STUDY OF SERVICES QUALITY AND CUSTOMER SATISFACTION IN E-BANKING:
A CASE OF CRDB BANK –WATERFRONT BRANCH, DAR ES SALAAM
STUDY OF SERVICES QUALITY AND CUSTOMER SATISFACTION IN E-BANKING:
A CASE OF CRDB BANK – WATERFRONT BRANCH,
DAR ES SALAM

By
Angela George Lushi
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University DCC, a dissertation entitled Study of Service quality and Customer Satisfaction in E-Banking: A Case of CRDB BANK Waterfront Branch, Dar-es-Salaam, in partial fulfillment of the requirements for award of the degree of Masters of Business administration in Corporate Management (MBA CM) of Mzumbe University, Dar es Salam Campus College.

____________________
Major Supervisor

____________________
Internal Examiner

Accepted for the Board of…………………………

____________________
DEAN/DIRECTOR, FACULTY/DIRECTORATE/SCHOOL/BOARD
DECLARATION
AND
COPYRIGHT

I, Angela George Lushi, hereby declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other university for a similar or any other degree award.

Signature ____________________

Date________________________

© 2014

This dissertation is a copyright material protected under the Berne Convention, the Copyright and Neighbouring Rights Act 1999 and other international and national enactments, in that behalf, on intellectual property. It may not be reproduced by any means in full or in part, except for short extracts in fair dealings, for research or private study, critical scholarly review or discourse with an acknowledgement, without the written permission of Mzumbe University, on behalf of the author.
ACKNOWLEDGEMENT

First I would like to thank the Almighty God for enabling me to complete this research. In writing this dissertation many people accorded me with the necessary assistance without which own effort could not make it. Foremost, I would like to thank my supervisor Professor Shiv Tripathi who has been of great assistance to me for encouragement and guidance. Despite of his responsibilities he availed time for consultation and contributed useful insights and comments in improving this study.

I extend my appreciation to the staff of CRDB Bank-Waterfront Branch for providing me with a good coordination during data collection. I would like to thanks my family especially my beloved mother Berther T. Panga and my brothers Joseph George, Mosses George and my lovely Sister Rachel, for their moral support, tolerance and their encouragement for the whole period when writing this report.

It is indeed impossible to mention every individual who contributed to my endeavors in this study, yet it would be injustice not acknowledging my fellow students, especially my group members from MBA CM 2012/2014) class evening session for their encouragement and assistance during my study.
DEDICATION

This dissertation is dedicated to my beloved Family of Mr. and Mrs George Lushi for their moral support and encouragement whenever we meet God blesses you mum and dad.
# ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATMs</td>
<td>Automatic Teller Machines</td>
</tr>
<tr>
<td>CS</td>
<td>Customer Satisfaction</td>
</tr>
<tr>
<td>DAWASCO</td>
<td>Dar es Salaam Water and Sewarage Corporation</td>
</tr>
<tr>
<td>EN</td>
<td>Eghtesade Novin</td>
</tr>
<tr>
<td>FIs</td>
<td>Financial Institutions</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
</tr>
<tr>
<td>LUKU</td>
<td>Lipia Umeme Kadri Utumiavyo (Electricity Bills Paid as per Spending)</td>
</tr>
<tr>
<td>SFNB</td>
<td>Security First Network Bank</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Science</td>
</tr>
<tr>
<td>SWIFT</td>
<td>Society for Worldwide Interbank Financial Telecommunication</td>
</tr>
<tr>
<td>TISS</td>
<td>Tanzania Intelligence and Security Services</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
</tr>
<tr>
<td>WIN</td>
<td>Wake Information Network</td>
</tr>
</tbody>
</table>
ABSTRACT

The intent of the study was to assess the customer satisfaction and e banking services quality in Tanzania the case of CRDB Bank –Waterfront Branch. The sample size for the study was 98 respondents. The objectives of the study were to identifying the major service quality dimensions that satisfy customers in internet banking, examine the extent of customer satisfaction from supporting internet banking service in Tanzania the case of CRDB Bank, assess the quality of internet banking services of CRDB Bank, examine the effect of e-banking on customer satisfaction and measures for improvement in the internet Banking in Tanzania for the case of CRDB. 98 customers of CRDB Waterfront Branch were interviewed using questionnaires and 3 CRDB ICT officials from CRDB Head Office Azikiwe Dar es Salaam were orally interviewed.

It was observed that awareness of e. banking to customers is through different media including their colleagues. However it was revealed that customer awareness increases customer satisfaction with the services. It was also revealed that, the following are the factor that limit customers to be satisfied with the e banking, these are not knowing the procedures for joining, weak security, high cost charged by e. network providers and bank, slow data transmission, complication in the use of services, lack of enough support from the bank, possibility of high error in transmission, dislike to use e. banking. In this study some respondents (customers) had negative perceptions on adopting e. Banking services in banking industry as, Network Failure, Incorrect Payment Processing, Losing Money, Fear of Getting Compensation, and Time Consuming to Learn E- Banking, Fear of Disclosing Privacy Information, Unauthorized Access of Bank Account, Security Concern, Expensive internet Cost (buying internet bundled), and Expensive Bank Charges.
TABLE OF CONTENTS

CERTIFICATION ........................................................................................................................................... i
DECLARATION AND COPYRIGHT ........................................................................................................ ii
ACKNOWLEDGEMENT ............................................................................................................................ iii
DEDICATION ................................................................................................................................................ iv
ABBREVIATIONS AND ACRONYMS .................................................................................................... v
ABSTRACT .................................................................................................................................................. vi
LIST OF TABLES ........................................................................................................................................ xi
LIST OF FIGURES ..................................................................................................................................... xii

CHAPTER ONE ............................................................................................................................................ 1
BACKGROUND INFORMATION ............................................................................................................. 1
  1.2 Statement of the Problem .................................................................................................................. 5
  1.3 Objectives of Research ..................................................................................................................... 6
  1.3.1 General Objective .......................................................................................................................... 6
  1.3.2 Specific Objectives ....................................................................................................................... 6
  1.3.3 Research Questions ...................................................................................................................... 6
  1.4 Significance of the Study ................................................................................................................... 7
  1.5 Limitations of this Study .................................................................................................................. 7
  1.6 Scope of the this Study ...................................................................................................................... 8
  1.7 Chapter Plan ...................................................................................................................................... 8

CHAPTER TWO ........................................................................................................................................... 9
LITERATURE REVIEW .............................................................................................................................. 9
  2.1 Introduction ......................................................................................................................................... 9
  2.2 Definition of Terms ............................................................................................................................ 9
  2.2.1 Customer ...................................................................................................................................... 9
  2.2.2 Satisfaction ................................................................................................................................... 9
  2.2.3 E-Banking ...................................................................................................................................... 10
  2.2.4 Service Quality ............................................................................................................................ 11
  2.2.6 Customer Satisfaction ................................................................................................................ 13
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3</td>
<td>Theoretical Review</td>
<td>13</td>
</tr>
<tr>
<td>2.3.1</td>
<td>Factors of Adopting e-Banking</td>
<td>15</td>
</tr>
<tr>
<td>2.3.1.1</td>
<td>Accessibility</td>
<td>15</td>
</tr>
<tr>
<td>2.3.1.2</td>
<td>Convenience</td>
<td>16</td>
</tr>
<tr>
<td>2.3.1.3</td>
<td>Privacy</td>
<td>16</td>
</tr>
<tr>
<td>2.3.1.4</td>
<td>Security</td>
<td>17</td>
</tr>
<tr>
<td>2.3.1.5</td>
<td>Speed</td>
<td>18</td>
</tr>
<tr>
<td>2.4</td>
<td>Customer and Customer Satisfaction</td>
<td>19</td>
</tr>
<tr>
<td>2.5</td>
<td>Service Quality and Customer Satisfaction</td>
<td>21</td>
</tr>
<tr>
<td>2.6</td>
<td>Empirical Review</td>
<td>23</td>
</tr>
</tbody>
</table>

CHAPTER THREE ................................................................................................. 28
RESEARCH METHODOLOGY .................................................................................. 28

3.1 | Introduction | 28 |
| 3.2 | Area of the study | 28 |
| 3.3 | Research Design | 28 |
| 3.4 | Population of the study | 29 |
| 3.5 | Sample and Sampling Procedures | 29 |
| 3.5.1 | Sample size | 29 |
| 3.5.2 | Sampling Procedures | 30 |
| 3.6 | Data Collection Methods | 30 |
| 3.6.2 | Interview | 30 |
| 3.6.3 | Documentary Review | 30 |
| 3.7 | Data Collection Instruments | 31 |
| 3.7.1 | Questionnaire Instruments | 31 |
| 3.7.2 | Interviews Questions | 31 |
| 3.7.3 | Validity of the Research Instruments | 31 |
| 3.8 | Data Analysis Procedures | 32 |

CHAPTER FOUR ...................................................................................................... 33
DATA ANALYSIS AND PRESENTATION OF RESEARCH FINDINGS....... 33

4.1 | Introduction | 33 |
4.2 Profile of Respondents ................................................................. 33
4.2.1 Demographic and Social Economic Characteristics of the Respondents 33
4.2.2 Gender of Respondents ............................................................ 33
4.2.3 Age ................................................................................. 34
4.2.4 Marital Status ........................................................................ 35
4.2.5 Education Qualification .......................................................... 35
4.2.6 Occupation ........................................................................ 36
4.2.7 Monthly Income (Tz Shilings) .................................................. 37

CHAPTER FIVE .................................................................................. 41
DISCUSSION OF THE RESEARCH FINDINGS .................................. 41

5.1 Major Service Quality Dimensions that Satisfy Customers in E-banking ................................................................. 41
5.1.1 A Customer’s Awareness of E. Banking Services and Customers ....... 41
5.1.2 Sources of Customers’ Awareness of E- Banking Services .............. 42
5.1.3 Trust on E-Banking Services ..................................................... 42
5.1.4 Rating of Benefits of Using E-Banking by Customers .................... 43
5.2 Extent of Customer Satisfaction from Supporting Internet Banking Services ................................................................ 43
5.2.1 Trust on E-Banking Services ..................................................... 44
5.2.2 Rating of Benefits of Using E-Banking by Customers .................... 44
5.2.3 Other Factors Limiting Customers to Satisfaction on E-Banking ...... 45
5.3 Quality of Internet Banking Services of CRDB Bank ....................... 46
5.3.1 Problems Customers Face When Using E-Banking ....................... 46
5.4 Effect of e-Banking on Customer Satisfaction .................................. 47
5.4.1 Customers’ Perceptions towards Adopting E-Banking in Tanzania Banking Industry ................................................................ 50
5.5 Customer satisfaction from supporting internet banking service in Tanzania ........................................................................ 53
5.5.1 Interview Outcomes from CRDBs ICT Personnel ............................ 53
5.6 The measure for Improvement in the Internet Banking in Tanzania ....... 53
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.6.1</td>
<td>The Methodologies to Enhance Customers’ Adoption of E-Banking Services</td>
<td>53</td>
</tr>
<tr>
<td>5.6.2</td>
<td>Bank’s Capability to Support Customers on E-Banking Usage</td>
<td>53</td>
</tr>
<tr>
<td>5.6.3</td>
<td>Challenges do the Bank Faces to Support E-Banking</td>
<td>54</td>
</tr>
<tr>
<td>5.6.4</td>
<td>Customer’s Demands on E-Banking Services</td>
<td>54</td>
</tr>
</tbody>
</table>

**CHAPTER SIX** ..................................................................................................................... 58

**SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION** .............................................. 58

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>Introduction</td>
<td>58</td>
</tr>
<tr>
<td>6.2</td>
<td>Summary</td>
<td>58</td>
</tr>
<tr>
<td>6.3</td>
<td>Recommendations</td>
<td>60</td>
</tr>
</tbody>
</table>

**REFERENCE** .................................................................................................................. 62

**APPENDICES** ..................................................................................................................... 75

<table>
<thead>
<tr>
<th>Appendix</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Questionnaire: CRDB Customers Only</td>
<td>75</td>
</tr>
<tr>
<td>2</td>
<td>Questionnaire: CRDB’s Employees</td>
<td>78</td>
</tr>
<tr>
<td>3</td>
<td>Questionnaire: CRDB’s employees- ICT staff Personnel</td>
<td>81</td>
</tr>
<tr>
<td>Table</td>
<td>Title</td>
<td>Page</td>
</tr>
<tr>
<td>---------</td>
<td>----------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>Table 3.1</td>
<td>Sample and Sampling Method</td>
<td>29</td>
</tr>
<tr>
<td>Table 4.1</td>
<td>Sex Distribution of the Respondents</td>
<td>34</td>
</tr>
<tr>
<td>Table 4.2</td>
<td>Marital Status Distribution</td>
<td>35</td>
</tr>
<tr>
<td>Table 4.3</td>
<td>Occupation Distribution</td>
<td>36</td>
</tr>
<tr>
<td>Table 4.4</td>
<td>Summary of the Demographic Information and E Banking Users/None E-</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>Banking Users</td>
<td></td>
</tr>
<tr>
<td>Table 5.2</td>
<td>Customers’ Trust on E-Banking Usage</td>
<td>43</td>
</tr>
<tr>
<td>Table 5.3</td>
<td>Rating of Benefits of Using E-Banking Services by Customers</td>
<td>43</td>
</tr>
<tr>
<td>Table 5.4</td>
<td>Customers’ Trust on E-Banking Usage</td>
<td>44</td>
</tr>
<tr>
<td>Table 5.5</td>
<td>Rating of Benefits of Using E-Banking Services by Customers</td>
<td>45</td>
</tr>
<tr>
<td>Table 5.6</td>
<td>Banking Services Customers Use</td>
<td>47</td>
</tr>
<tr>
<td>Table 5.7</td>
<td>Customer’s Intention to Use E-Banking</td>
<td>49</td>
</tr>
</tbody>
</table>
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Preliminary Model Perceived Service Quality in Internet Banking</td>
<td>12</td>
</tr>
<tr>
<td>2.2</td>
<td>Conceptual Framework</td>
<td>26</td>
</tr>
<tr>
<td>4.1</td>
<td>Age Distribution of the Respondents</td>
<td>34</td>
</tr>
<tr>
<td>4.2</td>
<td>Education Distribution</td>
<td>36</td>
</tr>
<tr>
<td>4.3</td>
<td>Monthly Income Distributions</td>
<td>37</td>
</tr>
<tr>
<td>5.1</td>
<td>Customers Awareness of E-Banking Services</td>
<td>42</td>
</tr>
<tr>
<td>5.2</td>
<td>Customer’s Intention to Use E-Banking</td>
<td>50</td>
</tr>
</tbody>
</table>
CHAPTER ONE

BACKGROUND INFORMATION

Banking today is undergoing a radical transformation. The symptoms are obvious; new products, new players, new channels are appearing daily. This transformation is taking place across all sectors of the banking industry. Technology is a major force in this radical transformation that led to breaking the geographical, legal and industrial barriers and has created new products and services. The escalation and convergence of wireless telecommunications has created a tremendous potential platform for providing business services.

