, attitudes and behavioral intention. The value of the independent

variable is measured using the frequency, average, and standard deviation of the respondents" agreement with e-banking services .

3.6 Data source and collection procedures

Data was acquired in both quantitative and qualitative formats from both primary and secondary sources. While the study relied mostly on primary data from e-banking users in the bank, it also relied on secondary data to fill in the gaps. Customers provided the primary data through questionnaires. The primary data is an item unique to the question investigated. The research consists of a survey of e-banking users of commercial bank of Ethiopia. Although obtaining raw data is expensive and time consuming the raw data was collected through structured questionnaires that are the most important (Malhotra, 2006). The main tool for data collection in this study was designed through a structured questionnaire which consists of closed questions. The purpose of using this type of question is because it is easier for the respondent to answer. The data collection process was carried out separately. The original data was collected through standardized questionnaire surveys, and the auxiliary information from previous studies was used to base on questionnaires collected in the on-site survey and evaluation of intention to use e-banking influencing factors, including the following variables, age, gender, education level, and income level, and was conducted under the close supervision of the researcher. In order to increase the answer rate, the questioner was handled face-to-face and in order to ensure the validity of the content, the content of the questioner was also constructed based on the literature used in the research.

3.7 . Data collection instrument

After collecting the pilot questionnaires from the customers and obtaining a Cronbach's Alpha of> 0.60 based on the reliability test (Zikmund, Babin, Carr, Griffin, 2010), the main data of the study was collected, for which the rarely modified version. This study uses the five-point Likert scale to affirm. Compared to two- and seven-scale systems, this scale were more reliable and an effective option, because if the number of response options is greater than five, the reliability were reduced (Hayes, 1992). Then, after the instrument of collection of this investigation which reflects;

Primarily The level of customer consent based on the Likert scale of five points from "1" (strongly disagree) to "5" (strongly agree) were used for CBE customers based on standardization issues to use any electronic banking products that they hinder the intention to use electronic

banking services. This research were adapt the perceived usefulness, perceived ease of use,complexity, compatibility, attitude, availability of internet connection and behavioral intention of e-banking (Chen, 2007), perceived risks and internal capabilities (Featherman and Pavlou, 2003), as well as the role of security, regulatory support, and other aspects based on different previous studies. And construct the questionnaire. Support institutions (Alsmadi, 2012).

The questionnaire was distributed to a sample of 384 CBE customers in the CBE Nifas silk district in some selected branches.

3.8 Data analysis methods

Both qualitative and quantitative data analysis methods were used to analyze the acquired data. Frequencies and percentages are employed in descriptive analysis to portray quantitative data in the form of tables and graphs. For analysis, the data was coded and entered in a computer using the statistical software for social science (SPSS Version 20). Each independent and dependent variable's means, standard deviations, correlations, and frequency distribution are provided. The regression model was used to regress customer electronic banking intention to use against the eight independent variables. In this study, the mean and standard deviation have been the most descriptive statistics utilized to describe the data.

3.9 Reliability Test

Reliability test is the degree to which a construct's measure is consistent or reliable. Cronbach's alpha coefficient was used to perform the reliability test and items that scored higher than the acceptable value was kept. Dennick & Tavakol (2011) if a test has more than one idea or construct, reporting alpha for the entire test may not make sense because the higher number of questions will invariably inflate the value of alpha. As a result, rather than calculating alpha for the entire test or scale, alpha should be determined for each of the concepts. The alpha coefficient ranges from 0 to 1, with a value of 0.5 or below indicating unsatisfactory internal consistency dependability and unacceptability (Ramayah, 2011). Scales with coefficient alpha between 0.6 and 0.7, according to Zikmund et al. (2000), imply fair reliability and acceptability. A questionnaire adapted and constructed from this study will pre tested by using Cronbach‟s alpha coefficient through SPSS v.22 found to be more than 0.60. Based on the above range all the variables designed found to be a good measure of the dependent variable.

3.10 Validity Analysis

Validity analysis Is the extent to which differences discovered using a measuring device reflect

genuine differences between individuals being tested (Kothari, 2004). Also how accurately a mentioned measures what it is intended to measure To put it another way, validity is the most important criterion since it demonstrates how well an instrument measures what it is designed to assess. The construct validity of the research examined to confirm the quality of the research design material. According to Kothari (2004), content validity refers to how well a measuring instrument covers the topic under investigation. The content validity of an instrument is good if it contains a representative sample of the universe. It makes decisions based on judgment and intuition. It can also be determined by a panel of people who judge how well the measuring device fits the standards, but there is no way to express it numerically. Professionals checked the content's validity based on this issue.

3.12. Ethical Considerations

Some ethical considerations was examined by the researcher. Respondents have the option of participating or not participating in the survey, and the survey enumerator was informed them of the poll's aim as well as the confidentiality of their responses. Emerging ethical considerations was evaluated and addressed during the study's execution. The objective and importance of the study, as well as confidentiality, state in the introduction section of the questionnaire for this purpose. Respondents were advised that they had complete freedom to fill out the questionnaires or withdraw from the study at any time, with no negative consequences, and that their participation or non-participation would not hurt them. Structured questionnaires were given to obtain primary data. To shield their responses from predisposition, only generic information was written in the paragraph of the questionnaire. Respondents' confidentiality was maintained, and their identities were not revealed. Finally, by recognizing every reference used, all research findings were concealed and are free of plagiarism. Furthermore, the study conducted in an open-minded manner, with attitudes expressed as they are. Nothing changed or modified. As a result, the material acquired and provided as it is, and all of the literatures gathered for the purpose of this study was appreciated in the reference section.

CHAPTER FOUR

4.DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

The fourth chapter deals with the analysis, discussion and findings of the research study work that deals about assessment of Factors Influencing Customers‟ Intention to Use E-Banking Service Channel. The chapter included the response rate, demographic data, the result or findings, the interpretation and discussion, data presentation tools statically symbols, summery of the chapter and the link between chapter four & five based on the research study report section. The quantitative data that was gathered and organized and coded would be analyzed. Accordingly, the result of the coded data was translated to a tabular data using frequency and percentages in accordance with the value given for the coded categories above and below the median. As high & low and then the analysis of the tabular data was explained under it.

4.2 Response Rate

During the research study work process, while the investigator was collecting the response of respondents, as tried to be explained in the limitation of the research study the problem to get the respondents at their office is the main challenging problem for getting the response. A total of 384 questionnaires were personally handled to the respondents with close follow up and guide in filling the questionnaire and 372 respondents filled and returned their questionnaire. Thus constituting 96.875% of the questionnaires are returned, while 12 of the respondent's didn't respond and never returned the questionnaire and constituted about 3.125%.An inferential data analysis method was used to present, analyze and interpret the data, about factor that influence over the intention to use of electronic banking. Frequency tables along with frequencies and percentages were used to present and analyze the response of respondents‟ bank employees and customers of Commercial Bank of Ethiopia.

4.3 Demographic characteristics of respondent

The main demographic characteristics of respondents such as gender, age in year, level of education, years of services, were discussed and presented respectively below in the table4.1

4.3.1 Distribution of Respondents by Gender

Table4.1gender of the respondents

Gender of the respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	190	51.1%	51.1%	51.1%
	Female	182	48.9%	48.9%	100.0%
	Total	372	100.0%	100.0%	

Source: own survey,2023

The above table 4.1 presents data on the gender distribution of the respondents. It shows that the male respondents formed majority of the target sample with a total of 190 representing 51.1%,while 182 respondents were female representing 48.9%. This shows that respondent's gender was approximately equal distribution but in some extent total numbers of male respondents is larger than females.

4.3.2 Distribution of Respondents by Age

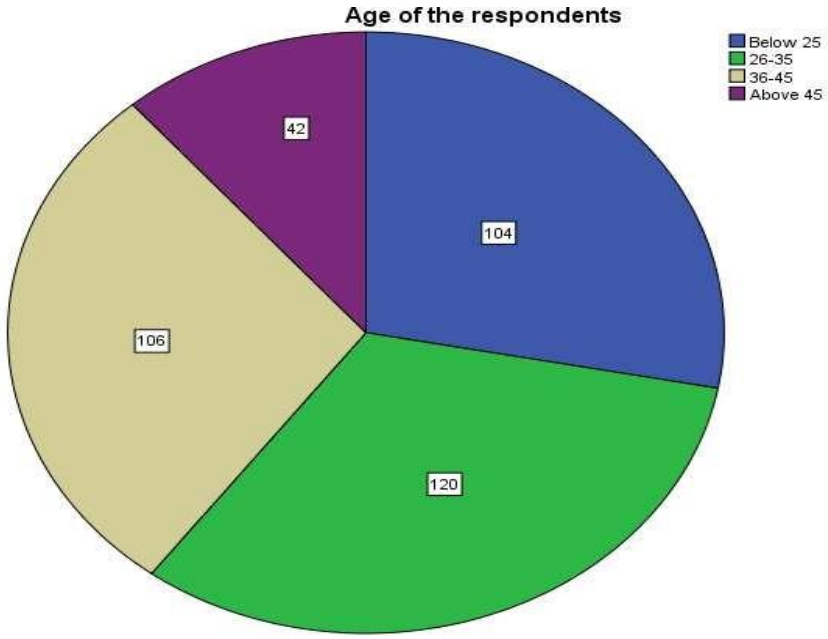

Figure 4.1 age of the respondents

Source:ownsurvey2023, SPSS output

The above figure 4.1 presents age distribution of the participants shows that of respondents, from this the majority are 120(32.25%) were in the age range of 26-35 years, this was followed by 106 (28.5%) in the age range of 36-45. In addition to this the remaining respondents age ranges below 25 are 104 (25.96%) and above 45 are 42(11.3%) from this most of respondents are from 26 to 35 which are the productive and active age group who have knowledge on

