CUSTOMER PERCEPTIONS ON E-BANKING IN TANZANIA:

A CASE OF SELECTED COMMERCIAL BANK IN DAR ES SALAAM

CUSTOMER PERCEPTIONS ON E-BANKING IN TANZANIA:

A CASE OF SELECTED COMMERCIAL BANK IN DAR ES SALAAM

By

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A Research Dissertation Submitted to the School of Business in Partial Fulfillment of the Requirement for Award of Master of Science in Accounting and Finance of Mzumbe University

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CERTIFICATION

I the undersigned supervisor certify that I have read and hereby recommend for acceptance by Mzumbe University a research report entitled: **“Customer Perceptions on E-banking in Tanzania”** in partial fulfillment of the requirements for the award of MSc. Accounting and Finance of Mzumbe University.

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Dr. Benedicto Lukanima (Major Supervisor)

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Internal Examiner

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External Examiner

Accepted for the Board of ………………………….

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DEAN/DIRECTOR, FACULTY/DIRECTORATE/SCHOOL/BOARD

DECLARATION

AND

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I **Clearence Erick,** 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______________________________

AKNOWLEDGEMENT

I am grateful to all who assisted me in the preparation and production of this research proposal. The information which they shared with me was very useful and relevant. I am grateful to all those who helped me accomplish this work, and would like to mention a few of them.

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Since it is not practically possible to mention everyone who helped me, I would like to thank everybody who, on one way or another has supported me. These include my parents, friend, relatives, and family.

DEDICATION

I dedicate this work to my parents

LIST OF ABBREVIATIONS & ACRONYMS

CRDB	-	Corporative Rural Development Bank
DCB	-	Dar es Salaam Commercial Bank
NBC	-	National Bank of Commerce
NMB	-	National Microfinance Bank
SMEs	-	Small or Medium Enterprises
TAM	-	Technology Acceptance Model
TPB	-	Tanzania Postal Bank
UK	-	United Kingdom
UNCTAD	-	United Nations Conference of Trade and Development
USA	-	United States of America

ABSTRACT

The purpose of the study was to examine the customer perceptions on E-banking in commercial banks. The study was guided by three specific objectives are; to identify Customers' perceptions on benefits of E-banking, to identify Customers' perceptions on risks associated with E-banking and to identify Customer suggestions of how to mitigate the risks associated with E-banking.

The researcher used both open ended and closed ended questionnaires to gather primary data from 184 customers of CRDB bank, NBC bank, NMB bank, DCB bank and TPB bank in Dar es salaam. SPSS was used to analyse mean scores of customers perceptions and frequency was used to analyse customer suggestions of measures to mitigate risks associated with E-banking.

The findings showed that customers' perceptions on benefits of E-banking were the driving force of customer involvement is E-banking products. This was the reason why customer perceptions on risks associated with E-banking could not totally restrict customers from using E-banking products. However, Commercial Banks should not take it for granted to have customers using E-banking products, instead customers opinion should be worked upon which empahsize on netework/internet stability and security issues.

It is recommended that Commercial Banks and public sector through private public partnership (PPP) should work hard to improve network/internet stability so that wide area and local area networks will be stabilized and made available throughout the country. Another recommendation is that E-banking services should be made cheaper and cheaper in terms of less or no customer service charges, minimized transaction charges and limited possibility of loss in terms of any mistaken transaction.

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CHAPTER ONE

BACKGROUND OF THE PROBLEM

1.0 Introduction

This chapter looks at, the background of the study, statement of the problem, research question(s), research objective of the study, scope of the study, significance of the study, , and/or justification of the Study .

1.1 Background of the Study

According to Robert (2011) E-banking, also known as electronic funds transfer (EFT), is simply the use of electronic means to transfer funds directly from one account to another, rather than by cheque or cash. The concept had initially been associated with the use of the Automated Teller Machines across the globe; with the growth of technology and new inventions E-banking cater across a number of forums used on either purchase transactions or deposit as part of banks dealings, these include the use of electronic technology as a substitute for cheques and other paper transactions. E-banking offer a set of services that consumers find practical to mention but a few service via Automated Teller Machines providing services daily, pay phone systems such as the M-banking services, personal computer banking and the direct deposit services.