Technology has become an increasingly vital element in the competitive landscape of the financial services industry. Innovations in telecommunications have led to usage of mobile devices in banking. Technological features play an important role in the adoption of mobile value added services. In service use, mobile phones are no longer used as they have typically been used before. The banking industry believes that by adopting new technology, the banks will be able to improve services to customers and tie them closer to the bank. Meanwhile, the banking industry has been also looking for new methods to expand its customer base and to counteract the aggressive marketing effort of those non-traditional banking entities (Graven, 2000).

Moving towards an industrialization nation with knowledge economy as the backdrop, the personal computer and online approach of life is growing in Tanzania. One of the most recent channels of distribution to be used in the financial services organizations is electronic banking. This method was established in the mid 1990s, thereafter steadily becoming more important (Allen et al, 2001). The term electronic banking refers to "the provision of information or services by a bank to its customers, via a computer or television"(Allen et al, 2001). A more developed service is one that provides customers with the opportunity to gain access to their accounts and execute transactions or to buy product online via the internet (Daniel, 1999). Different scholars have shown that many international internet users demonstrate similar
behaviors and preferences across nations (Quelch and Klein, 1996). Other researchers have studied the internet in the context of traditional cultures, and yet delimited by national borders (Park and Jun, 2003). Some studies have examined the issues on the evolution of e-banking (Sohail and Shanmugham, 2003) and investigated the success factors in various e-delivery channels in banking scenario (Ong and Cheng, 2003). Some have investigated customer preferences of e-banking (Suganthi et al., 2001; Sohail and Shanmugham, 2003). This study based on service quality and customer satisfaction in e-banking a case of CRDB Bank at Waterfront Branch.

Success of a service provider depends on the high quality relationship with customers (Panda, 2003) which determines customer satisfaction and loyalty (Jones, 2002 as cited by Lymperopoulos et al., 2006). Research has shown repeatedly that service quality influences organizational outcome such as performance superiority (Poretla & Thanassoulis, 2005), increasing sales profit (Levesque & Mc. Dougal, 1996; Kish, 2000; Duncan & Elliot, 2002) and market share (Fisher, 2001), improving customer relations, enhance corporate image and promote customer loyalty (Newman, 2001; Szymigin & Carrigan, 2001; Caruana, 2002; Ehigie, 2006). Furthermore, service quality and customer satisfaction were found to be related to customer loyalty through repurchase intentions (Levesque & Mc. Dougall, 1996; Newman, 2001; Caruana, 2002). Delivering quality service to customers is a must for success and survival in today’s competitive banking. Considering the competitive environment, there is a need for banks to plan their strategies that will differentiate them from another. This can be achieved through the delivery of high service quality. The practice of excellent service quality has been proven that customer satisfaction will significantly lead to customer loyalty (Caruana et al., 2000; Caruana, 2002).

The increasing growth and development of technology has created a major change in different aspects of human life and organizational performance. Along with the evolution of computer and specialized technologies, provision of high quality and up to date services and products is an opportunity that no reliable organization can ignore, as such technologies have changed function and attitudes of individuals.
Development of new phenomena such as electronic business, electronic commerce and electronic banking has changed individuals' attitude toward organizations.

All organizations are looking for ways to attract customers and increase their satisfaction in order to sustain their profitability and productivity. This issue is particularly important for the banks; on the one hand because of their permanent communication with customers and on the other hand due to the increasing competition among banks and financial institutions (FIs). Thus, creating competitive advantage seems necessary for the survival of the banks. New methods in providing banking services, which has a close relationship with information and communication technology, is one of the most important factors in creating competitive advantage for banks and attracting customers and satisfying them (Alimohammadi, M., 2002).

Moreover, in any country, having an efficient banking system is the most important requirement for e-business development and entry into global markets. In addition, due to technological advances and the increasing need for individuals to use electronic banking services in order to save time and create security in trade, addressing advanced and efficient banking system and paying attention to electronic banking seem necessary (Mirabi, V. R et al., 2008). The rapid development of the informatics industry has made major changes in the form of money and resource transfer systems in the field of banking and new concept of banking named electronic banking has emerged (Hassanzadeh, A. and F. Pourfard, 2003).

Added to this is the introduction of electronic commerce popularly referred to as e-commerce which is thought to hold the promise of a new commercial revolution by offering an inexpensive and direct way to exchange information and to sell or buy products and services (Abor, 2005). This technological innovation has also brought in a level playing field for businesses by eliminating geographical, regulatory, and industrial barriers (Zafar, Zaheer, Saleem-ur-Rahman and Kashif ur Rehman, 2011).
In the words of Balachandher, Santha, Norhazlin, and Rajendra (2001), this revolution in the marketplace has set in motion a revolution in the banking sector for the provision of a payment system that is compatible with the demands of the electronic marketplace.

Banking activities in Tanzania could be traced back to the 1900s, banking practices are result of the colonialists who for the purpose of facilitating their economies in Tanzania and East Africa at large introduced Banks, and the earlier banks were a product of the Germany regime in Tanganyika. A great deal of banking regulations were made by the British regime in 1919s in Tanzania, apart from introducing more banks than ones held by Germans, enacted a number of laws to regulate banking activities in Tanzania. After independence banks carried colonial banking legacies, the Arusha declaration of 1967 nationalized all the banks owned privately. Come early 1990s a report on the inquiry into Monetary and banking systems in Tanzania by the Nyirabu Commission was delivered. Its major contribution in banking development is substantial; it is the cause of the various laws on banking business such as the Banking and Financial Institution Act, 1991. Despite its remarkable contribution the latter did not point out a thing on electronic banking, the same is because ICT had not ventured into use by most Financial Institutions in the country though its impacts were felt already by the developed countries such as USA and the UK.

Since then financial service providers have been using electronic message transmitted through proprietary software system (intranets) for some time before ICT introduced internet. Come the 21st century and introduction of internet caused a dramatic revolution in the old traditional methods of transactions which has necessitated most banks and financial institutions in most countries introduce the use of such technology in most commercial activities. Electronic banking in Tanzania is in its early stages, though a great response of use is witnessed. The adoption of Automated Teller Machines by various banks and financial institutions is of pride, the adoption of m-banking by various communication Companies such as Tigo, Vodacom gear habits for deposits and quick transfers of money or payments through
electronic payments services. The adoption of electronic banking by CRDB bank evidently indicates the role played by electronic banking in the country.

1.2 Statement of the Problem
The increasing growth and development of technology has created a major change in human behavior and functionality and organizational performance trend. Along with the evolution of computer and specialized technologies, provision of high quality and up to date services and products is an opportunity that no reliable organization can ignore, as such, technologies have changed function and attitudes of individual’s performance. According to Panda, (2003) Success of a service provider depends on the high quality relationship with customers who determine customer satisfaction and loyalty. Service industries such as banks, which pay great attention to the effect of customer satisfaction on his/her commitment and retention, should employ have adopted new method to attract more customers.

The Tanzanian banking sector has operating in a relatively stable environment, however, with the advent of Internet banking, the industry is characterized by dramatically aggressive competition. These competitions have made banks in Tanzania adopt new technologies such as E. Banking to make the banking process faster and easier whilst satisfying the needs of the customers. But most of the e. banking services provided by the banks in Tanzania are usually unreliable with most customers unaware of the content of the internet banking services offered by their bank. Also the cost of acquiring the internet facility, computers and even the security of internet banking transactions are highly questionable and very expensive for the average Tanzanian to afford. Additionally, with the high illiteracy rate among the Tanzanian populace the use of the internet is left in the hands of few individuals who acquired some level of education (Mambi, 2010).

Despite above mentioned challenges, yet there is notable increased adoption to internet banking in Tanzania by the Tanzania banks. However issue of satisfaction remain answered, hence this research has been conducted in understanding customer satisfaction from supporting service of internet banking service quality that lead to
customer satisfaction in Tanzania. Therefore this study tries to fill this empirical gap in research by conducting a study on the service quality and customer satisfaction in e-banking a case of CRDB Bank Waterfront Branch, Dar es Salaam.

1.3 Objectives of Research

1.3.1 General Objective
The main objective of the study is to analyze services quality and customer satisfaction in e-banking a selected bank branch in Tanzania.

1.3.2 Specific Objectives
The following are the specific objectives to be covered in the study in order to achieve the research objective:

(i) To identify the service quality factors that satisfy customers in internet banking
(ii) To examine the extent of customer satisfaction from internet banking service in the selected bank
(iii) To assess the quality of internet banking services of CRDB Bank
(iv) To examine the effect of e-banking on customer satisfaction
(v) To suggest measures for improvement in the internet banking in Tanzania for the case of CRDB.

1.3.3 Research Questions

(i) What are the major service quality dimensions that satisfy customers in internet banking
(ii) What are the extent of customer satisfaction from supporting internet banking service in Tanzania the case of CRDB Bank
(iii) What are the quality of internet banking services of CRDB Bank
(iv) What are the effect of e-banking on customer satisfaction
(v) What are the measures for improvement in the internet Banking in Tanzania for the case of CRDB.
1.4 **Significance of the Study**

The findings of this study are intended to form a basis for creating awareness on the state of and assess the service quality and customer satisfaction in e-banking a case of CRDB Bank Waterfront Branch. Similarly, these findings will form a basis for informing policy makers and influence creation of policies and guidelines on the adoption of internet banking in Tanzania. The study will contributes to knowledge generation to human resource managers in the Banking sector on how supporting e-banking service promote Customer satisfaction in Banking industry and hence increase the competitive advantage of the organizations in banking sector. Theoretically, the study findings will add to existing theories on customer satisfaction, and consequently act as a stimulus to further research.

1.5 **Limitations of this Study**

A major limitation of this study emanated from the negative attitude caused by low level of awareness and knowledge among some respondents on the topic. To address this problem, prior to the interview, the researcher was explaining the respondents why is conducting a research on the topic and its importance.

Another limitation caused by some of the respondents being unwilling to be interviewed because of the fatigue of being the subject of research with hardly any tangible personal benefits accruing at the end of the exercise. Also the tradition of them neither getting to know the results nor seeing the impact of studies in which they participate.

Sometime others respondents think that research are management and administration staff affair. However, in order to get the cooperation of the interviewees, the researcher explained that this is an academic study to make the respondents more receptive.

Budget constraint is another limitation of this study. Since the researcher is self sponsored, the study conducted at the CRDB Bank at Waterfront Branch as case study this is due to lack of funds otherwise the research was supposed to conduct in
more than two banks for comparison. This minimizes the cost of travelling to the researcher.

Time constraint is another limitation since the researcher was doing a research at the same time she was at work during working hours.

1.6 Scope of the this Study
Academic scope of this study is specified in CRDB Bank, but the study also can be used in other banks because the nature of e-banking service is similar to all banks.

1.7 Chapter Plan
This report comprise of six chapters. Chapter one consist of Introduction background and chapter six has concluded the study. Chapter two has comprised of review of literature and chapter three consists of Research methodology. Chapter four has focused on data presentation while Findings has discussed in chapter five.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction
This chapter provides a theoretical perspective of the problem under study. Literature review provides the new insight of the critical analysis of the related works and model relating to customer satisfaction in E Banking. The purpose of reviewing the literature is to find out what has been done, what remains to be done, what methodologies have been used and existing gaps. The reviewed literature relates to literature on customer satisfaction from supporting e-banking service in the world and Tanzania in particular. The review of the literature is organized around broad themes and includes both print and non print resources.