Factors Influencing Customers 'Intention to Use E-Banking Service

4.3.3 Distribution of Respondents by Education Level

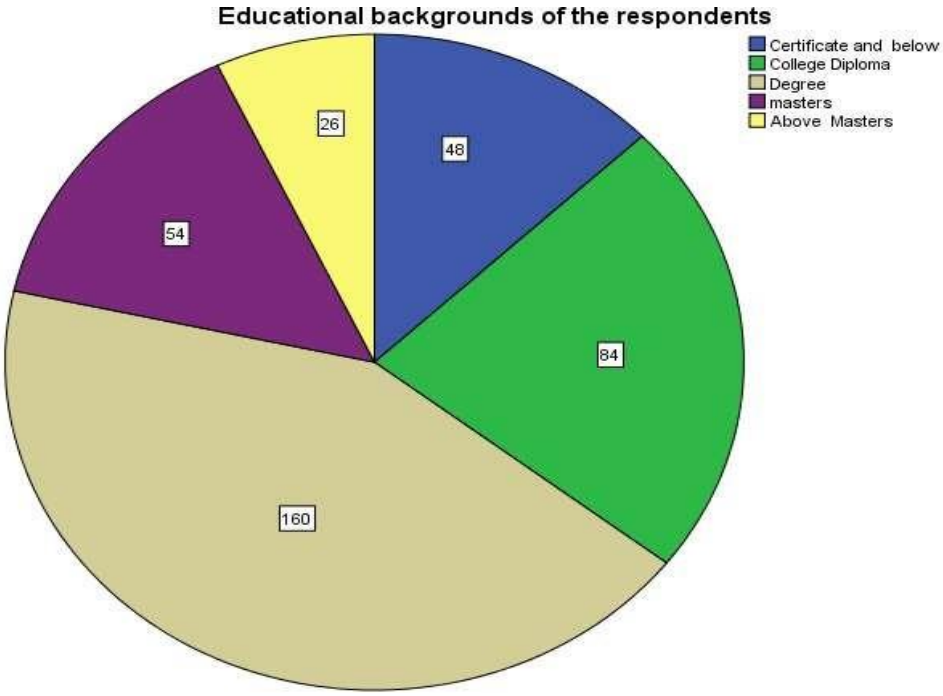

Figure 4.2 Educational backgrounds of the respondents

Source: Own survey,2023SPSSoutput

The above figure 4.2 presents the results of the sample distribution by education level. Results show that the majority of respondents 160 (43%) were bachelor's degree holders while the next84(22.58%) were diploma holders, 54 (18.28%) were masters holders and the reaming certificate holders tied at48(12.9%) each, and to the last26(3.2%) were above masters holders. This implies that most respondents were able to give a very fair assessment of Factors Influencing Customers" Intention to Use E-Banking Service. This is an indication that majority of the people who patronize E-Banking Service in Ethiopia are well educated. They are also likely to understand the complications of the intellectual processes which they go through when doing business through the electronic media Thus, although Banking Service deploy different methods in convincing consumers, they are able to interpret these campaigns and make purchases on various electronic platforms. The table above displays the results of the educational qualifications of the respondents.

4.3.4 Distribution of Respondents by Work experience

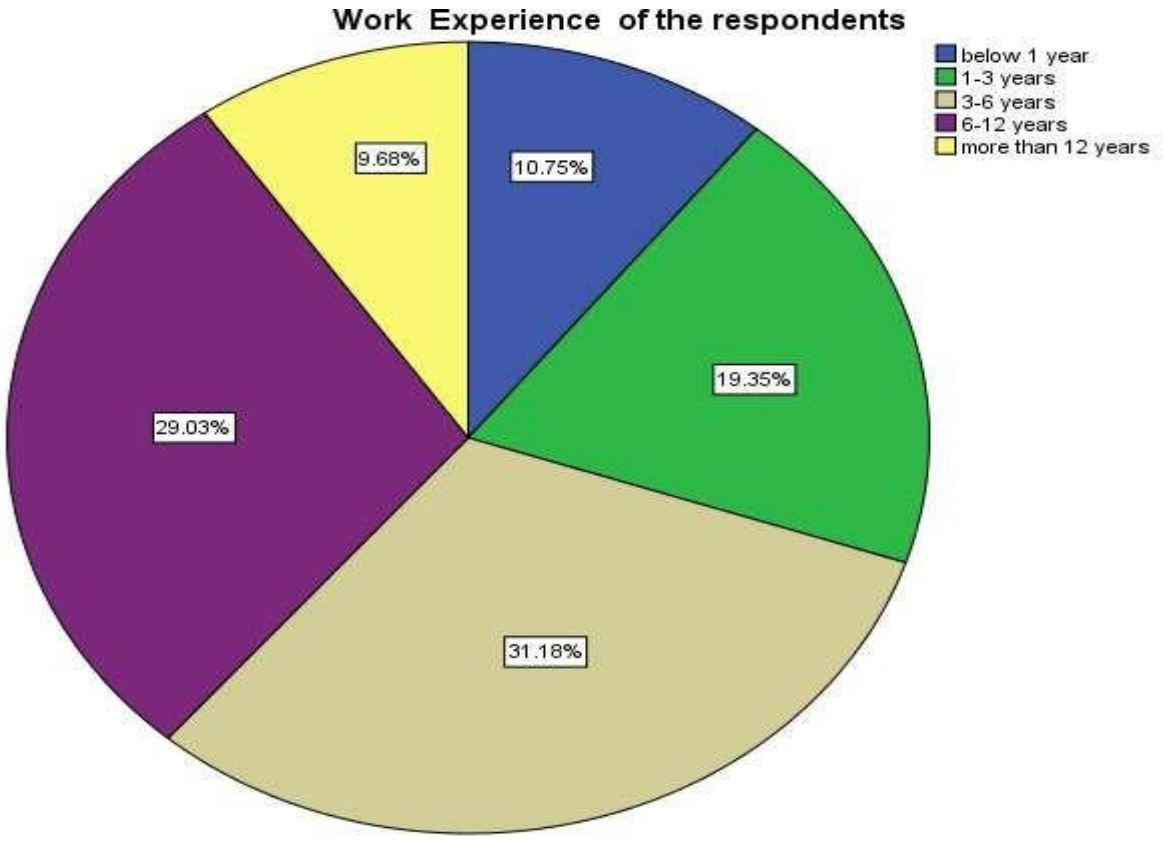

Figure 4.3 Work experience of the respondents

Source: Own survey,2023, SPSS output

From the above figure 4.3 we can see that 31.2% of the total respondents are 3-6 years of Work experience and 29.03% of respondent is well experienced for 6-12 years whereas 19.35 % of such respondents have 1-3 years of experience. In addition to this 10.75 % the respondents have below 1 year of experience. To the last and finally 9.68 % of such experiences are respondents of more than 12 years of experience. This implies that the cumulative experience indicates respondents are well experienced and will help the researcher to gathered reality data through their work experience on assessment of Factors Influencing Customers‟ Intention to Use E- Banking Service.

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4.3.5 Martial states of respondents

Table4.2 Martial states of respondents

Martial states of the respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	single	88	23.65	23.65	23.65
	married	250	67.2	67.2	90.85
	Divorce	34	9.14	9.14	100.0
	Total	372	100.0	100.0	

Source: Own survey,2023 SPSS output

From the given figure above Respondent asked to indicate their Martial states. When we see the Martial states of the respondents since an individual's Martial states was consideration in the selection of respondents in this study. From the total respondent considered 67.2% of the respondents are married whereas 23.65% of the given respondents are single and finally the remaining respondents of 9.14% are divorce.

In general, from the information given majority of the respondents are married as result the will highly contributed to credit risk management practice in commercial bank of Ethiopia

4.3.6 Occupations

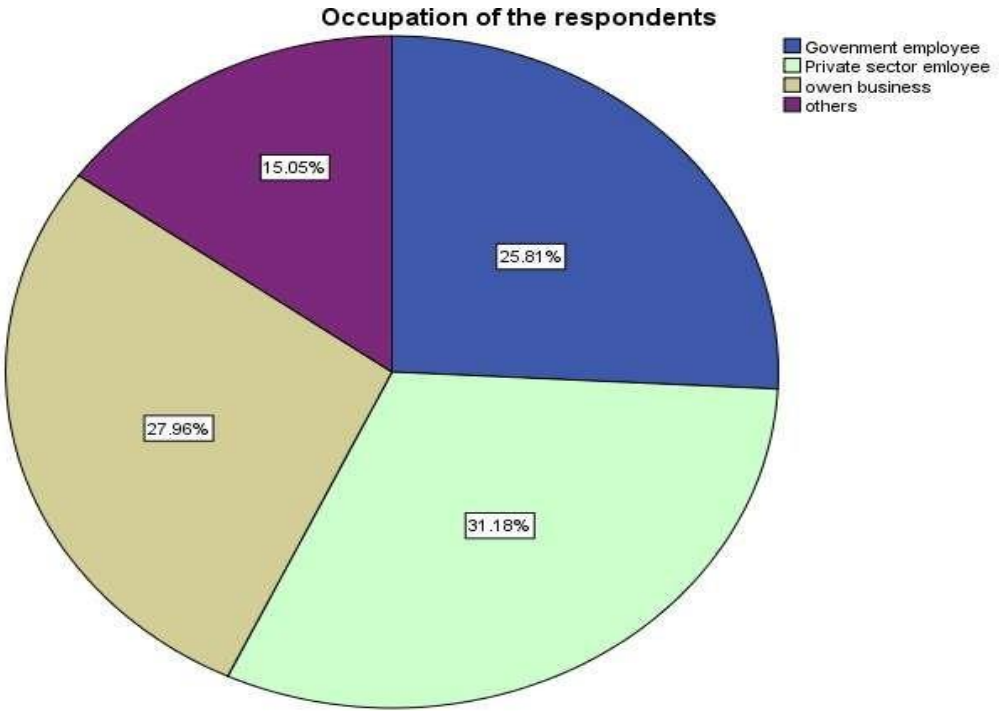

Figure 4.4 Occupations of the respondents

Source: Own survey,2023, SPSS output

When we see the above figure 4.4.5 the occupation of the respondents about is 31.2 %(116) of

the respondents are private employees whereas 27.96 % (104) of such respondents are Owen Business workers and 25.8% (96) the remain respondents are government employees and to the last 15% (96) of the respondents are occupation in other ways. Generally, the occupation backgrounds of the respondents indicate that most respondent's occupation is private employees, Own business workers and government employees respectively. In addition to this factors that are influencing on e-banking intention to use can be considered as different in different sex, age and education level and occupation of the respondents (See Table 4.4). But e-banking intentionto use factors can be considered similar among different sex and income groups of respondents..

4.3.7 Income

Table 4.3income of the respondents

Income of the respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 2,000 birr	17	4.6	4.6	4.6
	Between2000-5999	78	21.0	21.0	25.5
	between6000-8999	142	38.2	38.2	63.7
	morethan10,000	135	36.3	36.3	100.0
	Total	372	100.0	100.0	

Source: Own survey,2023,SPSS output

When come to the incomes of the respondents they give their response the question given. In terms of income, majority of the respondents are between 6000-8999 that is 38% (142 respondents) others earn a monthly income that is greater than 10,000 ETB are (36%) that is (135 respondents) and the respondents whose income between 2000-5999 are (21%) which is a respondent of (78). The remain respondents have income less than 2000 ETB are (5%) that is (17 respondents) This might be explained by the fact that a great part of the sample population is highly educated and therefore probably earns a better income than less educated ones. Those respondents who earn less than 2000 ETB are only 5% of the population.

4.3.8 Most frequently used e-banking service by respondents

(6). which type of electronic banking service channels most frequently do you use?