2.2 Definition of Terms
2.2.1 Customer
A person, company, or other entity which buys goods and services produced by another person, company, or other entity. A customer (sometimes known as a client, buyer, or purchaser) is the recipient of a good, service, product, or idea, obtained from a seller, vendor, or supplier for a monetary or other valuable consideration. An individual or business that purchases the goods or services produced by a business, the customer is the end goal of businesses, since it is the customer who pays for supply and creates demand. Businesses will often compete through advertisements or sales in order to attract a larger customer base.

2.2.2 Satisfaction
Customer level of approval when comparing a product's perceived performance with his or her expectations, also could refer to discharge, extinguishment, or retirement of an obligation to the acceptance of the obligor, or fulfillment of a claim. While satisfaction is sometimes equated with performance, it implies compensation or substitution whereas performance denotes doing what was actually promised. See also accord and satisfaction.
The term satisfaction means the fulfillment or gratification of a desire, need, or appetite. It also means compensation for a loss or injury. The other meaning of satisfaction is reparation for sin that meets the demands of divine justice. “Satisfaction is a person’s feeling of pleasure or disappointment resulting from comparing a product’s perceived performance (or outcome) in relation to his or her expectations” (Kotler, 2000, p.36). Satisfaction is a function of consumer’s belief that he or she was treated fairly (Hunt 1991, pp.110).

2.2.3 E-Banking
E-banking is thus emerging as a radical technological innovation with potential to change the structure and nature of banking by speeding up communication and transactions for clients. E-banking is a new type of banking which represents banking services in any time and location in online environments through creating facilities to increase the velocity and efficiency of services (Khan et al., 2009; Lee, 2009). In e-banking, customer interacts with bank’s website. The concept of electronic banking has been defined in many ways. Daniel (1999) defines electronic banking as the delivery of banks' information and services by banks to customers via different delivery platforms that can be used with different terminal devices such as a personal computer and a mobile phone with browser or desktop software, telephone or digital television. Pikkarainen et al (2004) define internet banking as an "internet portal, through which customers can use different kinds of banking services ranging from bill payment to making investments". With the exception of cash withdrawals, internet banking gives customers access to almost any type of banking transaction at the click of a mouse (De Young, 2001).

Electronic banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. E-banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet. E-Banking is also called Internet banking, on-line banking or PC banking. E-Banking may include ATMs, wire transfers, telephone
banking, electronic funds transfers and debit cards. Nowadays, internet banking sites process customer service inquiries, allow transactions from one account to another, take loan applications, open new accounts etc. Some provide commercial services and others are full service banks rushing to get there. In addition to the rapid deployment of electronic bank ‘branches’ an entire financial community has suddenly appeared, offering most and financial service a customer could want.

2.2.4 Service Quality
Definitions of service quality hold that this is the result of the comparison that customers make between their expectations about a service and their perception of the way the service has been performed (Lehtinen & Lehtinen, 1982; Lewis & Booms, 1983, Gronroos, 1984; Parasuraman et al., 1985; 1988; Caruana, 2002). Service quality is defined as the degree of discrepancy between customers’ normative expectation for service and their perceptions of service performance (Parasuraman et al., 1985). The definition of service quality was further developed as

“The overall evaluation of a specific service firm that results from comparing that firm’s performance with the customer’s general expectations of how firms in that industry should perform” (Parasuraman et al., 1988).

2.2.5 Service quality Model of Internet Banking
One of the key challenges of the Internet as a service delivery channel is how service firm can manage service quality (Broderick and Vachirapornk 2002). They presented service quality model (see figure 2.1) of Internet banking based on insights gained from existing knowledge and understanding of the characteristics of the service formed. This model focusing on the quality perception process and it draws on many of the service quality elements that identified by the previous study.
The model showed that in the context of the Internet banking, five key elements are treated as central influences on perceived quality showed indicating by arrow. These are:

(i) Customer expectations of the service
(ii) The image and reputation of the service organization
(iii) Aspects of the service setting
(iv) The actual service encounter and
(v) Customer’s participation.

All these elements affect perceived service quality in Internet banking.
2.2.6 Customer Satisfaction

Perceived service quality is a global judgment or attitude relating to the superiority of the service, whereas satisfaction is related to a specific transaction (Parasuraman et al., 1988). On the other hand, customer satisfaction has frequently been suggested to be the leading determinant of loyalty (Lam & Burton, 2006). Ehigie (2006) suggests that there is a significant positive relationship between customer satisfaction and customer loyalty/retention. As such, customer satisfaction in this research is acting as a mediator between service quality and customer loyalty.

2.2.7 Relationship between Satisfaction and Service Quality

Service quality is the key to measure satisfaction (Pitt et. al., 1995). Few scholarly studies, to date, have been undertaken to identify quality dimensions and detailed aspects of online service and their relationships with customer satisfaction (Zeithaml et. al., 2002: Yang and Fang 2004). One of the more widely used instruments for assessing customer satisfaction is SERVQUAL developed by Zeithaml et. al., (1998). Researchers have paid much attention to the close relationship between service quality and customer satisfaction (Bitner et. al., 1990: Parasuraman et. al., 1985: Parasuraman et. al., 1988). SERVQUAL is widely recognized and used, and it is regarded as applicable to a number of industries, including the banking industry (Yavas, Bilgin and Shemuell, 1997)

2.3 Theoretical Review

Revolutionary development in Information and Communication Technology (ICT) in the past 20 years has impacted individuals as well as businesses in a profound way. It is an invaluable and powerful tool driving development, supporting growth, promoting innovation and enhancing competitiveness (K. Bauer and S. Hein, 2006,, P. Chau, 2001). Banks and other businesses alike are turning to Information Technology to improve business efficiency, service quality and attract new customers (Z. Belkhamza and S. Wafa, (2009), P. Chau, 2001). E-banking is thus emerging as a radical technological innovation with potential to change the structure and nature of banking by speeding up communication and transactions for clients. To sustain business competitiveness, banks are transforming from their traditional
approach of “bricks and mortar” branch to a “clicks and mortar” branch. ATMs, Tele-banking, Internet banking, Credit Cards and Debit cards have emerged as effective delivery channels for traditional banking products. Banking activities through the traditional delivery channels of branches networks are on the decline and customers can now do banking business from the comfortable confines of their homes using most modern electronic delivery channels. Banks are able to deliver their products more cheaply than the traditional branch networks loaded with expensive staff.

The information technology has enabled banks to increase the range of their products and market them more effectively. The popular electronic delivery channels are ATMs, Mobile banking, Internet banking, Tele banking, Truncated Cheque, Electronic Cheque, Electronic Funds Transfer, National Electronic Funds Transfer, RTGS etc. Customer satisfaction and customer retention are increasingly developing into key success factors in e-banking (R. Agarwal, S. Rastogi and A. Mehrotra, 2009). Though customer acceptance is a key driver determining the rate of change in the financial sector, empirical studies on what is holding customers from acceptance of e-banking services have been few. Not enough is known regarding how customers perceive and evaluate electronically delivered services which have also highlighted the need for further research to measure the influence of e-service on customer perceived service quality and satisfaction.

Indeed the use of the internet as a new alternative channel for the distribution of financial services has become a competitive necessity instead of just a way to achieve competitive advantage with the advent of globalization and fiercer competition (Flavián et al, 2004; Gan and Clemes, 2006). Banks use online banking as it is one of the cheapest delivery channels for banking products (Pikkarainen et al, 2004). Such service also saves the time and money of the bank with an added benefit of minimizing the likelihood of committing errors by bank tellers (Jayawardhena and Foley, 2000). Robinson (2000) believes that the supply of internet banking services enables banks to establish and extend their relationship with the customers. There are other numerous advantages to banks offered by online banking such as mass
customization to suit the likes of each user, innovation of new products and services, more effective marketing and communication at lower costs (Tuchilla, 2000), development of non-core products such as insurance and stock brokerage as an expansion strategy, improved market image, better and quicker response to market evolution (Jayawardhena and Foley, 2000). Wise and Ali (2009) argued that many banks want to invest in ATMs to reduce branch cost since customers prefer to use them instead of a branch to transact business.

2.3.1 Factors of Adopting e-Banking
2.3.1.1 Accessibility
Accessibility defines as the ability of users to access information and services from the web is dependent on many factors. These include the content format; the user's hardware, software and settings; internet connections; the environmental conditions and the user's abilities and disabilities (Godwin-Jones 2001; Hackett and Parmanto, 2009). The term "web accessibility" generally relates to the implementation of website content in such a way as to maximize the ability of users with disabilities to access it. For example, providing a text equivalent for image content of a web page, allows users with some visual disabilities access to the information via a screen reader.

The techniques and approaches that create more accessible web pages for people with disabilities also address many other access issues such as download speed and discoverability (Godwin-Jones 2001; Hackett et al, 2004; Hackett and Parmanto, 2009). Jun et al (1999) revealed reliable/prompt responses, attentiveness, and ease of use had considerable impacts on both customers perceived overall service quality and satisfaction. It also indicated that there is a significant positive relationship between overall service quality and satisfaction. Yang and Jun (2002) redefined the traditional service quality dimensions in the context of online services, and suggested an instrument consisting of seven online service dimensions (reliability, access, ease of use, personalization, security, credibility, and responsiveness). Joseph et al (1999) considered banking service quality with respect to technology use, such as ATMs, telephone, and the internet and identified six dimensions.
They were convenience/accuracy; feedback/complaint management; efficiency; queue management; accessibility; and customization. Therefore, it is hypothesized that accessibility has positive effect on customer satisfaction.

2.3.1.2 Convenience

E-banking provides higher degree of convenience that enables customers to access internet bank at all times and places. Apart from that, the ease of access of computers is perceived as a measure of relative advantage (Daniel, 1999, Black et al, 2001; Polatoglu and Ekin, 2001; Gerrard and Cunningham, 2003). Johnston (1995) revealed that there are some service quality determinants that are predominantly satisfiers and others that are predominantly dissatisfiers with the main sources of satisfaction being attentiveness, responsiveness, care and friendliness. The main sources of dissatisfaction are integrity, reliability, responsiveness, availability and functionality.

According to Ainscough and Luckett (1996), the provision of customer interactivity is an important criterion that attracts users in the delivery of e-banking. Gerrard and Cunningham (2003) also identify other factors of paramount importance in ensuring the success of e-banking, i.e. the ability of an innovation to meet users' needs using different feature availability on the web site. For instance, the provision of interactive loan calculators, exchange rate converters, and mortgage calculators on the web sites draw the attention of both users and non-users into the bank's web site. A UK study uncovered five key service quality attributes, such as security related issues, convenience, speed and timeliness of the service, and product variety/diverse features (White and Nteli, 2004). Therefore, it is hypothesized that convenience has positive effect on customer satisfaction.

2.3.1.3 Privacy

Customers have doubts about the trust ability of the e-bank's privacy policies (Gerrard and Cunningham, 2003). Trust has striking influence on user's willingness to engage in online exchanges of money and personal sensitive information (Friedman et al, 2000; Wang et al, 2003). Privacy is an important dimension that may affect
users' intention to adopt e-based transaction systems. Encryption technology is the most common feature at all bank sites to secure information privacy, supplemented by a combination of different unique identifiers, for instance, a password, mother's maiden name, a memorable date, or a few minutes of inactivity automatically logs users off the account. Besides, the Secure Socket Layer, a widely-used protocol used for online credit card payment, is designed to provide a private and reliable channel between two communicating entities; the use of Java Applet that runs within the user's browser; the use of a Personal Identification Number, as well as an integrated digital signature and digital certificate associated with a smart card system (Hutchinson and Warren, 2003). Thus, a combination of smart card and biometric recognition using fingerprints offers a more secure and easier access control for computers than the password method. Zeithaml et al (2000) developed e-SERVQUAL for measuring e-service quality, identifying 11 dimensions: access; ease of navigation; efficiency; flexibility; reliability; personalization; security/privacy; responsiveness; assurance/trust; site aesthetics; and price knowledge. Hence, it is hypothesized that privacy has a positive effect on customer satisfaction.

2.3.1.4 Security
Assurance about security relates to the extent to which the web site guarantees the safety of customers' financial and personal information, an area which has witnessed a proliferation of research interest (Kimery and McCord, 2002; Miyazaki and Krishnamurthy, 2002). Security can be assured by providing a privacy statement and information about the security of the shopping mechanisms and by displaying the logos of trusted third parties. For example, displaying trusted third party logo guarantees a certain level of security protection and has been shown to significantly influence how consumers regard the trustworthiness of e vendors (Jiang et al, 2008). Internet banking was made possible by the creation of Web browsers. In this mode of online banking, consumers do not have to purchase additional software (all they need is the browser), store any data on their computer, backup any data, or wait for software upgrades or new versions (Kolsaker and Payne, 2002; Dong-Her et al, 2004). All transactions occur on a secure server of a bank via the internet.
The bank has all of the required data and software to execute the transactions. Customers go the bank's Web site, log in, and then take advantage of the bank's internet services. Typical bank services are account access and review, transfers of funds between accounts, bill payment, and then a widening variety of new services and products. Security plays an important role in internet banking and so there are several protocols for internet security of encrypted data packets (Kolsaker and Payne, 2002; Dong-Her et al; 2004). Customers are not aware of the encryption, however, only certain versions of popular internet browsers are acceptable to some banks due to their security limitations (Kolsaker and Payne, 2002; Dong-Her et al; 2004). Therefore, it is hypothesized that privacy has a positive effect on customer satisfaction.