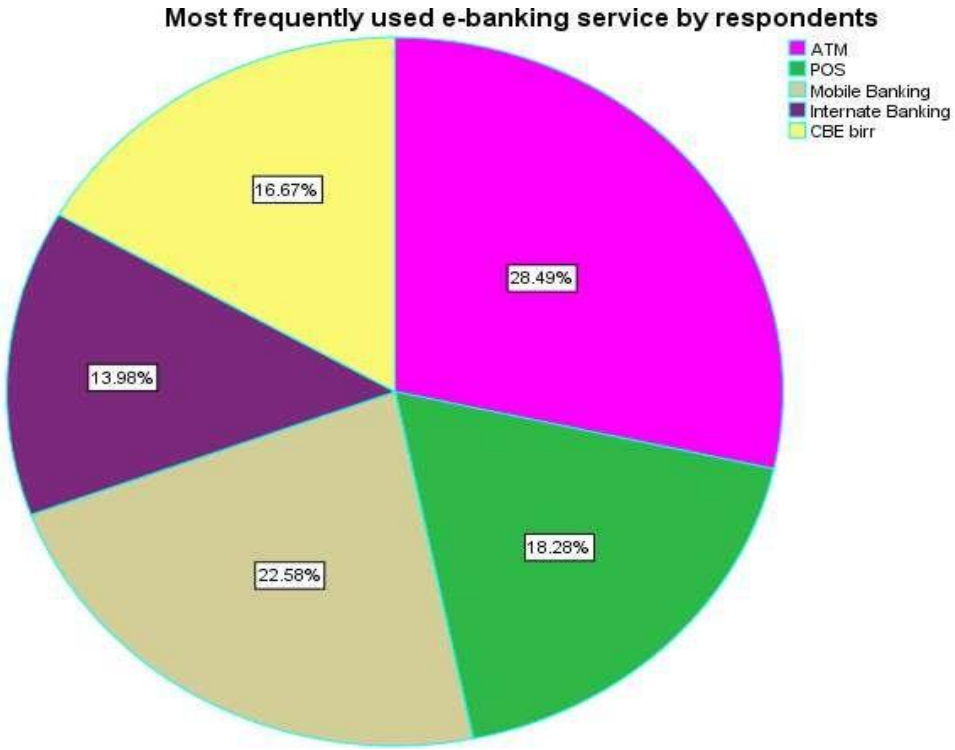

Figure 4.5 most frequently used e-banking service by respondents
Source: Own survey,2023, SPSS output

As shown in the above figure, according to the respondents most frequently used electronic banking service were Automated Teller Machine (ATM) that is 28.5% or 106 of the total respondents. Next to ATM about 84 (22.6%) of the respondents are frequent users of Mobile banking services thirdly about (18.3%) or 68 respondents are using POS in their electronic banking service. CBE BIRR service and internet banking having a (16.67%) or 62 respondents and (13.98%) or 52 respondents respectively most frequently used electronic banking service were POS and CBE BIRR service channels. Therefore, the largest E-banking service in Commercial Bank of Ethiopia (CBE) was Automatic Teller Machine (ATM). This is because ATM was the pioneer E-banking instrument used in Ethiopian banking industry and as the result almost most of the customers of the bank know about the purpose and function of ATM.

4.4 Data Analysis

4.4.1 Descriptive Statistics

The table below displays the means and standard deviations of the various variables used and

these indicate the extent to which the respondents disagreed or agreed with the statements in the questionnaire. The mean results of the variables indicate how each statement performed from the respondents „ points of view. Descriptive statistics (mean and standard deviations) of the respondent scores have computed the reason for using descriptive statistics was to assess of factors influencing customers‟ intention to use E-Banking service to answer the research specific objectives of to assess Factors influencing customers‟ intention to use E- Banking service channels in Commercial Bank of Ethiopia. And to determine the customer's choice for banking in the halls versus electronic banking service delivery platforms as well as to identify the major challenges of electronic banking service in commercial bank of Ethiopia andto know about what looks like the attitude of the customer towards the intention to use electronic banking channels.

4.4.2 Attitude toward behavior

Attitude toward a behavior involves the degree to which the performance of behavior is positively or negatively valued. According to the expectancy value model, the attitude toward a behavior can be predicted by studying the accessible behavioral beliefs which involve the behavior's consequence and other attributes Fishbein & Ajzen (1975). Harris (1998) also claims that the attitude is important and to reduce the prejudice and discrimination, the attention must be on the behavior. Nevertheless, there have not been many progresses concerningthe prediction of the behavior and one of the significant issues of the previous studies has been about the attitude which is useful when predicting a person's behavior when the person has no problem..

Attitude toward behavior	SA	A	N	D	SD	Mean	Sd. Deviation
I will continue to use-banking services.	108(29%)	148(39.8%)	44(11.8%)	60(16.13%)	12(3.2%)	2.2473	1.13419
I believe that e-banking. will be more relevant in the future	120(32%)	182(48.9%)	45(12%)	20(5.3%)	5(1.34%)	1.9462	.88248
I still prefer to use e-banking than branch based banking services.	132(35.5%)	136(36.5%)	40(10.7%)	38(10.2%)	26(6.7%)	2.1828	1.23250
I intend to increase my use of e-banking.	128(34.4%)	166(44.6%)	39(10.5%)	31(8.33%)	8(2.15%)	1.9919	.98913

Using e-banking for banking transactions is a good idea	110(31 %)	177(48 %)	70(18 %)	10(2.6 8%)	5(1.3 4)%	1.9866	.84505
E-banking is better than the traditional banking system.	140(37.6 3%)	172(46. 24%)	35(9.4%)	15(4.03 %)	10(2.7 %)	1.8790	.92808
I encourage others to use e-banking services.	131(35.2 %)	168(45. 16%)	42(11.3 %)	22(5.9 %)	9(2.42 %)	1.9516	.95890
E-banking makes it easier for customers to do banking activities.	123(33.0 6%)	174(46. 77%)	39(10.48 %)	23(6.2 %)	13(3.5 %)	2.0027	1.00000
Based on my experience, I am very likely to return to use e- banking services	106 (28.49%)	154 (68.28%)	57(1. 5%)	42(11. 3%)	13(3.5 %)	2.1 98 9	1.080 68
Provided that if I have access to e- banking system in future, I will use it	97(26.0 7%)	146(3 9.24%)	52(13.9 8%)	53(14. 24%)	24(6. 45%)	2.357 5	1.19461
I will use e- banking on a regular basis in the future	102(35.2 %)	169(35. 2%)	41(35.2 %)	38(35.2 %)	22(35. 2%)	2.2177	1.13195
I will intend to use E-banking system as often as needed	89(23.9 %)	156(41. 93%)	42(11.3 %)	54(14. 5%)	31(8.3 3%)	2.4194	1.23142
Grand Mean and SD						**2.11**	**6.72**

From the given table above when we see the mean values on the Attitude toward a behavior, the highest mean value of 2.419 in which respondents will intend to use E- banking system as often as needed and the second mean values of 2.3575, respondents Provided that if they have accessto e- banking system in future, they will use it and the third highest means of 2.2473 respondents will continue to use-banking services are among highest response from the respondents.

According to the table given above regarding to Attitude toward behavior, the majority of the respondents argue that there is different aspect of Attitude toward behavior for Factors Influencing Customers‟ Intention to Use E-Banking Service Channels. Based on this the respondents believe that e-banking will be more relevant in the future. Hence 182 (48.9%) the

respondents agree that e-banking will be more relevant in the future whereas 108 (29%) respondents strongly agree on the relevant of E-Banking Service Channels in the future but the remain respondents are neutral 44(11.8%), disagree 60(16.13%) and 12 (3.2%) of respondents strongly disagree on the idea that e-banking will be more relevant in the future. On the other hand regarding to Attitude toward behavior for Factors Influencing Customers‟ Intention to Use E-Banking Service Channels in case of commercial banks of Ethiopia 177(48%) the respondents agree that Using e-banking for banking transactions is a good idea whereas 110 (31%) respondents strongly agree on the use of e-banking for banking transactions but the remain respondents are neutral 70(18%), disagree 10(2.68%) and5 (1.34%) strongly disagree such that Using e-banking is a good idea for banking transactions.

While conducting this study on the Attitude toward behavior regarding to Factors Influencing Customers‟ Intention to Use E-Banking Service Channels, 174(46.77%) the respondents agree that E-banking makes it easier for customers to do banking activities such as payment like university fees ,DS TV, water bill payment, electricity, traffic penalty and others whereas 13 (33.06%) respondents strongly agree on this banking activities but the remain respondents are neutral 39(10.48%), disagree 23(6.2%) and 13 (3.5%) strongly disagree that E-banking makes it easier for customers to do banking activities. In addition to this Commercial Bank of Ethiopia has designed various strategies to achieve its vision. This is because the services like: ATM, POS, CBE birr, internet banking and Mobile Banking have reduced the inconveniences occurred in the traditional banking system of serving customers. Accordingly, 72(46.24%) the respondents agree that E-banking is better than the traditional banking system whereas 140(37.63%) respondents strongly agree but the remain respondents are neutral 35(9.4%), disagree 15(4.03%) and 10(2.7%) strongly disagree.

In general regarding to Attitude toward behavior, the majority of the respondents argue that e-banking will be more relevant in the future, Using e-banking is a good idea for banking transactions, E-banking makes it easier for customers to do banking activities, E-banking is better than the traditional banking system and this are major Influencing factors of Customers‟ Intention to Use E-Banking Service Channels regarding to Attitude toward behaviors.

Commercial Bank of Ethiopia has designed various strategies to achieve its vision. Accordingly, respondents were asked to give their attitudes whether E-banking service is better than the traditional one and According to the above table, 148(39.8%) the respondents agree that they will

continue to use-banking services whereas 108 (29%) respondents strongly agree but the remain respondents are, neutral 44(11.8%) disagree 60 (16.13%) and 12(3.2%) strongly disagree. on the other hand, the less favorable the possible consequence is, the weaker the intention to do the behavior will be. The respondents also claim that the attitude is important and to reduce the prejudice and discrimination, the attention must be on the behavior. Nevertheless, there have not been many progresses concerning the prediction of the behavior and one of the significant issues of the previous studies has been about the attitude which is useful when predicting a person‟s behavior when the person has no problem.

Furthermore, according to the respondents 136 (36.56%) the respondents agree that they will still prefer to use e-banking than branch based banking services whereas 132(35.5%) respondents strongly agree but the remain respondents are neutral 40 (10.7%) disagree 38(10.2%) and 26(6.7%) strongly disagree use e-banking than branch based banking services. On the other way regarding to Attitude toward behavior, 166 (44.6%) the majority of the respondents argue that they intend to increase their use of e-banking whereas 128 (34.4%) respondents strongly agree but the remain respondents are neutral 39(10.5%) disagree 31(8.33%) and 8(2.15%) of the respondents strongly disagree on intend to increase their use of e-banking finally 168(45.16%) the respondents agree that they encouraged by others to use e-banking services whereas 131(35.2%) respondents strongly agree but the remain respondents are neutral 42(11.3%), disagree 22(5.9%) and 9(2.42%) of the respondents strongly disagree discourage by others to use e-banking services.