2.3.1.5 Speed
Hoffman and Novak (1996) find that there is a significant correlation between download speed and user satisfaction. Speed of download depends on the nature of the site downloaded content, the computing hardware and method of connection used to download information (Jayawardhena and Foley, 2000). Most sites demonstration is small snapshots, and some users have to download the program in order to view the demonstration. Most people perceive downloading may import unwanted viruses, and consume hard disk space.

Very often, slow response time after any e-interaction leads to a delay of service delivery and makes consumers unsure about whether or not the transaction is completed (Jun and Cai, 2001). Johnston (1997) illustrates that certain actions, such as increasing the speed of processing information and customers, are likely to have an important effect in terms of pleasing customers; however other activities, such as improving the reliability of equipment, will lessen dissatisfaction rather than delight customers and suggests that it is more important to ensure that the dissatisfies are dealt with before the satisfiers. Thus, it is hypothesized that speed has positive effect on customer satisfaction.
Considering the competitive environment, there is a need for banks to plan their strategies that will differentiate them from another. This can be achieved through the delivery of high service quality. The practice of excellent service quality has been proven that customer satisfaction will significantly lead to customer loyalty (Caruana et al., 2000; Caruana, 2002). Internet has emerged as a key competitive arena for the future of financial services (Cronin, 1998) in that online banking offers customers more features with lower cost than traditional banking activities. Since the Security First Network Bank (SFNB) first started its Internet bank on the web site (www.SFNB.com), more than 1,500 financial institutions have made plans to offer certain forms of Internet banking in 3 years. Advanced technologies enable banks to utilize new banking products, such as a smart card and electronic money, through the Internet. Internet banking is easier, more convenient and offers more features with lower cost than home banking in the 80’s.

Customers’ responses to the Internet banking system have been so much different from the home banking due to its easy accessibility. Customers can access their account from anywhere in the world and at any time. To secure loyal customers, many banks try to provide customers with unique online experiences that customers cannot access through the offline channels.

2.4 Customer and Customer Satisfaction

According to the classification by Jones and Sasser (1995), customers can be grouped into four (4), these are “Apostles”, “Hostages”, “Mercenaries” and “Terrorists”. An “Apostle” is a high satisfied and high loyalty customer. Such as customer due to their loyalty and satisfaction are willing to recommend the product or service to others whilst “Hostages” are lowly satisfied but high loyal customers because they have fewer choices or alternatives. “Mercenaries” are those customers who are interested in changing their supplier in order to obtain lower prices although they are high satisfied. Such customers are said to be highly satisfied but lowly loyal. As a term, customer satisfaction (CS) has received numerous attention and interest among scholars and practitioners alike because of its role as an important variable of business strategy in this very competitive market (Lovelock and Wirtz, 2007). Since
the early 1960’s to date several researches have been conducted on customer satisfaction by different researchers. In fact in the words of Parker and Mathews “customer satisfaction has been fundamental to the marketing concept for over three decades” (Parker and Mathews, 2001). In 1962 for instance, Sprowls and Asimow built a customer behaviour model and indicated that repeat purchasing of a commodity was as a resulted of customer’s being satisfied with the product on offer. Still in the 1960’s, Cardozo’s (1965) used a laboratory experimental study to posit that customer satisfaction with a particular product was determined by their tireless effort to obtain the product in question as well as the expectation of the customers about the product.

In the 1970s, Anderson (1973) as well Olshavask and Miller (1972) investigate customer satisfaction based on the expectation and perceived product performance. In terms of definition of the concept, customer satisfaction has been traditionally defined as “an evaluative judgment prior to making a choice, about any particular purchase decision” (Oliver,1980). Pairot (2008) also defined Customer’s satisfaction as the company's ability to fulfill the business, emotional, and psychological needs of its customers. In that same definition Pairot (2008) acknowledged that customers usually have varied levels of satisfaction since they have different attitudes and experiences as perceived from the company.

According to Churchill and Surprenant (1982), customer satisfaction can be defined as a “disconfirmation paradigm” since it is a result of confirmation/disconfirmation of expectation that evaluates a product’s performance with it expectation and desire. Customer satisfaction is therefore an attitude or a rating made by the customer by comparing their pre-purchase expectation to their subjective perceptions of actual performance (Oliver, 1980). “Satisfaction is a person’s feeling of pleasure or disappointment resulting from comparing a product’s performance (outcome) in relation to his or her expectation” (Kotler & Keller, 2006 ). Bank customer satisfaction is regarded as banks fully meeting the customers’ expectation (Bloemer, Ruyter, and Peeters, 1998) and also said to be a feeling or attitude formed by bank
customers after service, which expressly connects the various purchasing behaviour (Jamal and Naser, 2002).

Customer satisfaction is seen to be a state of mind that customers have about a company when their expectations have been met or exceeded over the lifetime of the product or service (Kevin Cacioppo, 1995 and Kumbhar, 2010). In this regard therefore satisfaction is built over a period of time within the product life cycle. Satisfaction therefore appears to be between pre-exposure and post-exposure of attitudinal components (Oliver, 1980) and serves as a link between the various stages of consumer buying behavior (Jamal and Nasser, 2002).

Customer satisfaction is seen to be a state of mind that customers have about a company when their expectations have been met or exceeded over the lifetime of the product or service (Kevin Cacioppo, 1995 and Kumbhar, 2010). In this regard therefore satisfaction is built over a period of time within the product life cycle. Satisfaction therefore appears to be between pre-exposure and post-exposure of attitudinal components (Oliver, 1980) and serves as a link between the various stages of consumer buying behavior (Jamal and Nasser, 2002). Santos (2003) defined e-service quality as overall customer assessment and judgment of e-service delivery in the virtual marketplace.

2.5 Service Quality and Customer Satisfaction
Banking industry has realized the significance of customer-centered philosophies and is turning to quality management approaches to help managing their businesses. Many scholars and service marketers have explored consumers’ cognitive and affective responses to the perception of service attributes in order to benefit by providing what consumers need in an effective and efficient manner. Consumer satisfaction is considered the primary intervening constructs in the area of service marketing because ultimately it leads to the development of consumer loyalty or re-patronization of a product or service (Ravichandran et al., 2010). Service quality and customer satisfaction are very important concepts, which must understand by companies that want to grow while keeping their competitive edge. In the modern
competitive environments, delivering high service quality is the key for a sustainable competitive advantage. Customer satisfaction has a positive effect on an organization’s profitability. Satisfied customers of any business repeat purchase, show brand loyalty, and give positive word of mouth. Many models have been developed to measure service quality delivered by firms in numerous businesses. It is important to review service quality models because of its relation with customer satisfaction. Thus, service quality has become a major area of interest of practitioners, managers and researchers because of its impact on customer satisfaction, customer loyalty, and of course, company profitability (Zekiri, 2011).

Relationship between satisfaction and service quality is the key to measure user satisfaction (Pitt et al., 1995).

Customer satisfaction has been a focus of attention of managers worldwide for several years and in various sectors (e-government, retailing, health services, telecommunications, etc (Welch et al., 2005, Terblanche, 2006, Perreault et al., 2006, Cohen, 2006, Athanassopoulos and Iliakopoulos, 2003). The main reasons for this are that high customer satisfaction has been linked to customer retention, market share, loyalty, and by extension, higher company’s profits (Szymankski and Henard, 2001). Satisfaction levels with online banking has improved substantially over the years since the Gartner Group reported in 2000, that one third of customers who tried banking online gave it up later (Williams, 2000).

As posited by Delvin (1995), the quality of services derived from a banking activity influences it usage hence since customers have less time to visiting a bank and therefore want a higher degree of convenience and accessibility. This attributes has led to customers being satisfied thus their adoption of internet banking. Additionally, Delvin (1995) argues that perceived usefulness, ease of use, reliability, responsiveness, security and continues improvement (Liao and Cheung, 2002) has led has led to the adoption of internet banking. (Liao and Cheung, 2002) found in their study that individual expectations with reference to accuracy, security, network speed, user-friendliness, and user involvement and convenience were the most
important quality attributes in the perceived usefulness of internet based e-retail banking.

### 2.6 Empirical Review

Kumbhar (2011) in an investigative study on factors affecting the customer satisfaction with e-banking in India evaluated major factors (i.e. service quality, brand perception and perceived value) affecting customers’ satisfaction in e-banking service settings. His study also evaluated influence of service quality on brand perception, perceived value and satisfaction in e-banking. The results of his study pointed to the importance of perceived value, brand perception; cost effectiveness, easy to use, convenience, problem handling, security/assurance and responsiveness in customer’s satisfaction with e-banking.

Kumbhar (2011) in an investigative study on factors affecting the customer satisfaction with e-banking in India evaluated major factors (i.e. service quality, brand perception and perceived value) affecting customers’ satisfaction in e-banking service settings. His study also evaluated influence of service quality on brand perception, perceived value and satisfaction in e-banking. The results of his study pointed to the importance of perceived value, brand perception; cost effectiveness, easy to use, convenience, problem handling, security/assurance and responsiveness in customer’s satisfaction with e-banking. Tehrani Niknezhad (2007) in another investigative attempt assessed the influence of electronic banking on commitment, trust and attraction of clients in using the Internet Banking of EN (Eghtesade Novin) Banking Industries and found the degree that e-banking affects commitment, trust and attraction of using e-banking in banking industry.

The data of her study were analyzed using structural equation modeling and LISREL software and the results showed that e-banking services have a meaningful relationship with commitment, trust and customer-orientation. Evants et al. (2004) in their investigation of electronic banking compared Jordanian banking system and American banking system and specified major differences between Jordanian and American bank web application. Their study shows the gap between web usage in
developing and developed countries. The findings illustrated that the difference between these two systems lies in the way services are provided in their websites. American banks use their web sites not only to provide classical operations but also financial calculators, investment advice, and bill payments, while Jordanian banks have exhibited weaknesses in this regard.

In the study conducted on e-banking and customer satisfaction in Bangladesh, Nupur (2010) found that five service quality dimensions namely reliability, responsiveness, assurance, empathy, and tangibles are the core service quality dimensions for customer satisfaction in e-banking and reliability, responsiveness and assurance have more contribution to satisfy the customers of e-banking in Bangladesh.

Fathian et al. (2009) in another study investigated the realization of electronic banking in improving Banks' customer satisfaction in Iran Melli Bank. Their findings show that Melli bank's electronic services which are provided via various ways such as ATM, sale terminals, telephone banking, Internet and mobile, are among the customer needs and this means that the relationship between their development and customer satisfaction degree is a direct-linear relationship. Bamdad and Rafiei Mehrabadi studied customer satisfaction with the quality of banks' ATM services. They found that the customer satisfaction is on an average level. Despite the lack of high customer satisfaction, they would prefer to use the ATM rather than referring to bank staff. Final, the multiple regression analysis showed that safety of the devices and providence of enough money has the largest share in predicting customer satisfaction.

Park (2009) in another attempt compared customer satisfaction in the community college and department of employment security operated WIN Job centers in Mississippi. Results showed that those customers who were using the WIN Centers for the first time were more satisfied with the overall services of community college centers; however, customers who were using the job center for 2-5 times were more satisfied with overall services from the Mississippi Department of Employment Security job centers. Finally, the data also displayed that the customers who had a
higher level of education (i.e. 2 or more years of college) were more satisfied with the WIN Job Centers overall than those with a high school diploma or less.

Washburn (2009) in a survey studies customer satisfaction perceptions of dislocated workers served by WIN Job centers in the Mississippi. Four WIN job centers participated in the study. Each of the four WIN job centers rated in the excellent to good rating in satisfaction for staff, facilities, services, self-service facilities and overall satisfaction. Of the five null hypotheses, three were rejected due to there being a statistically significant difference in at least one of the centers with regards to facilities, staff and services.

Balachandher, et al. (2000) in a study on electronic banking as assessed by a number of Malaysia Multi-Media university lecturers introduced developments in information technology and telecommunications as the major factor which have made an electronic revolution in the Malaysian banking sector. This change in turn has resulted in new delivery channels for banking products and services such as the automated teller machines (ATM’s), Tele banking and PC-banking. These changes were all made for customer satisfaction. Among the services introduced, ATM has been the most used and Tele banking has the lowest application rate. Based on this study, electronic banking has not yet been settled in Malaysia but it seems that the government is looking for conditions for its settlement.
Conceptual Framework for the Study

In this study, based on a thorough review of literature, the conceptual model presented in Figure 1, it depicts the dimensions of IBSQ for which CS will be measured. The conceptual framework for this study adopts the IBSQ dimensions proposed in the model of IBSQ.

Figure 2.2: Conceptual Framework

According to C. B. Ho and W. Lin, (2010) this model will be adopted for the following reasons. First, the model will be based on extensive literature review. Second, the dimensions in the model are validated empirically as applicable to internet banking context and not just general e-service quality context.