Regarding to the Intention to use, the majority of the respondents argue that there is different aspect of Intention to use, for Factors Influencing Customers‟ Intention to Use E-Banking Service Channels such that 169(35.2%) the respondents agree that they will use e- banking on a regular basis in the future whereas 102(35.2%) respondents strongly agree on using e- banking on a regular basis in the future but the remaining respondents are neutral 41(35.2%) disagree 38 (35.2%) and 22(35.2%) strongly disagree on the use of e- banking on a regular basis in the future. In addition to this 154(68.28%) the respondents agree that Based on their experience they are very likely to return to use e-banking services whereas 106 (28.49%) respondents strongly agree but the remaining respondents are neutral 57 (1.5%), disagree 42 (11.3%) and 13 (3.5%) strongly disagree. On the Intention to use 146 (39.24%)the respondents agree that Provided that if they have access to e- banking system in future, they will use it whereas 97 (26.07%)

respondents strongly agree but the remain respondents are neutral 52 (13.98%) disagree 53 (14.24%) and 24 (6.45%) of the respondents are strongly disagree respectively.

Similarly, when we see the Intention to use on Factors Influencing Customers" Intention to Use E-Banking Service Channels 146 (39.24%) the respondents agree that Provided that if they have access to e- banking system in future, they will use it whereas 97(26.07%) respondents strongly agree but the remaining respondents are neutral 52(13.98%) disagree 53(14.24%), strongly disagree 24(6.45%). Here again 156(41.93%) the respondents agree that they will intend to use E-banking system as often as needed whereas 89(23.9%) respondents strongly agree but the remaining respondents are neutral 42 (11.3%) disagree 54 (14.5%) and 31(8.33%) Of the respondents are strongly disagree Generally, finding a person's attitude toward a physical object, an institution, an ethnic or religious group, etc. can help predicting the person's behavioral pattern or multiple-act criteria. It can be claimed then that the attitude toward a behavior is a good predictor of an action and it can be adopted by the researcher to examine and analyze data for this study concerning Internet banking. Using electronic banking channels Customers can easily make transactions at any time. They have access to get the bank service from where they are. When they are at home and when they are at any other places specially now a days a payment like Addis Ababa university student registration fees , Ds tv, water bill payment, electricity and traffic penalty payment can easily be pay by using Mobile banking and CBE birr service channels.

4.4.3 Subjective norm

Subjective norm able to forecast consumer behavior especially on customers" intention which it can be the key factor to improve on the new distribution channel that provide by financial industry.

Subjective norm is a predictor of intention to perform a behavior and that intention is a predictor of actual behavior. Subjective norm is associated with behavior because when a person considers whether to perform an action or not, other people's perceptions about the action have a great influence on the person's decision. In other words, the approval or disapproval of other people affects the person's behavior.

Subjective Norms (SN)	SA	A	N	D	SD	Mean	Std. D
My decision to use e-bankingis influenced by my colleagues and friends.	76(20.43%)	82(22.04%)	44(11.82%)	88(23.65%)	82(22.04%)	3.0484	1.46948
My decision to use e-banking is influenced by my family.	87(23.38%)	78(20.96%)	54(14.52%)	89(23.93%)	64(17.2%)	2.9032	1.43739
My decision to use e-banking is influenced by other service users.	82(22.04%)	71 (19.08%)	50(13.44%)	97(26.07%)	72(19.35%)	3.0161	1.45360
E-banking services channels are secure and I believe in it.	123(33.06%)	148(39.78%)	32(8.6%)	37(9.946%)	32(8.6%)	2.2124	1.24409
The dynamic change in IT is a serious challenge for understanding about E-banking	129(34.7%)	162 (43.55%)	24(6.45)	3(8.33%)	26 (9.99)	2.0941	1.16982
Network failures are serious problem to use E- banking.	132(35.5%)	174(46.77%)	20(5.376%)	27(7.26%)	19(5.1%)	1.9973	1.07783
High rate of illiteracy affect the easy practice of E-banking service	117(31.45%)	166(44.62%)	24(6.45%)	35(9.4%)	30(8.06%)	2.1801	1.20526
Grand Mean and SD						**2.49**	**1.29**

From the given table above on Subjective Norms of Factors Influencing Customers" Intention to Use E-Banking Service the highest mean of 3.0484 in which respondents decision to use banking is influenced by their colleagues and friends whereas the second highest means of 3.0161 respondents decision to use e-banking is influenced by other service users and the third highest means of 2.9032 respondents decision to use e-banking is influenced by my family respectively.

On the other hand, according to the table given above regarding too Subjective Norms, the majority of the respondents argue that there is different aspect of Subjective Norms for Factors

Influencing Customers‟ Intention to Use E-Banking Service Channels. Based on this 71 (19.08%) the respondents agree that Provided their decision to use e-banking is influenced by other service users whereas 82 (22.04%) respondents strongly agree on this issue but the remaining respondents neutral 50 (13.44%) disagree 97 (26.07%) and 72 (19.35%) strongly disagree on the use of e-banking which influenced by other service users. In addition to that 78(20.96%) the respondents agree that provided their decision to use e-banking is influenced by their family whereas 87(23.38%) respondents strongly agree but the remaining respondents are neutral 54 (14.52%), disagree 89 (23.93%) and 64 (17.2%) such respondents stronglydisagree on the use of e-banking which is influenced by their family and other service users.

On the other hand, 82 (22.04%) the respondents agree that respondents decision to use e-banking is influenced colleagues and friends whereas 76 (20.43%) respondents strongly agree about use e-banking is influenced by my colleagues and friends but the remain respondents are neutral 44 (11.82%) disagree 88(23.65%) and strongly disagree 82(22.04%) respectively. subjective norm is formed by normative belief and motivation to comply, regardless of the person's perception. It can probably be concluded that "the importance of people around him/her and their opinions on how they should act will determine the behavioral outcome" (Ajzen & Fishbein, 1980). Subjective norm is associated with behavior because when a person considers whether toperform an action or not, other people's perceptions about the action have a great influence on the person's decision. In other words, the approval or disapproval of other people affects the person's behavior. When we see the Challenges of electronic banking Customer's respondents were asked to give their intention towards the challenges of e-banking services of Commercial Bank of Ethiopia. Accordingly, 174 (46.77%) the respondents agree that Network failures are serious problem to use E- banking whereas 132 (35.5%) respondents strongly agree but the remain respondents are, neutral 20 (5.376%) disagree 27 (7.26%) and strongly disagree 19 (5.1%) respectively. Here again 166 (44.62%) the respondents agree that High rate of illiteracy affect the easy practice of E-banking service whereas 117 (31.45%) respondents strongly agree but the remain respondents are neutral 24 (6.45%) disagree 35 (9.4%) and strongly disagree 30 (8.06%) respectively.

According to the data in the above table, a customer respondent on 162 (43.55%) the respondents agree that the dynamic change is a serious challenge for understanding about E-banking whereas 129(34.7%) respondents strongly agree but the remain respondents are, neutral 24(6.45) disagree 3(8.33%) and strongly disagree 26(9.99) respectively. To the last when we see Subjective Norms on the factor Influencing Customers‟ Intention to Use E-Banking Service Channels 148(39.78%)

the respondents agree that E-banking services channels are secure and I believe in it whereas 123(33.06%) respondents strongly agree but the remain respondents are, neutral 32 (8.6%) disagree 37(9.946%) and strongly disagree 32(8.6%) respectively.

Most of the customers are not recognize that the dynamic change in IT is a serious challenge for understanding E-banking services. This shows that there was lack of enough in understanding the impact of the dynamic change in IT on the intention to use e-banking service channels so the dynamic change in it adversely effect on the intention to use e-banking. The network challenge was one of the causes for the failure of smooth running of e-banking.

4.4.4 Perceived usefulness

Perceived usefulness is one of the important issues when speaking of Internet banking. Researchers have found the impact of perceived usefulness on user acceptance of Internetbanking. In the study of Pikkarainen et al. (2004), perceived usefulness is found to be a determinant of users" real behaviors concerning the use of Internet banking which allows them tohave autonomy in doing many banking activities such as performing banking transactions, seeking financial advice, or purchasing products. However, these activities are limited by the banks as they can choose the services they want to offer to clients via the Internet. In the banking context, perceived usefulness is the degree to which a client thinks that delivery channel of a bank, such as ATM banking, is more beneficial than the former services.

Perceived usefulness	SA	A	N	DA	SD	Mean	Sd. D
E- banking is convenient, in terms of 7 days and 24 hours services	119(31.99%)	176(47.3%)	28(7.5%)	26(6.99%)	23(6.166%)	2.0968	1.12855
information technology Improve customer service	138(37.1%)	173(46.5%)	33(8.87%)	18(4.84%)	10(2.688%)	1.8952	.94157
Electronic banking is convenient, in terms of time saving	142(38.17%)	186(50%)	26(6.66%)	13(3.5%)	5(1.34%)	1.7984	.82069
In my opinion E-Banking Increases the productivity of the bank.	115(30.914%)	171(45.96%)	37(9.946%)	29(7.8%)	20(5.37%)	2.1075	1.09360
In my opinion e-banking Reduce number of customers come to the banking hall	123(33.06%)	166(44.62%)	33(8.87%)	32(8.6%)	18(4.84%)	2.0753	1.09384
Grand Mean and SD						**1.99**	**1.02**

When we see the mean values of respondents on Perceived usefulness of Factors Influencing Customers‟ Intention to Use E-Banking Service the highest mean value is 2.1075 in accordance with respondents opinion E-Banking Increases the productivity of the bank and the second highest mean values of 2.0968 in which respondents stated that E- banking is convenient, in terms of 7 days and 24 hours services and on the third highest mean of 2.0753 respondents believed that e-banking Reduce number of customers come to the banking hall.

On the other hand, according to the table given above regarding to Perceived usefulness, the majority of the respondents argue that there is different aspect of Perceived usefulness for Factors Influencing Customers‟ Intention to Use E-Banking Service Channels. Based on this 186 (50%) the respondents agree that Provided that electronic banking is convenient, in terms of time saving whereas 142 (38.17%) respondents strongly agree but the remain respondents are neutral 26 (6.66%) disagree 13 (3.5%), strongly disagree 5 (1.34%) respectively. On the other hand 176(47.3%)the respondents agree that E- banking is convenient, in terms of 7 days and 24 hours services whereas 119(31.99%) respondents strongly agree but the remaining are neutral 28 (7.5%) disagree 26 (6.99%), strongly disagree 23 (6.166%) respectively.

This is the major influencing factors of Perceived usefulness for Factors Influencing Customers‟ Intention to Use E-Banking Service. This study found that it had a significant positive relationship with intention to use internet banking in commercial banks of Ethiopia. The findings show that respondents were enthusiastic on the benefits that a system provided to them 173 (46.5%)the respondents agree that information technology Improve customer service whereas 138 (37.1%)respondents strongly agree but the remain, neutral 33 (8.87%) disagree 18 (4.84%), strongly disagree 10 (2.688%) respectively. Further to this 171(45.96%) the respondents agree that in my opinion E-Banking increases the productivity of the bank whereas 115 (30.914%) respondents strongly agree but the remain, neutral 37(9.946%) disagree 29(7.8%) and strongly disagree 20 (5.37%) respectively. In addition to this 166 (44.62%) the respondents agree in their opinion e-banking Reduce number of customers come to the banking hall whereas 123(33.06%) respondents strongly agree but the remain, neutral 33(8.87%) disagree 32 (8.6%) and strongly disagree 18(4.84%) respectively.

In general, this study found that it had a significant positive relationship with intention to use internet banking. The findings show that respondents were enthusiastic on the benefits that a system provided to them.

However, the research's results be able to used and assist banks better recognize commercial banks of Ethiopia intention to adopt Internet banking the intention to use internet banking as well as outcomes recommend that relationship between perceived useful and the intention to use internet banking in the conceptual model is significant and be able to develop the model on the variance of perceived usefulness (PU).

4.4.5 Perceived ease of use

Perceived ease of use (PEOU) is one of the important factors of the technology acceptance model. It is used to predict the tendency of the use of technology In terms of Internet banking, Mathieson, (1991) states that perceived ease of use is the consumer's perception that online banking requires only little effort. For Consult (2002), perceived ease of use is the consumer's ability to experiment with a new innovation and evaluate its benefits easily.

Perceived ease of use	**SA**	**A**	**N**	**DA**	**SD**	**Mean**	**Sd. D**
I think that learning to use electronic banking service would be easy.	86 (23.11%)	108 (29.03 %)	57 (15.32 %)	68 (18.28 %)	53 (14.24%)	2.7151	1.375 37
I think that interaction with electronic banking service does not require a lot of mental effort.	64 (17.2%)	86 (23.12 %)	55 (14.8%)	98 (26.34 %)	69 (18.55%)	3.0591	1.387 95
I think it is easy to use electronic banking service to accomplish my banking tasks	96(25.8 %)	114(30. 64%)	38(10.2 %)	76(20.4 3%)	48(12.9 %)	2.6398	1.390 89
Availability of quality internet/ network connection (AQIC)	88	176	37	42	29	2.3226	1.178 53
For me accessing internet service is easy.	88(23.6 5%)	106(28 .5%)	43(11. 5%)	73(19. 62%)	62(16.6 7%)	2.771 5	1.430 87
The Internet/ network connection enables me to handle my bank transactions quickly.	118 (31.7%)	146 (39.25 %)	37 (9.95%)	42 (11.3%)	29 (7.8%)	2.2419	1.231 03
Most of the time there is internet/ network interruption while using e-banking services.	143(38. 44%)	182(48 .9%)	20(5.4 %)	16(4.3 %)	11(2.95 %)	1.8602	.9527 0

The Internet/ network connection enables me to access the bank's website 7 days a week and 24 hours a day.	66 (17.74%)	80 (21.5%)	58(15.6%)	92(24.73%)	76(20.43%)	3.0860	1.40968
Grand Mean and SD						**2.59**	**1.29**

From the above table when we see the highest means of the given Factors Influencing Customers" Intention to Use E-Banking Service of Perceived usefulness the highest mean is 3.0860 in which respondents stated that The Internet/ network connection enables them to access the bank's website 7 days a week and 24 hours a day and the 2nd highest means of 3.0591 in which respondents think that interaction with electronic banking service does not require a lot of mental effort and the 3rd highest means of 2.7715 and accessing internet serviceis easy for respondents respectively.

In addition to that according to the table given above regarding to Perceived ease of use, the majority of the respondents argue that there is different aspect of Perceived ease of use for Factors Influencing Customers" Intention to Use E-Banking Service Channels. Based on this 114 (30.64%) the respondents I think it is easy to use electronic banking service to accomplish my banking tasks whereas 96 (25.8%) respondents strongly agree but the remaining are neutral 38 (10.2%) disagree 76 (20.43%) and strongly disagree 48 (12.9%) respectively. In addition to this 108 (29.03%) the respondents agree that learning to use electronic banking service would be easy whereas 86 (23.11%) respondents strongly agree but the remaining neutral 57 (15.32%) disagree 68 (18.28%) and strongly disagree 48 (12.9%) respectively believe that the use electronic banking service would be easy in commercial banks of Ethiopia.

According to the given table above when we see Perceived ease of use 86 (23.12%) the respondents agree that interaction with electronic banking service does not require a lot of mental effort whereas 64 (17.2%) respondents strongly agree but the remaining, neutral 55 (14.8%) disagree 98 (26.34%) and strongly disagree 69 (18.55%) respectively. Perceived ease of use effect on Intention to use internet banking, the more uncomplicated of using internet banking the more likely client has motivated to continue to use internet banking.

Also, the more long-term using internet banking the more likely client find it easy to use. However, if the use of customer was complicated on system, they might be more likely found internet banking was difficult to use finally they will reject to use internet banking. Regarding to the Availability of quality internet/ network connection (AQIC) 146(39.25%)

the respondents agree The Internet/ network connection enables me to handle my bank transactions quickly whereas 118(31.7%) respondents strongly agree but the remaining are , neutral 37 (9.95%) disagree 42 (11.3%)and strongly disagree 29(7.8%)respectively. Here again of such respondents 143(38.44%) the respondents agree Most of the time there is internet/ network interruption while using e-banking services whereas 64 (17.2%) respondents strongly agree but the remain, neutral 20 (5.4%) disagree 16 (4.3%) and strongly disagree 11 (2.95%) respectively.

Furthermore 106 (28.5%) the respondents agree for me accessing internet service is easy whereas 88 (23.65%) respondents strongly agree but the remain, neutral 43 (11.5%) disagree 73 (19.62%) and strongly disagree 62(16.67%) respectively. In additional to this 80 (21.5%)the respondents agree The Internet/ network connection enables me to access the bank‟s website 7 days a week and 24 hours a day whereas 66 (17.74%) respondents strongly agree but the remain, neutral 58 (15.6%) disagree 92 (24.73%) and strongly disagree 76 (20.43%)respectively. The study examines the influence of perceived ease of use the result found that perceived ease of use have positive effect on the use of Internet banking. The results of the regression analysis conducted on the factors. Certainly, perceived ease of use has long been recognized as a basic requirement for designing the system. It is meaning that the difficulty of using online system is becoming less the use of online system was increasingly as user friendly. Furthermore, this study shows that since online systems were more common, standardized and easy use. The online system has become more public and increasingly. On this research the researcher had summarized all the finding of previous research resulted as mentions were all significant determinant on behavioral intention to use internet banking and perceived ease of use is the important variable refer to TAM theory which be able to predicted significantly on clarification consumer acceptance technology.

4.4.6 E-Banking service

Table 4.8 E-Banking service

E-Banking service	SD	D	N	A	SA	Mean	Sd.D
I will continue to use e-banking services	12 3.2%	83 22.2%	90 24.3%	156 41.9%	31 8.4	3.2984	1.00923
I still prefer to use e-banking than branch based banking services	10 2.7%	99 26.8%	65 17.6%	170 45.7%	28 7.3%	3.2876 3	1.02558 0
I intend to increase my use of e-banking	6 1.6%	99 26.5%	49 13.2%	164 44.1%	54 14.6%	3.4328	1.08073
I recommend others to use e-banking service	7 1.9%	82 21.9%	95 25.7%	136 36.5%	52 14.1%	3.3871	1.03348
I usually use e-banking services for banking transaction activities	14 3.8%	106 28.4%	65 17.3%	147 39.7%	40 10.8%	3.2500	1.09612
I am satisfied with usage of e-banking services	6 1.6%	95 25.4%	54 14.6%	163 43.8%	54 14.6%	3.4409	1.07118
Aggregate means core and total percentage	3.35	1.052	2.47	25.2	18.78	3.2984	1.00923
Aggregate mean and SD						**3.35**	**1.052**

Source: Own survey, 2023

According to table4.8 shows the aggregate mean of all E-banking service usage behavior of customers based items indicate 3.35 with standard deviation 1.052, which lies between the range of [2.62-3.41] and it felt average /moderate/ mean range section. This implies majority (41.95%) of the respondents was agreed and 11.63% were strongly agreed with items of E-banking service usage behavior of customers, whereas 25.2% of the respondents were disagreed and 2.47% of them strongly disagreed with these items. The rest 25.2% was neutral. The researcher can conclude that most respondents have an interest to continue to use e-banking services, they still prefer ready to use e-banking than branch based banking services, they intend to increase their use of e-banking, they usually use e-banking services for banking transaction activities, they recommend others to use e-banking service and they are satisfied with usage of e-banking services. Additionally this result was confirmed by key informants 'interview (study banks e-banking service focal persons).They explained that number of their customers

did not use frequently all e-banking services provided by them due to lack of interest, lack of trust, knowledge and lack of confidence in the e-banking services.

4.5 Correlation Analysis

In order to decide the relationship between independent variables of the study with E-banking service usage of customers and to evaluate strength of this relationship, the product moment correlation coefficient was used. The product moment correlation coefficient is the most widely used method of measuring the degree of relationship between two variables (Kothari, 2004). This coefficient assumes that there is linear relationship between the two variables. Positive values of "r" indicate positive correlation between the two variables (i.e., changes in both variables take place in the statement direction), whereas negative values of 'r' indicate negative correlation i.e., changes in the two variables taking place in the opposite directions. A zero value of 'r' indicates that there is no association between the two variables. According to Bartz (2009) a correlation coefficient enables to quantify the strength of the linear relationship between variables. This coefficient is usually denoted by 'r' and can take only the value from -1 to +1.Ifr = +1 there is perfect positive relationship between variables. Table 4.9 shows interpretation of R range.