Research Gap

From the above empirical analysis, it shows that extensive empirical studies on service quality and customer satisfaction in e-banking have been done in other organizations outside Tanzania and in Tanzanian Bank this is a new Banking in which no research has been conducted. The studies reviewed, show that there are different reasons that affect customer satisfactions in E- Banking, which include; accessibility, conveniences, privacy, security and speed. The studies are closely related to the topic which the researcher has chosen. Apart from close relationship.
they have, the studies have not yet conducted in Tanzania specifically at CRDB Bank at waterfront Branch. Therefore, it is on the light of these studies the researcher can be able to go about the study titled, “study of service quality and customer satisfaction in e banking a case of CRDB BANK, Waterfront Branch, Dar es Salaam.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction
This chapter explains the way in which the research has been carried out. It is organized under the following sub sections area of the study, the research design, the population, sampling techniques, research instruments, and data collection procedures and data analysis.

3.2 Area of the study
The research was conducted at CRDB Water Front Branch, the area is selected because is a working place of the researcher this helped the researcher to minimize the traveling cost.

3.3 Research Design
Research design is the overall plan of how the research was conducted what and how evidence has been gathered, analyzed and interpreted based on the research questions (Easterby, 2008). This study uses case study design as a mode of investigation out of which collection of data was possible. According to Yin (2003) case study is a research method based on an in-depth investigation of a single individual, group, or event. It might be descriptive or explanatory. Yin (2003) adds that case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident. Yin (2003) notes, however, that case study methods may be used for the “evaluation” of businesses and government programs with the goal of identifying potential explanations for their successes or failures.

Case study design allowed an in depth study to be carried out in the selected study entity. In addition, it enabled the researcher to capture the emotional perspectives of the respondents as far as customer satisfaction is concerned. This Case study design has also proposed for its flexibility in the use of data collection methods.
3.4 Population of the study
The population of the study composed of top Management Officials of the Bank, Corporate Customers, and retail Customers. These have been selected because they are considered to have necessary information that would meet the objectives of the study.

3.5 Sample and Sampling Procedures
3.5.1 Sample size
A sample is the unit or item derived from the population to represent the total population. Since it is not possible to examine every item in the population, the researcher has selected few items (samples) from a big population which will be representative. So the selected items are what we call samples. By using samples, it is possible to obtain sufficiently and accurate results by studying only a part of total population (Kothari, 1990:65).

In this study, the sample constituted 115 respondents which represented the total population from which only 90 respondents has been investigated. Stratified random sampling technique has used in the selection of customers and employees in order to ensure appropriate representation. In addition, simple random sampling has been used to select corporate customers. Purposive sampling has been used to select members from the top management in the branch (Only 10 for interview). The table below explains.

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Type of respondent</th>
<th>No. of respondent</th>
<th>Sampling Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Corporate Customers</td>
<td>30</td>
<td>Stratified random</td>
</tr>
<tr>
<td>2.</td>
<td>Retail Customers</td>
<td>70</td>
<td>Stratified random</td>
</tr>
<tr>
<td>3.</td>
<td>Employee</td>
<td>10</td>
<td>Purposive sampling</td>
</tr>
<tr>
<td>4.</td>
<td>Top Senior Executive</td>
<td>5</td>
<td>Purposive sampling</td>
</tr>
</tbody>
</table>

Source: Author (2014)
3.5.2 Sampling Procedures
This study uses a combination of purposive and stratified sampling techniques as underscored here under.
Customers were sixty (100) in numbers that are stratified,
(i) Corporate were 30 in numbers.
(ii) Retail customers were 70 also in numbers.

Employees were 10 purposes (7 staff and 3 ICT staff) and Senior Executive were 5 only for interview.

3.6 Data Collection Methods
This study uses a combination of methods to collect data including a standardized questionnaire with both open and close ended questions supplemented by in depth interviews with key informants and observations. The use of multiple instruments ensured validity and reliability of data collected.

3.6.2 Interview
An interview is a conversation between two people (the interviewer and the interviewee) where questions were asked by the interviewer to obtain information from the interviewee. As qualitative research, interview seeks to describe and the meanings of central themes in the life world of the subjects. The main task in interviewing was to understand the meaning of what the interviewees say. (Kvale, 1996). Hence the researcher has made conversation with the interviewee to get some information known by interviewee about how the Bank has been able to offer good E- Banking Services to their customers.

3.6.3 Documentary Review
These are secondary data which were collected through library research and documentary review. Both published and unpublished materials like books, theses, journals, articles, research reports, budgets, project documents and e-resources were reviewed and major points summarized. By using documentation the researcher obtained some important secondary data from different sources such as reports,
official and personal files and management meetings. This source of data was used because it provided contemporary information and helped in understanding why the Bank decided to adopt E-Banking.

3.7. Data Collection Instruments
A combination of instruments used to facilitate data collection and analysis as follows:

3.7.1 Questionnaire Instruments
This has been an Instrument used to collect data. A questionnaire refers to a set of written questions that people respond to directly on the form without the aid of an interviewer (Monette, et. al., 2008). Standardized and structured questionnaires with both open and close ended questions were administered directly to respondents for them to fill in data. The major advantage of a questionnaire is to allow a researcher to collect data from a large audience located in different geographical areas and the instrument is cost effective. In addition, face to face interviews tend to increase high response and return rates. Two types of questionnaires were designed and distributed to the selected sample. The first set was designed for customers while the second set was for the employees and top management.

3.7.2 Interviews Questions
According to Monette, et. al, 2008) interview is a technique in which an interviewer reads questions to respondents and records their verbal responses. In depth face to face Interviews has been conducted by the researcher during the working hours to collect additional information that has not covered in the questionnaire. The respondent who was participated in the study was purposively selected based on the judgment of the researcher. This is a good method because it is less time consuming and cost effective. It was designed to collect the respondents’ views and opinions.

3.7.3 Validity of the Research Instruments
Prior to the main survey, the instruments was pre-tested on a smaller sample (Six (6) respondents), three (3) from each group of respondents. A finding from the pre-test
was used for reviewing validity of the instruments. Questions that do not yield useful information were either revised or discarded. The researcher was distributed the questionnaires to the customers and employees (staff) during the working hours and then collected from them after finishing respond to the questions.

3.8 Data Analysis Procedures
Both qualitative and quantitative methods of data analysis were employed. Quantitative field data was organized into categories, labeled, edited and coded. A Statistical Package for Social Scientists (SPSS) for Windows Version 19 was used to derive, frequencies, percentages, tables and charts etc. Qualitative data from interviews and open ended questions were organized into meaningful themes and analyzed using content analysis. This has enabled the researcher to interpret data collected and ultimately make necessary, recommendation and reach a conclusion.
CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF RESEARCH FINDINGS

4.1 Introduction
In this chapter, collected data is presented based on the research objectives. Prior to this, the profile of respondents is presented and explained based on their age, gender, and education. It is organized into five sections namely; the profile of respondents, the major focus was the major service quality dimensions that satisfy customers in internet banking, extent of customer satisfaction from supporting internet banking service in Tanzania the case of CRDB Bank, the quality of internet banking services of CRDB Bank and the effect of e-banking on customer satisfaction. The findings are depicted using tables and charts and analyzed quantitatively and descriptively. This chapter further presents the interview outcomes conducted to CRDB ICT officials on CRDB bank’s capabilities to support both e. Banking customers and e. banking infrastructures.

4.2 Profile of Respondents
4.2.1 Demographic and Social Economic Characteristics of the Respondents
98 customers of CRDB Water front Branch were interviewed using questionnaires and 3 CRDB ICT officials from CRDB Head Office Azikiwe Dar es Salaam were orally interviewed. The results for demographic information are summarized below.

4.2.2 Gender of Respondents
Sex is included in the questionnaire since males are expected to use e. Banking easily more than females as outlined by Singh (2004) in his research study. The study found the percentage of male among e. banking users is greater than of female e. banking users. The findings indicate that 32% of the respondents were females and 68% were males from which 91.1% of the males were using e-banking services. 8.9% of the females were using e. Banking. Thus sex is regarded as one the factor to determine the adoption of e. banking services as far as this study is concerned.
Table 4.1:  Sex Distribution of the Respondents

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>31</td>
<td>32</td>
</tr>
<tr>
<td>Male</td>
<td>67</td>
<td>68</td>
</tr>
<tr>
<td>TOTAL</td>
<td>98</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data, 2014

4.2.3  Age

The researcher decided to include age in the questionnaire because age associates with technological adoption since e. Banking is emerged under technological advancement in the category of ICT (Information and Communication Technology) whereby the young group is expected to adopt technological changes easily compared to old group. Fig below shows the majority of the respondents were in age group of 30-34 with 31.6% of the study sample while few of the respondents (3.1%) were in the age group of 20-24. The study found that age group of 30-34 with 42.2% of all surveyed e. Banking users are more using e- Banking services compared to other age groups.

Figure: 4.1  Age Distribution of the Respondents

Source: Field Data, 2014
4.2.4 Marital Status

Marital status was included in the questionnaire because it may affect the use of e-Banking in one way or another since these family members are expected to have different responsibilities that can make them struggle for various banking transactions to fulfill their families with financial needs whenever needed. The study findings show that the majority of the respondents were married having 68.4% of the study sample, followed by single, widowed and divorced with 29.6%, 2%, 0% respectively. From the table below, study found that 95.6% of e-banking users are married people while single 2.2%, widowed 2.2% and divorced 0%.

Table 4.2 Marital Status Distribution

<table>
<thead>
<tr>
<th>Categories</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>29</td>
<td>29.6</td>
</tr>
<tr>
<td>Married</td>
<td>67</td>
<td>68.4</td>
</tr>
<tr>
<td>Widowed</td>
<td>2</td>
<td>2.0</td>
</tr>
<tr>
<td>Divorced</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>98</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data, 2014

4.2.5 Education Qualification

Education qualification is also important aspect to determine the factor hindering the adoption of E-Banking services since education bridges the development adoption whereas this study found that people with college or university education with 53.1% of the study sample are more interested to use e-banking with 64.4% of all e-banking users compared to other levels of education (Refer Table 4.7).
4.2.6 Occupation

Being working would result someone to have personal financial earnings that he/she will probably end up with banking transactions, say E. banking services. Types of occupation are included in the questionnaire so as to determine the factor hindering the adoption of E. banking and result found that worker group with 70.4% of the study sample is interested and using much the e. banking services than other types of occupation for example executive, student and who are not working whereby 77.8% of those who replied to use e. banking are in worker group.

Table 4.3: Occupation Distribution

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>11</td>
<td>11.2</td>
</tr>
<tr>
<td>Worker</td>
<td>69</td>
<td>70.4</td>
</tr>
<tr>
<td>Student</td>
<td>15</td>
<td>15.3</td>
</tr>
<tr>
<td>Not at work</td>
<td>3</td>
<td>3.1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>98</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data, 2014
4.2.7 Monthly Income (Tz Shilings)
Monthly income was included in this study because E banking users tend to come from high-income groups such as small business owners, salaried employees and senior managers (Singh 2004). Furthermore, a negative, hard-to-use image (Fain and Roberts, 1997) of technologies and computers may have been perceived by consumers when thinking about using E- banking.

The results revealed that people with income group of above Tshs. 1,000,000/= with 40% of the all of E- Banking services users are more using e- banking services compared to other income distribution

The Pie Chart figure 4.3 below presents monthly income of the respondents.

**Figure 4.3: Monthly Income Distributions**

![Pie Chart](image)

Source: Field Data, 2014
Table 4.4: Summary of the Demographic Information and E Banking Users/None E-Banking Users

<table>
<thead>
<tr>
<th>Variables</th>
<th>Categories</th>
<th>Respondents</th>
<th>Percentage</th>
<th>Respondents</th>
<th>Percentage</th>
<th>Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DEMOGRAPHIC INFORMATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>E-BANK USERS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NON E-BANKING USERS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sex</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>31</td>
<td>32</td>
<td>4</td>
<td>8.9</td>
<td>27</td>
<td>50.9</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>67</td>
<td>68</td>
<td>41</td>
<td>91.1</td>
<td>26</td>
<td>49.1</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>98</td>
<td>100</td>
<td>45</td>
<td>100</td>
<td>53</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 20</td>
<td>5</td>
<td>5.1</td>
<td>4</td>
<td>9</td>
<td>1</td>
<td>1.9</td>
<td></td>
</tr>
<tr>
<td>20 – 24</td>
<td>3</td>
<td>3.1</td>
<td>1</td>
<td>2.2</td>
<td>2</td>
<td>3.8</td>
<td></td>
</tr>
<tr>
<td>25 – 29</td>
<td>19</td>
<td>19.4</td>
<td>9</td>
<td>20</td>
<td>10</td>
<td>18.9</td>
<td></td>
</tr>
<tr>
<td>30 – 34</td>
<td>31</td>
<td>31.6</td>
<td>19</td>
<td>42.2</td>
<td>12</td>
<td>22.6</td>
<td></td>
</tr>
<tr>
<td>35 – 39</td>
<td>23</td>
<td>23.5</td>
<td>10</td>
<td>22.2</td>
<td>13</td>
<td>24.5</td>
<td></td>
</tr>
<tr>
<td>Above 39</td>
<td>17</td>
<td>17.3</td>
<td>2</td>
<td>4.4</td>
<td>15</td>
<td>28.3</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>98</td>
<td>100</td>
<td>45</td>
<td>100</td>
<td>53</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td><strong>Marital Status</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>29</td>
<td>29.6</td>
<td>1</td>
<td>2.2</td>
<td>28</td>
<td>52.8</td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>67</td>
<td>68.4</td>
<td>43</td>
<td>95.6</td>
<td>24</td>
<td>45.3</td>
<td></td>
</tr>
<tr>
<td>Widowed</td>
<td>2</td>
<td>2.0</td>
<td>1</td>
<td>2.2</td>
<td>1</td>
<td>1.9</td>
<td></td>
</tr>
<tr>
<td>Divorced</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>98</td>
<td>100</td>
<td>45</td>
<td>100</td>
<td>53</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td><strong>Educational Qualification</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary Education</td>
<td>4</td>
<td>4.1</td>
<td>1</td>
<td>2.2</td>
<td>3</td>
<td>5.6</td>
<td></td>
</tr>
<tr>
<td>Secondary Education</td>
<td>34</td>
<td>34.7</td>
<td>12</td>
<td>26.7</td>
<td>22</td>
<td>41.5</td>
<td></td>
</tr>
<tr>
<td>College/University education</td>
<td>52</td>
<td>53.1</td>
<td>29</td>
<td>64.4</td>
<td>23</td>
<td>43.4</td>
<td></td>
</tr>
<tr>
<td>Vocational Training</td>
<td>6</td>
<td>6.1</td>
<td>3</td>
<td>6.7</td>
<td>3</td>
<td>5.7</td>
<td></td>
</tr>
<tr>
<td>None of the above</td>
<td>2</td>
<td>2.0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>3.8</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>98</td>
<td>100</td>
<td>45</td>
<td>100</td>
<td>53</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td><strong>Occupation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive</td>
<td>11</td>
<td>11.2</td>
<td>6</td>
<td>13.3</td>
<td>5</td>
<td>9.4</td>
<td></td>
</tr>
<tr>
<td>Worker</td>
<td>69</td>
<td>70.4</td>
<td>35</td>
<td>77.8</td>
<td>34</td>
<td>64.2</td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td>15</td>
<td>15.3</td>
<td>4</td>
<td>8.9</td>
<td>11</td>
<td>20.8</td>
<td></td>
</tr>
</tbody>
</table>
From the demographic information findings, the following are the relationship between variables and E-Banking:

(i) Age

The age groups of above 39 years were found not using much the e-banking services than other age group because this age group seems to have not enough information on e-banking technology and services.

(ii) Sex

Female respondents were found not using much the e-Banking compared male respondents as male seems to struggle more to full fill their families with financial needs since men act as heads of the families.

(iii) Marital Status

Single people were found to use less the e-banking services compared to other group like married people who found to have used more e-Banking than other marital status groups because of family obligations on financial matters they have.
(iv) **Educational Qualification**
People with colleges or university education were found not using e. Banking than the other education level because of having exposure on getting information and evaluate such information for decision making of whether to accept or not accepting the emerging technology as most of them have ability to encounter the services as having security and performance risk that make them difficult to accept the services.

(v) **Occupation**
People in worker group were found to use less the e- Banking compared to other occupation group because it comprises of many people involving in this group hence for their reasons were found not easily to accept e- Banking services.

(vi) **Monthly Income**
People with monthly income above 1,000,000/= found to have used more e- Banking than the other type of income as seem to distribute more their earnings to their fellows hence they struggle for the easiest way to accomplish these transactions like adopting e- Banking.
CHAPTER FIVE

DISCUSSION OF THE RESEARCH FINDINGS

In this chapter presented data were analyzed and discussed based on the research objectives.

5.1 Major Service Quality Dimensions that Satisfy Customers in E-banking
The first objective is to identify the major service quality dimensions that satisfy customers in e-banking. For the customers to be satisfied with the service they have to be aware of that service, therefore customer’s awareness is among of the factors in customer’s satisfaction. In this objective the researcher includes the questions of e-banking awareness, sources of customer’s awareness, trust on e-banking service and benefit of using e-banking service.

5.1.1 A Customer’s Awareness of E. Banking Services and Customers
Customer awareness is a state in which people attend to their own consciousness, body, personal history, or some other aspect of themselves (Duval and Wicklund 1972) studies show that increase customers’ self awareness can be used to influence their satisfaction with the service (Michael T. et al 2004). Understandably, a large body of applied and theoretical research has focused on how to improve customer satisfaction by enhancing objective product and service quality (Gale 1994; Hauser and Clausing 1988).

This study aimed at determining the customers’ awareness on e. banking services, the following are the results: The researcher decided to include question of e-banking awareness simply because without knowledge it is difficulties for them to accept the offered e. banking services because of not knowing “know how”. The results show 45.9% (45 of 98) of respondents of the study sample are aware with e-Banking service and the source of this awareness to them is through their colleagues.
Figure 5.1: Customers Awareness of E-Banking Services

Source: Field Data, 2014

5.1.2 Sources of Customers’ Awareness of E-Banking Services

The researcher included the question on sources of customer’s awareness so as to be in position to evaluate the said media whether it is helpful tool to expose e-banking services among customers. The result shows most of the customers (37.8%) are aware of e-banking through their colleagues. However awareness of the services to the customer may increase customer satisfaction with the services.

5.1.3 Trust on E-Banking Services

Customers’ trust was questioned in this study because trust is regarded as the expectations that people having each other, and of the institutions with which they deal whereby these expectations are socially learned and socially confirmed as explained by Barber, B. (1983).

Majority with 52% in this study replied they had not trust on e-banking services. The results show 48% of the respondents agreed that they have trust on e-banking while 52% not agreed to have trust on e-banking services. Trust significantly affect attitude toward e-banking acceptance (Gerrard and Cunningham, 2003)
Table 5.2: Customers’ Trust on E-Banking Usage

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>47</td>
<td>48</td>
</tr>
<tr>
<td>No</td>
<td>51</td>
<td>52</td>
</tr>
<tr>
<td>TOTAL</td>
<td>98</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source:** Field Data, 2014

5.1.4 Rating of Benefits of Using E-Banking by Customers

The researcher was interested to know whether the customers see the benefits of e-banking as they would have to adopt for easily banking transactions and from the results the majority with 48% of the respondents rated the benefits of using e-banking as of medium advantages, 26.5% high, 23.5% low and 2% of the respondents replied it had no benefits.

Table 5.3: Rating of Benefits of Using E-Banking Services by Customers

<table>
<thead>
<tr>
<th>Categories</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>26</td>
<td>26.5</td>
</tr>
<tr>
<td>Medium</td>
<td>47</td>
<td>48</td>
</tr>
<tr>
<td>Low</td>
<td>23</td>
<td>23.5</td>
</tr>
<tr>
<td>No benefits</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>98</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source:** Field Data, 2014

5.2 Extent of Customer Satisfaction from Supporting Internet Banking Services

This is a second specific objective, in this study and researcher includes the questions of trust on e-banking service because trust is regarded as the expectations that people having each other, and of the institutions with which they deal whereby these expectations are socially learned and socially confirmed as explained by Barber, B. (1983). Note that question of trust in e-banking and how rating the benefit of using internet banking used in two specific objectives of this study, which is first objective.
and second objective. Relationship between satisfaction and service Quality is the key to measure user satisfaction (Pilt et.al., 1995)

5.2.1 Trust on E-Banking Services
Customer trust questioned in this study and the result of trust shows that majority with 52% replied they had not trust on e-banking services. The results show 48% of the respondents agreed that they have trust on e-banking while 52% not agreed to have trust on e-banking services. Trust significantly affect attitude toward e-banking acceptance (Gerrard and Cunningham, 2003).

Table 5.4: Customers’ Trust on E-Banking Usage

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>47</td>
<td>48</td>
</tr>
<tr>
<td>No</td>
<td>51</td>
<td>52</td>
</tr>
<tr>
<td>TOTAL</td>
<td>98</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data, 2014

5.2.2 Rating of Benefits of Using E-Banking by Customers
The researcher also includes the question on how customer rate the benefit of using e-banking so as to know to which extent customer are satisfied with the service so that they can support this service provided by the bank. Also the result of rating the benefit of using e-banking is that the majority with 48% of the respondents rated the benefits of using e-banking as of medium advantages, 26.5% high, 23.5% low and 2% of the respondents replied it had no benefits.
Table 5.5: Rating of Benefits of Using E-Banking Services by Customers

<table>
<thead>
<tr>
<th>Categories</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>26</td>
<td>26.5</td>
</tr>
<tr>
<td>Medium</td>
<td>47</td>
<td>48</td>
</tr>
<tr>
<td>Low</td>
<td>23</td>
<td>23.5</td>
</tr>
<tr>
<td>No benefits</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>98</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data, 2014

5.2.3 Other Factors Limiting Customers to Satisfaction on E-Banking

As far as this study is concerned with exploring the factors hindering the customers to be satisfied with e-Banking services, the researcher questioned the customers to answer which factors they think they do contribute to them not to accept e. banking services and the following were the results.

The majority of the respondents (23.5 %) revealed that they are not aware of e-banking services. Furthermore, the results indicated no respondents who mentioned high initial cost of acquiring e-baking as limiting factor. Other limiting factor mentioned include; not knowing the procedures for joining, weak security, high cost charged by e. network providers and bank, slow data transmission, complication in the use of services, lack of enough support from the bank, possibility of high error in transmission, dislike to use e. banking. Moreover, the results showed that 9.2% of the respondents revealed and mentioned that it is difficult for them to be satisfied with e-Banking because of the following mentioned reasons:

Social Risk
Respondents referred to the possibility that using e- banking may result in disapproval by one’s friends/family/work group

Time/Convenience Risk
Respondents feared of loss of time and any inconvenience incurred due to delayed payments or difficult navigation of e-banking services.
**Trust in E- Banking**

Some respondents mentioned that a critical for the success of e- Banking is perception about the competency and salient knowledge of the e- Banking service provider to deliver the expected service in terms of integrity as users’ perceptions that the service provider will be fair, honest and adhere to reasonable conditions of transactions and the service provider will make a good faith effort to resolve users’ concerns and intends to do good to the users beyond profit.

**5.3 Quality of Internet Banking Services of CRDB Bank**

The third objective was to assess the quality of internet banking service of CRDB Bank, the following are the discussion of the findings

**5.3.1 Problems Customers Face When Using E- Banking**

Researcher was interested to know whether there are some problems associated with e- banking usage that hinder them to adopt e- banking.

The study found that 45.9% of the respondents do use e- banking services to perform various transactions as shown in the Table 4.8 with the following distribution:-
- 64.4% accessing account information,
- 11.1% Bills Payment,
- 15.6% Money Transfer,
- 6.7% Salary Bulk Payments
- and 2.2% other use which were explained that e- Banking services are used to stop the loss or stolen ATM card whereby it seems most of the respondents use e- Banking to access the account information like checking balances, requesting mini-statements.

Customers responded that they do encounter some number of problems when using e- banking like inadequate knowledge to operate e-banking, network breakdown sometimes, occurrence of processing errors when performing transactions, unreliable e- banking services support by bank and other responded that there is a problem of getting error messages that they have never registered to E- Banking when trying to access the services whilst they had registered already. From the above findings, people with age range between 30-34 years, males, married people and with monthly income above 1,000,000/= are found to use more e- Banking services than other
variables for one or more reasons as described in previous parts of this research paper.

Interview conducted with the management of CRDB on the Quality of internet banking services of CRDB Bank. It was revealed that, CRDB has upgraded its Internet to allow more functionality including direct SWIFT transfers, TISS Transfers, Salary (Bulk) payments, Standing orders processing, Top-ups, and Bills payment etc since June 2012.

Also it was revealed that, this service is obtained in the internet banking especially for companies. Companies that have account with CRDB bank when registered for internet banking can have access to pay salaries to their employees who also have accounts with CRDB bank. This service called salary bulk payments. The management said that it is very convenient because the company does not need to go to the bank to present cheques for salary payment instead the company through the accountant(s) process the salary by using internet banking.

Table 5.6: Banking Services Customers Use

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessing Accounting Information</td>
<td>29</td>
<td>64.4</td>
</tr>
<tr>
<td>Money Transfer</td>
<td>7</td>
<td>15.6</td>
</tr>
<tr>
<td>Bills payment</td>
<td>5</td>
<td>11.1</td>
</tr>
<tr>
<td>Salary bulk payment</td>
<td>3</td>
<td>6.7</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>2.2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>45</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Data, 2014

5.4 Effect of e-Banking on Customer Satisfaction

The forth objective is to examine the effect of e-banking on customer satisfaction. The researcher decided to include the question on customers’ intention to use e-Banking services because having an intention may initiate one to act accordingly. It is found that majority of the respondents with 54.1% they are having no intention to
use e-banking services. Some respondents described why they did not have the intention to use e-Banking and the following are mentioned reasons:

(i) **Performance Risk**
Fearing of losses incurred by deficiencies or malfunctions of e-banking infrastructure.

(ii) **Security/privacy Risk**
Fearing of potential loss due to fraud or a hacker compromising the security of e-Banking user’ which is defined as the extent to which a person believes that using e-Banking would have no security or privacy threats. That security/privacy risk was considered to be similar to a lack of credibility.

(iii) **Financial Risk**
Fearing of potential for monetary loss due to transaction errors or bank account misuse.