Table4. 9 Interpretation of R

Range of R	Description
1.00	Perfect relationship
0.80 or higher	Very strong
0.6 to 0.8	Strong
0.4 to 0.6	Moderate
0.2 to 0.4	Low
0.2 or lower	Very low
0.00	No relationship at all

Source: Bartz,(2009)

Table4.10 Correlations analysis result

Variables		Attitude toward behavior	Subjective norm	Perceived usefulness	Perceived ease of use	E-banking service
Subjective norms	Pearson Correlation	.448**	1	.356**	.416**	.523**
	Sig.(2-tailed)		.000	.000	.000	.000
	N	372	372	372	372	372
Attitude towards behavior	Pearson Correlation	1	.448**	.437**	.483**	.607**
	Sig.(2-tailed)	.000		.000	.000	.000
	N	372	372	372	372	372
Perceived usefulness	Pearson Correlation	.356**	.437**	1	.536**	.637**
	Sig.(2-tailed)	.000	.000		.000	.000
	N	372	372	372	372	372
Perceived ease of use	Pearson Correlation	.416**	.483**	.536**	1	.712**
	Sig.(2-tailed)	.000	.000	.000		.000
	N	372	372	372	372	372
E-banking service	Pearson Correlation	.523**	.607**	.637**	.712**	1
	Sig.(2-tailed)	.000	.000	.000	.000	
	N	372	372	372	372	372

**.Correlation is significant at the 0.01 level (2-tailed).

Source: Own survey,2023

As indicated in Table 4.10 the relationship among all the variables was found by using Pearson's correlation coefficient. The correlation value r = 0.523 shows that there is a moderate relationship between subjective norm and E-banking service usage of customers of CBE, and the p-value showed that the relationship is significant.

Regarding to E-banking service usage of customers and Attitude toward behavior, r=0.607, which shows a strong relationship between the two variables, and the p-value indicates that the relationship is significant. When Coming to the relationship of E-banking service usage of customers with Perceived usefulness, the r=0.637showed a strong relationship between the two variables, also p-value shows

that the relationship is significant.

The value of r=0.712 for E-banking service usage of customers and Perceived ease of use shows a strong relationship, and the p-value indicates a significant relationship between them. The result of correlation analysis shows that all study variables have positive and significant relationship with E-banking service usage of customers in the study area.

4.7 Regression Analysis

Multiple regression analysis studies the relationship between a dependent (response) variable and independent variables (predictors, repressors', IV's). In this study multiple regression analysis was used. Regression analysis is a statistical method that relates one dependent variable to a linear combination of one or more independent variables. Regression identifies how much each independent variable has an effect on dependent variable. Multiple regression analysis calculates multiple correlation coefficients and R-square (Kerlinger and Lee, 2000).

4.7.1Testing assumptions of multiple regression model

Before conducting multiple regression analysis the study assessed whether the collected data satisfied multiple regression model assumptions or not. According to Dhakal, (2018) any fit of a multiple regression model is valid, if and only if its hold satisfy assumptions of linear relationship between, data must not show multicolor linearity, Homo secede spicily, and the residuals (errors) are approximately normally distributed. The tested assumptions are shown as follows:

Assumption1:Linearity Test

Linearity means the relationship between dependent and independent variables is to be linear. This relationship characterized by a straight line. Linearity allowed the researcher to predict the dependent variable based on one or more several independent variables. The assumption was checked through a scatter plot by looking at whether the two variables approximately form a straight line. As presented figure 3 there was linear relationship between dependent and each of independent variables in the study area.

Figure 4.6 Linearity test

Source: Own survey,2023

Assumption 2: Multicol linearity Test

Multicol linearity is the undesirable situation when one independent variable is a linear function of other independent variables or high correlations between the independent variables (Gelman,2006).Andy (2006) suggests that a tolerance value less than 0.1 almost certainly indicates a serious col linearity problem. According to Liu, (2010) a VIF value greater than 10 is because for concern. In this study the researcher checked this assumption with tolerance and VIF statistics. As it can be observed from Table 4.11 taking in to account the Variance Inflation Factor not to exceed the allowable value (10) and Tolerance value greater than (0.1) for all independent variables. Therefore, multi -col linearity problem does not exist.

Table 4.11 **Table Multi col linearityTest**

Model	Col linearity Statistics	
	Tolerance	VIF
Subjective norm	.721	1.387
Attitude to ward behavior	.603	1.659
Perceived usefulness	.661	1.513
Perceived ease of use	.605	1.654

Dependent Variable: E-banking service usage

Source: Own survey,2023

Assumption 3: Normality Test

Most statistical analysis works on the assumption and requirement of normality (Kline, 2016).Pallant (2011) explained normal distribution as it describes a symmetrical bell-shaped curve that portrays the greatest frequency of scores in the middle, with smaller frequencies towards the extremes.

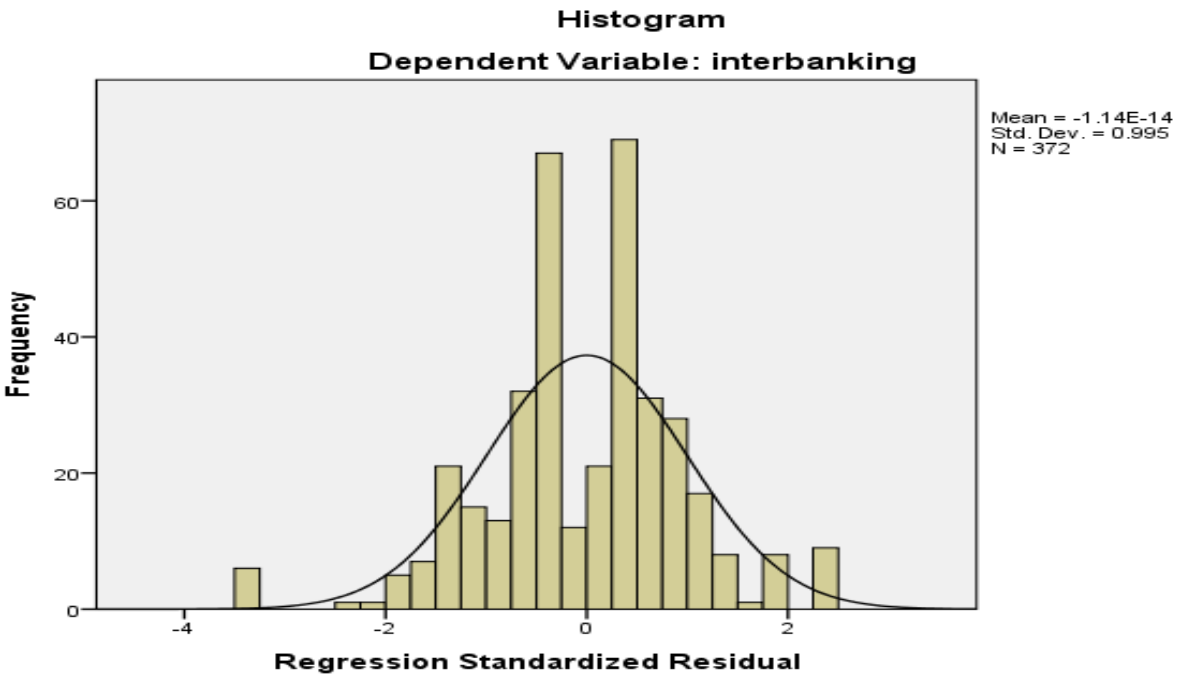

Figure 4-2 Normality test

Source: Own survey,2023

Assumption 4:7 Homo sced asticity Test

This is the assumption that the variation in the residuals (or amount of error in the model) is similar at each point across the model. In other words, the spread of the residuals should be fairly constant at each point of the predictor variables (or across the linear model). It can be getting an idea of this by looking at our original scatter plot but to properly test this, we need to ask SPSS to produce especial scatter plot for us that includes the whole model (and not just the individual predictors). To test this assumption, we need to plot the standardized values our model would predict, against the standardized residuals obtained. As shown in figure 5 the spread of the residuals were fairly constant at each point of the predictor variables or our plot of standardized residuals Vs standardized predicted values showed no obvious signs of funneling, suggesting the assumption of homo scedasticity has been met.

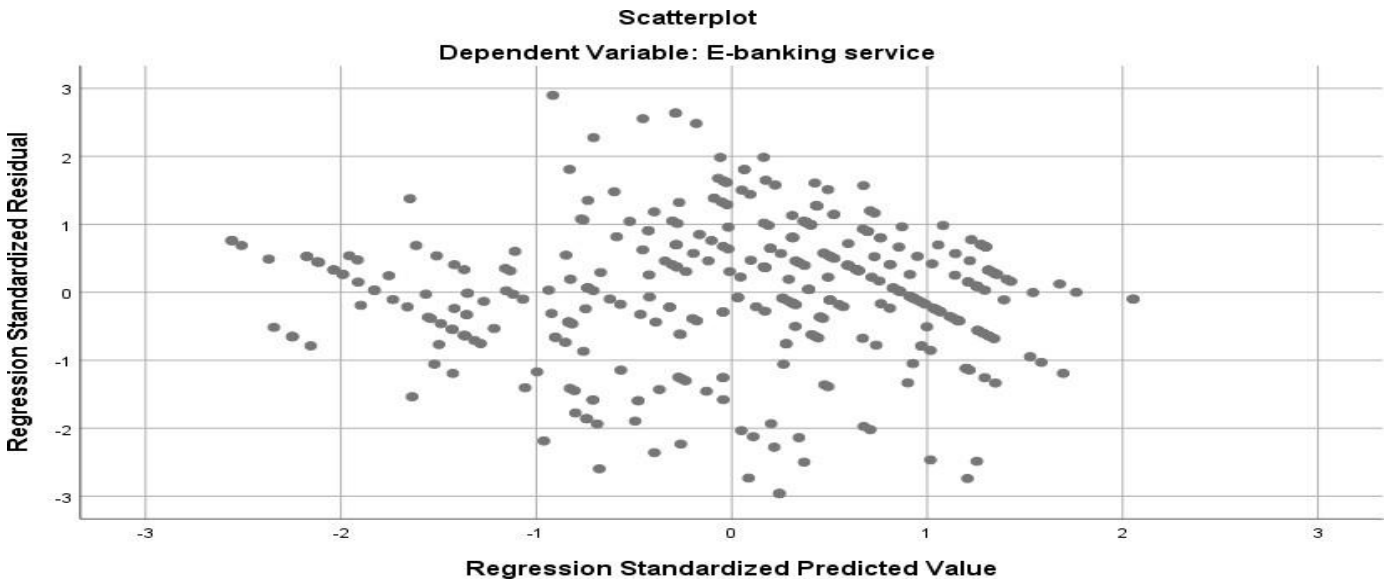

Figure4-3 Homo scedasticity Test

Source: Own survey,2023

4.7.2 Result of Regression Analysis

Multiple regression analysis calculates multiple correlation coefficients and R-square. The contribution of independent variables towards dependent variable is measured by Beta value and can be explained on bases of port values. From the study finding each point were presented below:

Table4. 12 Mode l Summaries

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.824[a]	.678	.674	.51762

Predictors : (Constant), Attitude toward behavior, Subjective norm, Perceived usefulness, Perceived ease of use.

Dependent Variable: E-banking service

Source: Own survey,2023

In Table 4.12 R value represents the correlation strength between dependent variable and independent variables of the study. The value 0.824 shows strong correlation between variables tested (dependent and independent variables) R-square is the coefficient of determination and measures the proportion of variance in dependent variable (E-banking service) that is explained by independent variables (Attitude toward behavior, Subjective norm, Perceived usefulness, Perceived ease of use) in commercial banks of Ethiopia.

Table4. 13ANOVA

Model		Sum of Squares	Df	Mean Square	*F*	*Sig.*
1	Regression	205.811	5	41.162	153.632	.000[b]
	Residual	97.525	364	.268		
	Total	303.336	369			

a. Predictors:(Constant), Attitude toward behavior,Subjective norm, Perceived usefulness, Perceived ease of use.

b. Dependent Variable: E-banking service

Source: Own survey,2023

Table 4.13 shows whether the test carried out was statistically significant for the regression model used in the study using ANOVA and degree of variability. Since the sig = .000which is less than 0.05, the model is good fit of the data tested i.e. the independent variables (Attitude toward behavior, Subjective norm, Perceived usefulness, Perceived ease of use) statistically significant to predict the dependent variable (E-banking service usage of customers) at commercial banks of Ethiopia and The calculated at 5% level of significance is153.632 this shows that the overall model is significant.

Table 4-0-14 Regression Coefficient

Model	Un standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.109	.134		-.812	.417
Attitude toward behavior	.165	.039	.150	4.274	.000
Subjective norm	.209	.040	.198	5.162	.000
Perceived usefulness	.260	.036	.265	7.236	.000
Perceived ease of use	.353	.036	.378	9.896	.000

a. Dependent: Variable: E-banking service. **Source**: Owns urvey,2023

According to Kabir (2016) one of the approaches used to test a research hypothesis is *p*-value approach. In this approach, researchers compute the p-value on the basis of a test statistic and then compare it with the significance level (test size). If the p-value is smaller than the significance level, researches reject the null hypothesis. Ap-value is considered as amount of risk that researchers have to take when rejecting the null hypothesis. This study used the test size of $\alpha = .05$ which is at 95% confidence level or 5% level significance. Pallent(2016) states the general rule to reject Ho if $p < 0.05$ and accept Ho if $p \geq 0.05$.Table4.14 above presents regression coefficient

result. According to Dhakal(2018) un standardized coefficients indicate how much the dependent variable varies with an independent variable when all other independent variables are held constant. The regression coefficient provides the expected change in the dependent variable for a one-unit increase in the independent variable. In order to measure the contribution of each independent variable on the dependent variable the study considers the following model specification by using un standardized coefficient values.

Where :x1,x2,x3 and x4 are independent variables of the study (i.e.Attitude to ward behavior, Subjective norm, Perceived usefulness, Perceived ease of use)respectively. From the above regression equation the researcher understands that keeping all other variables constant: For every one-unit increment on Attitude toward behavior, the percentage of E-banking service usage increases by 16.5% in the study area. For every one-unit increment on Subjective norm, the percentage of E-banking service usage increases by20.9%. For every one-unit increment on Perceived usefulness, the percentage of E-banking service usage increases by26%. For every one-unit increment on Perceived ease of use, the percentage of E-banking service usage increases by 35.3%.As it can be seen from the regression result, out of four independent variables, the effectof Perceived ease of use is the most significant, followed by Perceived usefulness, Subjective norm and then Attitude toward behavior.

4.8 Interview questioners

1. **How was customer's intension to use E- banking service?**

According to the bank managers of CBE E-banking also allows TO customer's check and print balance inquiries, view transaction histories, transfer cash, pay online utility bills, and make online purchases, among other things. Customers can also seek many forms like mortgage, auto, and equity, home, personal loans and students through E-banking. Its Fast, cost-effective, widely accessible, and service hours are the main concern of customers in choosing their online banking and performance expectancy, effort expectancy, and social influence as significant factors influencing customers' intention to adopt Internet banking by customers. Beliefs, attitudes, and intention-behavior explained and predicted technology acceptance among potential users most important factors affecting customer satisfaction in the internet banking identified, include: efficient and reliable service, fulfillment, security / trust, site aesthetic, online responsiveness / contact, ease of use and website navigability.

2. **How the bank knows whether customer satisfied or not in E- banking service?**

The bank use Periodic surveys that can track customers' overall satisfaction directly and ask additional questions to measure repurchase intention, likelihood or willingness to recommend the company and brand to others, and specific attribute or benefit perceptions likely to be related to customer satisfaction. CBE measure customer satisfaction regularly because it is one key to customer retention. A highly satisfied customer generally stays loyal longer, buys more as the company introduces new and upgraded products and services, talks favorably to others about the bank, pays less attention to competing brands and is less sensitive to price and costs less to serve than new customers because transactions can become routine. Banks used to measure the quality of service were: Access, Communication, Competence, Kindness, Credibility, Reliability, Responsiveness, Security, Tangible Elements, Understanding / Knowledge of the Customer

3. **Which factor mostly influenced your customer in using E- banking service?**

In CBE according to the manager Perceived ease of use and perceived usefulness are the main factors which influence the intention to use of e-banking. E-banking services should be easy to use in order to ensure customer use. One of the reasons for the failure of e-banking in the USA is the difficulty of use regarding the technological innovation of e-banking services. These factors include useful- ness, convenience, security, design, trust, quality, and value. These factors influence electronic banking adoption rates, customer satisfaction, and customer loyalty also influenced customer in using E-banking service

4. **What measures are used in CBE to sustain customer satisfaction in E- banking service?**

To sustain customer satisfaction in E- banking service CBE used different methods thisare Simple account opening process: as the traditional on boarding process often requires multiple paper forms and in-person checks, customers expect an optimized way to go through those steps remotely. For the banking and finance industry, digitalizing the way customers onboard is a game-changer as it minimizes time and effort spent on the initial session

Effortless accessibility: If smart phone users prefer checking their financial activities through mobile apps. Thus, banks and financial institutions need to develop easy-to-use digital platforms that can be simply accessed across multiple devices, especially via mobile phones. Usually, users look for a broad range of banking features, seamless experiences, and convenient monitoring of all financial transactions. Tailor-made services: users are always behind personalized services and relevance. They are more likely to engage with the products that match their needs, such as credit, investment, savings, and more. You can identify customers' major requirements and provide personalized support to help

shape their banking experience. Data security: undeniable, the BFSI sector is sensitive to security. When sharing personal information and data, banking users usually want to keep it confidential. Hence, it's vital for you to build trust to withstand a healthy relationship with them

Make application registration simple: reduce the number of unnecessary or duplicated steps and create a straightforward design that releases stress for users while registering. Design clear transaction history: checking balance is one of the preferable activities of banking customers when using mobile apps. So, it's vital to make this section clear and easy to understand. Build on customers' familiarity with smart devices: based on the operating systems (iOS or Android) that the app is designed for, you can build banking apps with patterns familiar to users.

5. **How customers and the bank work together E- banking service?**

In CBE the relationship between a banker and a customer can be considered as a principal-agent relationship, in which the customer entrusts the bank or the banker with their money and other financial assets, and the bank or the banker acts on the customer's behalf to manage and invest those assets. For customer-centered banks, customer satisfaction is both a goal and a marketing tool. Banks need to be especially concerned with their customer satisfaction level today because the Internet allows consumers to quickly spread both good and bad word of mouth to the bank.

Chapter Five

Conclusion and Recommendation

5.1 Introduction

This chapter outlines the summary of the findings and its relationship to related theories, and determines how the identified factors affect the intention to use e-banking. Based on the results obtained from the research, the theoretical and practical significance are discussed. The contribution of this research can make to give the direction for the future researchers. Discussed the limitations of the research

5.2 Summary of findings

This research was undertaken to explore the relationship between attitude toward behavior and customer's intention to use internet banking, subjective norm and customer's intention to use internet banking perceive usefulness and customer's intention to use internet banking and perceive ease of use and customer's intention to use internet banking. The most important finding was of course that attitude toward behavior, perceived usefulness and perceived ease of use was important for developing customer intention to use internet banking. It is not possible to build customer's intention to use internet banking without attitude toward behavior, perceived usefulness, and perceived ease of use. However, subjective norm less influence customer's intention than the others, these finding results are area of particular importance for finance institution like banking. The finding from the inferential analysis indicates that attitude toward behavior (ATB) and Subject Norm (SN) has a positive effect on the intention to use Internet banking. In addition to this Perceived usefulness (PU) and Perceived ease of use (PEOU) has also a positive effect on the intention to use Internet banking proved by the analysis. In this section, each of these relationships are discussed in some detail demonstrating that these finding were consistent with the expected out comes and identifying potential reason why these findings may have been seen. It is supreme importance to ensure that people actually intention to use the system.

- The sample size of 384 questionnaires was distributed and 372 responses have correctly filled and returned which accounted 96.875% of response rate.
- Majority of the respondents 51.1% are males and the majority of this respondents 120 (32.25%) were in the age range of 26-35 years. On the other hand the majority of respondents 160 (43%) were bachelor's degree holders and 29.03% of them have well experienced for 6-12 years
- From total respondent's considered 67.2% of the respondents are married and 31.18 % of the

respondents are private employees. When we see their income majority of 38.2% respondents are between 6000-8999. ATM was the pioneer E-banking instrument used by 28.5% of the total respondents.

- The result of the aggregate mean of all Attitude toward a behavior related items was 3.909with standard deviation1.06024,which lies between the range of 3.5 - 4.49 and it felt high mean range section and Attitude toward a behavior of customers in order to use E-banking service.
- The result of the aggregate mean of all Subjective Norms related items was 3.4997 and standard deviation of 1.2945 which felt average/moderate/ mean range section.
- The aggregate mean of all Perceived usefulness related items was 4.008 with standard deviation1.01147,itfeltaverage/high/meanrangesectionandshowedPerceived usefulness of e-banking service user customers in the study banks were high level.
- The aggregate mean of all Perceived ease of use related items was 3.416 with standard deviation 1.292, it felt average/moderate/ mean range section and showed Perceived ease of use of e-banking service user customers in the study banks were moderate level according to views of respondents
- The result of correlation analysis shows that there is a strong positive significant relationship between three independent variables (Attitude toward behavior, Perceived usefulness, Perceived ease of use) and E-banking service usage of customers. The rest independent variables Subjective norm had a moderate strong positive significant relationship E-banking service usage of customers.
- All the variables was found by using Pearson's correlation coefficient. The correlation value r = 0.523 shows that there is a moderate relationship between subjective norm and E-banking service usage of customers of CBE, and the p-value showed that the relationship is significant.
- Regarding to E-banking service usage of customers and Attitude toward behavior, r=0.607, which shows a strong relationship between the two variables, and the p-value indicates that the relationship is significant. When Coming to the relationship of E-banking service usage of customers with Perceived usefulness, the r=0.637 showed a strong relationship between the two variables, also p-value shows that the relationship is significant. The value of r=0.712 for E-banking service usage of customers and Perceived ease of use shows a strong relationship, and the p-value indicates a significant relationship between them. The result of correlation analysis shows that all study variables have positive and significant relationship with E-banking service usage of customers in the study area
- The regression analysis indicated that the p-value of Attitude toward behavior p=0.000,which is less than 0.05, Subjective norm its p value = 0.000 which is less than 0.05, Perceived usefulness

sits p value =0.000 and Perceived ease of use its p value= 0.000, which is less than 0.05 at 5% of significant level. The result indicated that all independent variables (i.e., Attitude toward behavior, Perceived usefulness, Perceived ease of use) had significant effect on the dependent variable (E-banking service usage) in commercial banks of Ethiopia.