(iv) **Perceived Cost**
Some customers believe that using e-Banking will cost a lot of money due to transactional cost in the form of bank charges and e. network charges for sending communication traffic. In these economic times, customers tend to make use of services and products they perceived to not only be cost effectively but also have the most value for their money.(Redelinghuis and Rensleigh, 2010).
Table 5.7:  Customer’s Intention to Use E-Banking

<table>
<thead>
<tr>
<th>Variables</th>
<th>Category</th>
<th>Yes</th>
<th>Percentage</th>
<th>No</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td>Female</td>
<td>4</td>
<td>8.9</td>
<td>27</td>
<td>50.9</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>41</td>
<td>91.1</td>
<td>26</td>
<td>49.1</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>45</td>
<td>100</td>
<td>53</td>
<td>100</td>
</tr>
<tr>
<td>Age</td>
<td>Below 20</td>
<td>4</td>
<td>9</td>
<td>1</td>
<td>1.9</td>
</tr>
<tr>
<td></td>
<td>20 – 24</td>
<td>1</td>
<td>2.2</td>
<td>2</td>
<td>3.8</td>
</tr>
<tr>
<td></td>
<td>25 – 29</td>
<td>9</td>
<td>20</td>
<td>10</td>
<td>18.9</td>
</tr>
<tr>
<td></td>
<td>30 – 34</td>
<td>19</td>
<td>42.2</td>
<td>12</td>
<td>22.6</td>
</tr>
<tr>
<td></td>
<td>35 – 39</td>
<td>10</td>
<td>22.2</td>
<td>13</td>
<td>24.5</td>
</tr>
<tr>
<td></td>
<td>Above 39</td>
<td>2</td>
<td>4.4</td>
<td>15</td>
<td>28.3</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>45</td>
<td>100</td>
<td>53</td>
<td>100</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Single</td>
<td>1</td>
<td>2.2</td>
<td>28</td>
<td>52.8</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>43</td>
<td>95.6</td>
<td>24</td>
<td>45.3</td>
</tr>
<tr>
<td></td>
<td>Widowed</td>
<td>1</td>
<td>2.2</td>
<td>1</td>
<td>1.9</td>
</tr>
<tr>
<td></td>
<td>Divorced</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>45</td>
<td>100</td>
<td>53</td>
<td>100</td>
</tr>
<tr>
<td>Education</td>
<td>Primary Education</td>
<td>1</td>
<td>2.2</td>
<td>3</td>
<td>5.6</td>
</tr>
<tr>
<td>Qualification</td>
<td>Secondary Education</td>
<td>12</td>
<td>26.7</td>
<td>22</td>
<td>41.5</td>
</tr>
<tr>
<td></td>
<td>College/university education</td>
<td>29</td>
<td>64.4</td>
<td>23</td>
<td>43.4</td>
</tr>
<tr>
<td></td>
<td>Vocational Training</td>
<td>3</td>
<td>6.7</td>
<td>3</td>
<td>5.7</td>
</tr>
<tr>
<td></td>
<td>None of the above</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>3.8</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>45</td>
<td>100</td>
<td>53</td>
<td>100</td>
</tr>
<tr>
<td>Occupation</td>
<td>Executive</td>
<td>6</td>
<td>13.3</td>
<td>5</td>
<td>9.4</td>
</tr>
<tr>
<td></td>
<td>Worker</td>
<td>35</td>
<td>77.8</td>
<td>34</td>
<td>64.2</td>
</tr>
<tr>
<td></td>
<td>Student</td>
<td>4</td>
<td>8.9</td>
<td>11</td>
<td>20.8</td>
</tr>
<tr>
<td></td>
<td>Not at work</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>5.6</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>45</td>
<td>100</td>
<td>53</td>
<td>100</td>
</tr>
<tr>
<td>Monthly Income</td>
<td>30,000 – 100,000</td>
<td>1</td>
<td>2.2</td>
<td>5</td>
<td>9.4</td>
</tr>
<tr>
<td></td>
<td>101,000 – 300,000</td>
<td>12</td>
<td>26.7</td>
<td>15</td>
<td>28.3</td>
</tr>
<tr>
<td></td>
<td>301,000 – 1,000,000</td>
<td>14</td>
<td>31.1</td>
<td>28</td>
<td>52.8</td>
</tr>
<tr>
<td></td>
<td>Above 1,000,000</td>
<td>18</td>
<td>40</td>
<td>2</td>
<td>3.8</td>
</tr>
<tr>
<td></td>
<td>No Income</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>5.7</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>45</td>
<td>100</td>
<td>53</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data, 2014
5.4.1 Customers’ Perceptions towards Adopting E-Banking in Tanzania Banking Industry

A researcher asked the customers to describe what they perceive on e-Banking simply because everyone may have positive or negative thoughts on e-banking services that may lead them to adopt or abandon the offered e-Banking services. According to Mitchel (1978) perceptions are those processes that shape and produce what one actually experiences. Since perceptions are influenced by many external and internal factors such as cultural, social, psychological and economic, the ways in which the customer perceives services are highly subjective. Therefore, measuring customer’s perception of service is important as the customer’s evaluation of service.

In this study some respondents (customers) had negative perceptions on adopting e-banking services in banking industry as per the following underneath:

(i) **Network Failure**

Respondents perceived that e-Banking services may not complete transactions because of network problems.
(ii) **Incorrect Payment Processing**
It is perceived that e-Banking services may not perform well and process payments incorrectly.

(iii) **Losing Money**
Some respondents had negative thought that when transferring money through e-Banking, one may lose money due to careless mistakes such as wrong input of account number and wrong input of the amount of money.

(iv) **Fear of Getting Compensation**
Customers perceived that when transaction errors occur, one cannot get compensation from banks.

(vi) **Loss of Convenience**
Customers feared wastage of time as they thought that using e-banking services would lead to a loss of convenience because one would have to waste time fixing payments errors.

(vii) **Time Consuming to Learn E-Banking**
It is thought by some customers that would take them a lot of time to learn how to use e-Banking services.

(viii) **Fear of Disclosing Privacy Information**
It is feared not feel totally safe providing personal privacy information over e-banking.

(ix) **Unauthorized Access of Bank Account**
It is worried about use of e-Banking because other people may be able to access one’s account.

(x) **Security Concern**
One would not feel secure sending sensitive information across e-banking
(xi) **Expensive Airtime Cost**
It is believed that the access (airtime) cost is expensive to use

(xii) **Expensive Bank Charges**
It is believed that the transaction fee (bank charges) is expensive

However, some respondents had positive perceptions towards adopting e-banking as mentioned hereunder:

(i) E-banking is helpful financial service because of its fastness (speed) and easy accessibility of anytime and anywhere using e. phones that e-banking is more convenient and more accessible than other banking if they were in a situation with limited transport, no internet access and/or in an isolated environment such as a village or a suburb.

(ii) E-banking minimizes the time of visiting bank halls to make transactions available in e-banking services

(iii) For bank side; bank cuts down the cost of employing many customers especially bank tellers since more of the banking transactions can be done via e-banking.

(iv) E-banking is helpful in stopping the lost or stolen ATM card.

(v) Receiving text messages through e. phones giving information for withdrawal transactions made that account holder may notice if someone is hacked the account.

(vi) E-banking assists in payment of salary it is called salary bulk payments, this is done if the company has account with CRDB Bank and has intention to pay salaries to its employees whose they have account with CRDB Bank.

(vii) E-banking also assists in making payments for purchasing some utilities like electricity (LUKU) and water (DAWASCO).
5.5 Customer satisfaction from supporting internet banking service in Tanzania

5.5.1 Interview Outcomes from CRDBs ICT Personnel

Researcher planned to include in the bank staff in this study so as hear and get knowing from them how bank offers and supports e-banking so that a researcher to be in a good position to recommend on user’s adoption or miss adoption of the offered e-banking services.

Three (3) CRDBs ICT Personnel as key informants were interviewed as far as factors limiting customer’s adoption of e-Banking is concerned and here below are the results. The following are the summary collected from the interview conducted to CRDBs ICT Staff as far as factors limiting customers’ adoption of e-banking in Tanzania banking industry is concerned.

5.6 The measure for Improvement in the Internet Banking in Tanzania

This is the fifth objective of the study questioned asked to the staff of CRDB were answered and discussed as follows

5.6.1 The Methodologies to Enhance Customers’ Adoption of E-Banking Services

The ICT Staff described that bank do advertize e-banking through radio, televisions, website, posters and through directives from bank officers at customers service’s reception desk in banking halls.

5.6.2 Bank’s Capability to Support Customers on E-Banking Usage

The bank staff answered that bank tries to offer reliable and timely good customer care to assist customers accordingly on e-Banking adoption and usage Bank’s capability to support bank’s e banking infrastructures. The bank has opened calling centre at Kijitonyama location, the centre was opened in order to assist customers concerning baking’s products and services including e-banking service. At the back
of ATM’s card there is mobile number for calling centre, this will enable any customer to call anytime for the assistance.

The bank staff also elaborated the bank have modern data center comprising of high speed server environments and security equipment and software to detect and prevent hacking trials.

5.6.3 Challenges do the Bank Faces to Support E-Banking

Challenge to support e-Banking customers is that customers do sometimes share pin number (secret code) with other people hence these people perform transactions without their willing hence come and claim to the banks for the loss money. Also the staff said there is challenge to support e. banking infrastructure as network cut down and fails to establish link (connection/communication) between e-banking service providers and banks. Likewise the bank staff introduced that there is challenge in maintaining security of e-Banking financial transactions since being executed from remote locations and transmitted financial information over the air thus is seen as the most complicated challenges that need to be addressed jointly by e. application developers, wireless network service providers and the banks' IT departments.

5.6.4 Customer’s Demands on E-Banking Services

The researched interested to know whether a bank meets customers’ demands on offering e-banking services. The banks staff replied that the bank meets customer’s demands by offering e-banking services as the get the following advantages: No registration fee, 24 hours 7 days e-banking services, Works on every phone, When travelling abroad with roaming services one could still use CRDB.

Therefore from the discussion of the findings on the study of service quality and customer satisfaction in e-banking in Tanzania and 98 respondents participated, both the empirical and theoretical literature review was oriented and the research gap was covered. The case study research design was used and questionnaires, observation and documentations were used as data collection instruments.
The study came up with the following findings in accordance with the study’s research objectives.

The first objective focused on the major service quality dimensions that satisfy customers in internet banking. One of the important factors on customer satisfaction is the customer awareness of the services, the researcher decided to include question of e-banking awareness simply because without knowledge it is difficulties for them to accept the offered, the findings revealed that customers they are aware of the E-Banking services. Customers’ trust was questioned in this study because trust is regarded as the expectations that people having each other, and of the institutions with which they deal whereby these expectations are socially learned and socially confirmed as explained by Barber, B. (1983).

The results show that, most of the customers do not trust E-banking. Also the results show that, the customer rated the E-Banking as medium in thrusting it. As far as this study is concerned with customer satisfaction and e-banking service quality in Tanzania. The following are other factors major service quality dimensions that satisfy customers in internet banking, Social Risk, Time/Convenience Risk, and Trust in E-Banking.

The second objective of this study was to examine the extent of customer satisfaction from supporting internet banking service in Tanzania the case of CRDB Bank. The researcher also includes the question on how customer rate the benefit of using e-banking so as to know to which extent customer are satisfied with the service so that they can support this service provided by the bank. Note that researcher includes the questions of trust in e-banking and how rating the benefit of using internet banking in two specific objectives of this study, which is first objective and second objective, simply because the relationship between satisfaction and service Quality is the key to measure user satisfaction (Pilt et.al., 1995).

The result shows that the majority of the respondents rated the benefits of using e-banking as of medium advantages, while other respondents replied it had no benefits.
Moreover, the results showed that the respondents revealed and mentioned that it is difficult for them to be satisfied with e-Banking because of the reasons like social risk, time or convenience risk and trust in e-banking.

As regards the third objective on quality of internet banking services of CRDB Bank, the result show that customers responded that they do encounter some number of problems when using e-banking like inadequate knowledge to operate e-banking, network breakdown sometimes, occurrence of processing errors when performing transactions, unreliable e-banking services support by bank and other responded that there is a problem of getting error messages that they have never registered to E-Banking when trying to access the services whilst they had registered already.

Another objective was to assess the effect of e-banking on customer satisfaction, the respondents said that they not having intention to use e-banking services because of the following reasons, Performance risk, Security/privacy risk, Financial risk, and Perceived cost. But through interview, all customers said the only e-banking they must use is the use of ATM. But e-banking like mobile banking and internet banking is just increases cost.

The last objective was to suggest the measures for improvement in the internet banking in Tanzania for the case of CRDB. The researcher includes the questions to bank’s staff on the methodologies to enhance customers’ adoption of E-Banking Services, the ICT Staff described that bank do advertize e-banking through radio, televisions, website, posters and through directives from bank officers at customers service’s reception desk in banking halls.

The bank’s capability to support customers on E-Banking usage and infrastructures, on that question the bank staff also answered that bank tries to offer reliable and timely good customer care to assist customers accordingly on e-Banking adoption and usage Bank’s capability to support bank’s e-banking infrastructures. The bank has opened calling centre at Kijitonyama location, the centre was opened in order to assist customers concerning baking’s products and services including e-banking
service. At the back of ATM’s card there is mobile number for calling centre, this will enable any customer to call anytime for the assistance.