- As it can be seen from the regression result, out of four independent variables, the effect of Perceived ease of use is the most significant, followed by Perceived usefulness, Subjective norm and then Attitude toward behavior.

5.3 Conclusion

This study paper provides an insight on the factors influencing intention to use electronic banking in commercial bank of Ethiopia. This study was undertaken to explore the relationship between attitude toward behaviors and customer's intention to use internet banking, subjective norm and customer's intention to use internet banking perceive usefulness and customer's intention to use internet banking and perceive ease of use and customer's intention to use internet banking in commercial banks of Ethiopia.. The research objectives for this study were: To identify how Perceived ease of use will affect the intention to use electronic banking service in CBE, To investigate how the attitude toward behavior of the customer affect the intention to use electronic banking service in CBE, To identify the effect of Perceived usefulness on the intention to use electronic banking service in CBE, To find out the effect of Subjective norm and technology infrastructure on the intention to use electronic banking service in CBE

These objectives were undertaken using a quantitative survey of 372 respondents in commercial banks of Ethiopia using data collected. The quantitative survey was fist analyzed descriptively.

All of these objectives were achieved using linear regression between predictor variables (attitude toward behavior, subjective norm, perceive usefulness and perceive ease of use) and the outcome variable (Customers' intention to use internet banking). Perceived ease of use of e-banking had a high significant effect on customer's intention to use electronic banking. This study has implications for research and practice. On the practical side, the results have shown perceived usefulness is a significant driver to the intention to use electronic banking Bank customers are sensitive to risk. Therefore, banks should seek ways and means to build trust in order to alleviate this risk. When customers trust the bank, they would continue conducting financial transactions over the e-banking banking channels even it is risky because that have confidence in banks to act in their favor.

Electronic banking is expected to attract new technologically savvy customers which would

increase the customers' base, and eventually increase revenues and profitability. Based on this study ATM's, mobile banking and CBE BIRR banking are the most popular channels for conducting personal financial transactions nowadays, it is expected that electronic banking becomes the potential channel for future banking services. However, commercial banks of Ethiopia need to offer more electronic banking services and increase awareness of their intention of the customers. This can be done by advertising in their websites, newspapers, social media, TVs, or through SMS messages; which can be an effective way of spreading the use of mobile banking services. So, increased marketing efforts, especially through advertising, would help banks to increase customer awareness and attract more customers who would use electronic banking services channels.

5.4 Recommendation

Electronic banking service may be a few decades banking progression in Ethiopia and in commercial bank of Ethiopia its expansion from time to time is high, so it is a key issue, because it have a significant impact on the full banking activity, at the identical time it is difficult and wish lots of efforts to be adopted and accepted by customers of commercial bank of Ethiopia, so it need an integrated efforts to the intention to use e-banking. The researcher recommends the subsequent possible solutions that may help to indicate the most influential factor over the intention to use E-banking. As per the findings from the analysis of the collected data; the subsequent recommendations are forwarded for the bank so as to provide efficient and effective e-banking service to their customers.

- Commercial bank of Ethiopia should adapt user friendly technologies for the benefit of the users and improving their compatibility of e-banking technology with the customer understanding and educational level.
- Prior service awareness creation is very essential for the customer about E- banking service and security issues before using e-banking service channels. This is often good for the customer to protect themselves from theft
- Majority of respondents generally suggested that electronic banking service might not perform well and process payments incorrectly then CBE should must follow up their e-banking delivery channels frequently
- Making close relation with Ethiopia Telecommunication Corporation to expand Information technology infrastructure and access of internet broadband internet connection the down of internet in ATM machines, POS, mobile banking, internet

banking and CBE birr web based platforms.

- As the results of the study show perceived usefulness, ease of use are the most important dimensions that the bank must give attention on how to ease e-banking technology and how to expand the usefulness of e-banking for more achievements
- The commercial bank of Ethiopia should create the notice of the general public to maneuver in to e- banking products and make cash less society.
- Finally this type of research is important in CBE because that would to extend their customers intention to use e-banking services the same as suggestion of findings. A positive attitude amongst customer towards intention to use e-banking by promoting trust and by decreasing the risk level Thus it could also be more generally relevant because by pointing out the aspects of this study like in this research study on the intention towards to use e-banking and their influence of the independent variables that are perceived usefulness perceived ease of use and subjective norms moreover the intention to use e-banking helping for better understanding the implication and meanings of the customer behavior regarding to intention to use e-banking in CBE.

5.5 Limitation and directions for future researchers

The study isn't without limitations one of the limitations that lack of co-operation to provide data from the organization. When we come in to the future direction the future researchers could undertake a more in-depth in cross sectional data. Future researches are also conducted by further extending and refining TAM and test it within the upcoming contexts. As the use of the technology based e-banking service is get accustomed by customers and its application is fully employed within the future, the behavioral intentions like the tendency to modify, barriers and other similar issues are often examined. Therefore further research is needed to understand the group differences for the relationship of attitude and intention adoption between pre-behavior and post-behavior users. Furthermore, the nature of networks that influenced the evolution of banks may have an effect upon attitude, even on the intention to use e-banking. This may provide a meaningful research area for the future researchers. Although this study used a cross-sectional design, one possible direction for future studies is to conduct a longitudinal study to see whether or not the variables and their relationships are consistent with time.

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APPENDICES

ST.MARY UNIVERSITY

School of Graduate Studies

Department of Master of Business Administration

Dear respondent

I am carrying out a research & in this regard, I need your truthful & valuable opinion through this questionnaire. My research interest is in the (Assessment of Factors Influencing the intentionto use of E – Banking: in the case of commercial bank of Ethiopia.) you can help me on current research project by completing the attached questionnaire. I request 10 to 15 minutes of your time to fill these questioners. It is being distributed to you purely for academic purpose and all the responses will be secret. Your neutral choices will be highly appreciated and make this valuable research. Please read the instructions carefully and answer all the questions.

Directions for filling the questionnaire

There is no right and wrong answer of the options provided. Therefore, you are kindly requested to fill your real opinion regarding each question. Your response is utilized onlyfor the purpose of this survey.

► Please put a "√" mark on your choice in the space provided
► No need of writing your name

Part (1):-Demographic factor related questions

1. **Gender.**

a) Female ☐
b) Male ☐

2. **Age group**

a) 18-25 years old ☐
b) 26 - 35 years old ☐
c) 36 -45 years old ☐
e) Above 45 years old ☐

3. **Educational Qualification**

a) certificate and below ☐
b) College diploma ☐
c) Bachelor degree ☐
d) Master ☐
e) above masters ☐

4. Work experience E-Banking Service

a) Below 5 years ☐

b) 1-3 years ☐

c) 3-6 years ☐

d) 6-12 years ☐

e) Above 12 years ☐

5. Marital Status ☐

a) Single ☐

b) Married ☐

c) Divorce ☐

6. Occupations

a) Government Employee ☐

b) Private Sectors ☐

c) Owen Business ☐

d) Other ☐

7. Income

a) Less than 2,000 birr ☐

b) Between 2,001-5,999 birr ☐

c) Between 6,000-8,999 birr ☐

d) More than 10,000 birr ☐

8). which type of electronic banking service channels most frequently do you use?(A).TM ☐ (c) Mobile banking ☐ (e) CBE birr ☐

(b). POS ☐ (d).Internet banking ☐

Part II Questions regarding factors influencing the intention to use of electronic banking

Below are lists of questioners relating to factors that are influencing in the intention to use of E- banking? Please indicate whether you agree or disagree with each statement by ticking (√) on thespaces that specify your choice from the options that range from "strongly agree" to "strongly disagree".

Keys:-SA=strongly agree A=Agree N= Neutral SD= Strongly Disagree D= Disagree

Factors	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Attitude toward behavior					
I will continue to use-banking services.					
I believe that e-banking will be more relevant in the future					
I still prefer to use e-banking than branch based banking services.					
I intend to increase my use of e-banking.					
Using e-banking for banking transactions is a good idea					
E-banking is better than the traditional banking system.					
I encourage others to use e-banking services.					
E-banking makes it easier for customers to do banking activities.					
Based on my experience, I am very likely to return to use e- banking services					
Provided that if I have access to e- banking system in future, I will use it					
I will use e- banking on a regular basis in the future					
I will intend to use E- banking system as often as needed					
Subjective Norms (SN)					
My decision to use e-banking is influenced by my colleagues and friends.					
My decision to use e-banking is influenced by my family.					
My decision to use e-banking is influenced by other service users.					
E-banking services channels are secure and I believe in it.					
The dynamic change in IT is a serious challenge for understanding about E-banking					

Network failures are serious problem to use E- banking.					
High rate of illiteracy affect the easy practice of E-banking service					
Perceived usefulness					
E- banking is convenient, in terms of 7 days and 24 hours services					
information technology Improve customer service					
Electronic banking is convenient, in terms of time saving					
In my opinion E-Banking Increases the productivity of the bank.					
In my opinion e-banking Reduce number of customers come to the banking hall					
Perceived ease of use					
I think that learning to use electronic banking service would be easy.					
I think that interaction with electronic banking service does not require a lot of mental effort.					
I think it is easy to use electronic banking service to accomplish my banking tasks					
Availability of quality internet/ network connection (AQIC)					
For me accessing internet service is easy.					
The Internet/ network connection enables me to handle my bank transactions quickly.					
Most of the time there is internet/ network interruption while using e-banking services.					
The Internet/ network connection enables me to access the bank's website 7 days a week and 24 hours a day.					

Questionnaires for Dependent Variables Intention to use E- Banking

Factors	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
intention to use e banking					
I will continue to use-banking services.					
I still prefer to use e-banking than branch based banking services.					
I intend to increase my use of e-banking.					
I recommend others to use e-banking services.					
I usually use e banking service for banking transaction activities					
I am satisfied with usage of e banking services					

Interview questioners to CBE Nifas silk District .

1. How was customer's intension to use E- banking service?
2. How the bank knows whether customer satisfied or not in E- banking service?
3. Which factor mostly influenced your customer in using E- banking service?
4. What measures are used in CBE to sustain customer satisfaction in E- banking service?
5. How customers and the bank work together in E- banking service?

Thanks for your cooperation!