The bank staff also elaborated the bank have modern data center comprising of high speed server environments and security equipment and software to detect and prevent hacking trials.
CHAPTER SIX

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

6.1 Introduction
This chapter presents a summary of the findings, draws, conclusions and puts forward recommendations based on the research findings. The study assessed the service quality and customer satisfaction in e-banking in Tanzania. The major focus was the major service quality dimensions that satisfy customers in internet banking, extent of customer satisfaction from supporting internet banking service in Tanzania the case of CRDB Bank, the quality of internet banking services of CRDB Bank and the effect of e-banking on customer satisfaction.

6.2 Summary
The research on the service quality and customer satisfaction in e-banking in Tanzania and 98 respondents participated. Both the empirical and theoretical literature review was oriented and the research gap was covered. The case study research design was used and questionnaires, observation and documentations were used as data collection instruments.

The study came up with the following findings in accordance with the study’s research objectives.

The first objective focused on the major service quality dimensions that satisfy customers in internet banking. One of the important factors on customer satisfaction is the customer awareness of the services, the researcher decided to include question of e- banking awareness simply because without knowledge it is difficulties for them to accept the offered, the findings revealed that customers they are aware of the E-Banking services. Customers’ trust was questioned in this study because trust is regarded as the expectations that people having each other, and of the institutions with which they deal whereby these expectations are socially learned and socially
confirmed as explained by Barber, B. (1983). The results show that, most of the customers do not trust E-banking. Also the results show that, the customer rated the E-Banking as medium in thrusting it. As far as this study is concerned with customer satisfaction and e-banking service quality in Tanzania. The following are other factors major service quality dimensions that satisfy customers in internet banking, Social Risk, Time/Convenience Risk, and Trust in E-Banking.

The second objective of this study was to examine the extent of customer satisfaction from supporting internet banking service in Tanzania the case of CRDB Bank. The researcher also includes the question on how customer rate the benefit of using e-banking so as to know to which extent customer are satisfied with the service so that they can support this service provided by the bank. The result shows that the majority of the respondents rated the benefits of using e-banking as of medium advantages, while other respondents replied it had no benefits. Moreover, the results showed that the respondents revealed and mentioned that it is difficult for them to be satisfied with e-Banking because of the reasons like social risk, time or convenience risk and trust in e-banking.

As regards the third objective on quality of internet banking services of CRDB Bank the result show that customers responded that they do encounter some number of problems when using e-banking like inadequate knowledge to operate e-banking, network breakdown sometimes, occurrence of processing errors when performing transactions, unreliable e-banking services support by bank and other responded that there is a problem of getting error messages that they have never registered to E-Banking when trying to access the services whilst they had registered already.

Another objective was to assess the effect of e-banking on customer satisfaction, the respondents said that they not having intention to use e. banking services because of the following reasons, Performance risk, Security/privacy risk, Financial risk, and Perceived cost. But through interview, all customers said the only e-banking they must use is the use of ATM. But e-banking like mobile banking and internet banking is just increases cost.
The last objective was to suggest the measures for improvement in the internet banking in Tanzania for the case of CRDB. The researcher includes the questions to bank’s staff on the methodologies to enhance customers’ adoption of E-Banking Services, the ICT Staff described that bank do advertise e-banking through radio, televisions, website, posters and through directives from bank officers at customers service’s reception desk in banking halls.

The bank’s capability to support customers on E-Banking usage and infrastructures, On that question the bank staff also answered that bank tries to offer reliable and timely good customer care to assist customers accordingly on e-Banking adoption and usage Bank’s capability to support bank’s e-banking infrastructures. The bank has opened calling centre at Kijitonyama location, the centre was opened in order to assist customers concerning baking’s products and services including e-banking service. At the back of ATM’s card there is mobile number for calling centre, this will enable any customer to call anytime for the assistance.

The bank staff also elaborated the bank have modern data center comprising of high speed server environments and security equipment and software to detect and prevent hacking trials.

6.3 Recommendations

The following are the recommendations on the customer satisfaction and e-banking service quality in Tanzania, the following recommendations may help bank to influence customers’ decisions to adopt e-banking.

(i) Banks should put more efforts making marketing strategies as advertising the e-banking services through various media so as to reach more customers. Education and awareness campaigns are key focus areas which financial institutions should continuously invest in. Information should be easily retrievable and communicated in a manner that makes sense to a wider customer base (Redelinghuis and Rensleigh, 2010).

(ii) To raise awareness and understanding of e-banking services the bank should influence the issue of usefulness, ease of use and self-efficacy on e-banking
by giving information to customers on the advantages obtained when using e-banking. Bank may produce brochures that contain details of e-banking services, including usefulness and ease of use and bank is to organize training courses in various e-commerce applications. Bank should also continue to provide information and assistance on e-banking using well qualified and professional staff with good customer care through help desks situated in banking halls.

(iii) In case of customer support, bank should provide means of supporting customers online as to establish customer care through call center whereby customers can make calls all the time seeking for assistance on e-banking usage. Call center should ensure that customer received assistance till is satisfied.

(iv) The results of this study showed that there is a negative relationship between customer’s trust and perceived risk. However, it will be necessary to look at the effect of trust on perceived risk on a broader scale. Possibly there could be a better understanding of the reasons why the respondents who placed so much trust in their e-banking service provider did not have risk concerns. Therefore, further research is recommended on the effect of trust to perceived risk of e-banking.
REFERENCE


Bamdad, N., Rafiei Mehrabadi, 2008. *Customer satisfaction with the quality of banks’ ATM services.* Humanities and Social Sciences Management, Year VIII, No. 4.


Hackett, S., B. Parmanto and X. Zeng. (2004). *Accessibility of Internet Websites through Time*. Association for Computing Machinery, Atlanta, USA.


http://www.ccsenet.org/journal/index.phd/ijbm/article/viewFile/5158/4616


Williams, K. (2000) *Are you read for Internet banking*? Strategic Finance, 81,23 and 82.


www.arraydev.com/commerce/jibc/0306-03

www.arraydev.com/commerce/JIBC/0103_01.htm, 6, (1).


Yang, Z., Peterson, R.T., and Huang, L (2001). *Taking the pulse of Internet Pharmacies*. Marketing Health Service, Summer,5-10.


APPENDICES

Appendix I  Questionnaire: CRDB Customers Only

BACKGROUND INFORMATION ON THE RESPONDENTS

1. Gender of respondent
   (i) Male  
   (ii) Female

2. Age of respondent
   (i) 18-25
   (ii) 26-35
   (iii) 36-45
   (iv) 50 and above

3. Level of your education
   (i) Below primary level
   (ii) Primary education
   (iii) Secondary education
   (iv) University

4. Marital Status
   (i) Single
   (ii) Married
   (iii) Widowed

5. Occupation
   (i) Executive
(ii) Worker [   ]
(iii) Student [   ]
(iv) Not at work [   ]

6. Are you aware with E-banking services?
   (i) Yes [   ]
   (ii) No [   ]

7. If YES above (questionnaire No. 8), how did you get knowing?
   (i) Through radio [   ]
   (ii) Through television [   ]
   (iii) Through newspaper [   ]
   (iv) Through internet surfing [   ]
   (v) Through bank staff [   ]
   (vi) Through brochures [   ]
   (vii) From my colleague [   ]

8. Do you have intention to E-banking?
   (i) Yes [   ]
   (ii) No [   ]

9. Do you use E-banking?
   (i) Yes [   ]
   (ii) No [   ]

10. If yes above, which E-banking services do you use?
    (i) Accessing account information [   ]
    (ii) Bills payment [   ]
    (iii) Money transfer [   ]
    (iv) Salary bulk payments (for company) [   ]

11. Which problems do you find when using E-banking?
    (i) Inadequate knowledge to operate mobile banking [   ]
    (ii) Limited mobile phone features to operate services [   ]
(iii) Services breakdown sometimes
(iv) Occurrence of processing errors when performing transactions
(v) Unreliable E-Banking services support by bank

12. Do you trust E-banking services?

(i) Yes
(ii) No

13. How can you rate the benefits of using E-banking?

(i) High
(ii) Medium
(iii) Low
(iv) No benefits

14. Which factor do you think limits you to adopt E-banking services.

(i) Initial cost of acquiring internet services
(ii) Lack of awareness on E-Banking services
(iii) Unknown procedures to join E-banking
(iv) Fearing of weak security protection to service transactions
(v) Cost charged by internet banking operators when subscribing e-banking
(vi) services is high
(vii) Too slow data transmission
(viii) Use is complicated
(ix) Lack of enough support from bank on E-banking services
(x) Possibility of errors in transaction is higher
(xi) I do not want to use E-banking
(xii) E-Banking is an unpractical device for banking

15. What is your perception towards customers’ adoption of E-banking in Tanzania banking industry?

(i) …………………………………………………………………………………
(ii) …………………………………………………………………………………
(iii) …………………………………………………………………………………
Appendix 2: Questionnaire: CRDB’s Employees

A. BACKGROUND INFORMATION ON THE RESPONDENTS

1. Gender of respondent
   (i) Male [ ]
   (ii) Female [ ]

2. Age of Respondent
   (i) 18-25 [ ]
   (ii) 26-35 [ ]
   (iii) 36-45 [ ]
   (iv) 50 and above [ ]

3. Name of Department

4. For how long have you been working with CRDB?
   (i) Less than 1yr – 5yrs [ ]
   (ii) 6yrs- 10yrs [ ]
   (iii) 11yrs- 16yrs [ ]
   (iv) 17yrs- 22yrs [ ]
   (v) 23yrs- 29yrs [ ]
   (vi) 30yrs and above [ ]

5. Marital Status
   (i) Single [ ]
   (ii) Married [ ]
   (iii) Widowed [ ]
   (iv) Divorced [ ]
B. Select more than one answer in the following choices

6. Which problems do the customers face when using E-Banking?
   (i) Inadequate knowledge to operate mobile banking [ ]
   (ii) Limited mobile phone features to operate services [ ]
   (iii) Services breakdown sometimes [ ]
   (iv) Occurrence of processing errors when performing transactions [ ]
   (v) Unreliable E-Banking services support by bank [ ]

7. Which factor do you think limits customers to adopt E-banking services?
   (i) Initial cost of acquiring internet services [ ]
   (ii) Lack of awareness on E-Banking services [ ]
   (iii) Unknown procedures to join E-banking [ ]
   (iv) Fearing of weak security protection to service transactions [ ]

8. Do the customers trust E-banking services?
   (i) Yes [ ]
   (ii) No [ ]

9. What is your perception towards customers’ adoption of E-banking in Tanzania banking industry?
   (i) ..........................................................
   (ii) ..........................................................
   (iii) ..........................................................
   (iv) ..........................................................

10. What are the procedures to follow for customers to join E-Banking services subscription?
    ..........................................................
    ..........................................................
    ..........................................................
    ..........................................................

79
11. Which challenges does the bank face to support E-banking?

12. What are the methodologies to enhance customers’ adoption of E-Banking services?

13. What is the bank’s capability to support customers on E-Banking usage?

14. Do you think the bank meets customer’s demands by offering E-Banking services? If yes, how?
Appendix 3: Questionnaire: CRDB’s employees- ICT staff Personnel

C. BACKGROUND INFORMATION ON THE RESPONDENTS

1. Gender of Respondent
   (i) Male [ ]
   (ii) Female [ ]

6. Age of respondent
   (i) 18-25 [ ]
   (ii) 26-35 [ ]
   (iii) 36-45 [ ]
   (iv) 50 and above [ ]

7. Name of Department
   ………………………………………………………………………………………………
   ………………………………………………………………………………………………

8. For how long have you been working with CRDB?
   (i) Less than 1yr – 5yrs [ ]
   (ii) 6yrs- 10yrs [ ]
   (iii) 11yrs- 16yrs [ ]
   (iv) 17yrs- 22yrs [ ]
   (v) 23yrs- 29yrs [ ]
   (vi) 30yrs and above [ ]

9. Marital Status
   (i) Single [ ]
   (ii) Married [ ]
   (iii) Widowed [ ]
   (iv) Divorced [ ]
B. Select more than one Answer in Questions 6 and 7

6. Which problems do the customers face when using E-Banking?
   (i) Inadequate knowledge to operate mobile banking [ ]
   (ii) Limited mobile phone features to operate services [ ]
   (iii) Services breakdown sometimes [ ]
   (iv) Occurrence of processing errors when performing transactions [ ]
   (v) Unreliable E-Banking services support by bank [ ]

7. Which factor do you think limits customers to adopt E-banking services?
   (i) Initial cost of acquiring internet services [ ]
   (ii) Lack of awareness on E-Banking services [ ]
   (iii) Unknown procedures to join E-banking [ ]
   (iv) Fearing of weak security protection to service transactions [ ]

8. What is your perception towards customers’ adoption of E-banking in Tanzania banking industry?
   (i) ............................................................
   (ii) ............................................................
   (iii) ............................................................

9. What are the methodologies to enhance customers’ adoption of E-Banking services?
   ........................................................................................................
   ........................................................................................................
   ........................................................................................................

10. What is the bank’s capability to support customers on E-Banking usage?
    ........................................................................................................
    ........................................................................................................
    ........................................................................................................
11. What is the bank’s capability to support bank’s E-Banking infrastructures?

12. Which challenges does the bank face to support E-banking?

13. Do you think the bank meets customer’s demands by offering E-Banking services? If yes, how?