Thornton & White (2001) customer orientations towards convenience, service, technology, change, knowledge about computing and the Internet affected the usage of different channels. Howcroft, Hamilton, & Hewer (2002), most important factors encouraging consumers to use online banking are lower fees followed by reducing paper work and human error, which subsequently minimize disputes. Byers & Lederer, (2001) E-banking changes consumer attitudes that determine the changes in distribution channels; virtual banks can only be profitable when the segment that prefers electronic media is approximately twice the size of the segment preferring street banks. Convenience of conducting banking outside the branch official opening hours is significant in cases of adoption. Banks provide customers convenient, inexpensive access to the bank 24 hours a day and seven days a week. Moutinho *et al*., (1997) each ATM could carry out the same, essentially routine, transactions as do human tellers in branch offices, but at half the cost and with a four-to-one advantage in productivity.

Although, E-banking provides many opportunities for the banks, it is also the case that the current banking services provided through Internet are limited due to security concerns, complexity and technological problems (Sathye, 1999: Mols, 1999). Nancy *et al*., (2001) customers' complain about computer login times which are usually longer than making a telephone call. In addition, respondents feel that they have to check and recheck the forms filled in online, as they are worry about making mistakes. Frequent slow response time and delay of service delivery causes customers to be unsure that the transaction has been completed (Jun and Cai, 2001). Min & Galle (1999) wrote that the disruption of information access is a common factor related to unwillingness to use Internet channels for commerce.

E-banking in Tanzania point of view, According to Binamungu & Ngwilimi (2006) 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 E-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.

In recent years According to Mayonga (2014) Tanzania banking sector has made a noteworthy progress in development of ICT by introducing a banking service known electronic-banking. Bank like CRDB, NMB, NBC, TPB have invested significantly in ICT by introducing different form of E-banking to facilitate electronic cash movement. New services are originating such as mobile banking, internet banking and others. This is to say with E-banking it is even easier for a holding bank to control its subsidiary bank allocated at a distant as a result of technological advancement. In Tanzania E-banking is in its early stages, though a great response of use is witnessed. The adoption of Automated Teller Machines (ATM) by various banks and financial institutions is of pride, the adoption of mobile banking by various communication Companies such as Tigo, Vodacom, Airtel, gear habits for deposits and quick transfers of money or payments via electronic payments services. The adoption of E-banking by banks such as CRDB, NMB, and NBC evidently indicates the role played by E-banking in the country. 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 21^{st} 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 (UNCTAD, 2008).

1.2 Statement of the problem

According to Robert (2011) recently E-banking has been adopted in various commercial activities advancing services such as sell and purchase of items through the use of internet systems. The adoption of Automated Teller Machines by various commercial banks is of important as well as the adoption of mobile banking by various communication Companies such as Tigo, Vodacom gear habits for deposits and quick transfers of money or payments via electronic payments services. The adoption of E-banking by commercial banks evidently indicates the role played by E-banking in the country.

In Tanzania consumer's response on the use of E-banking according to Robert (2011) is low as compared to the developed countries, transactions are still carried in terms of cash payment, at Institutional and large office cheques have continued to dominate payments. Since consumers' acceptance of technological innovations such as E-banking may be influenced their perceptions of specific technologies and by the characteristics of different products and services (Davis, 1989) there arises a need to study the customer perceptions on E-banking.

From the empirical literature, a number of studies concerning the customer perception of E-banking have been made. Most of the studies focus on the demographic characteristics in relation to customer perceptions (Olalekan, 2011; Srivastava, 2007; Okeke, 2013; Ishengoma, 2011), but the other side of customer perceptions of specific technologies (E-banking) is uncovered contrary to Davis (1989) who contends that Consumers' acceptance of technological innovations may be influenced not only by their socioeconomic and demographic characteristics, but also by their perceptions of specific technologies and by the characteristics of different products and services.

1.3 Research Objectives

1.3.1 Main Objective

The main objective of the study was to examine the customer perceptions on E-banking in Commercial Banks in Tanzania

1.3.2 Specific Objectives

i) To identify Customers' perceptions on benefits of E-banking
ii) To identify Customers' perceptions on risks associated with E-banking
iii) To identify Customer suggestions on how to mitigate the risks associated with E-banking

1.4 Research questions

In Tanzania customers' response towards e-banking is less compared to developed countries .This may be because of illiteracy of people as sometimes the E- banking services as a technology may require knowledge on how to use. Apart from that the non availability of network service country wide could hinder the access as well as the psychological concerns of individuals. However, a good number of people are using the E-banking services whether direct or indirect. Since consumers' acceptance of technological innovations such as e-banking may be influenced by their perceptions of specific technologies and by the characteristics of different products and service, the question arises on how e-banking is perceived among customers of commercial banks Tanzania. What perceived benefits that encourage a few who use e-banking services?, are there risks associated with e-banking?, if there are risks associated with e-banking, what measures should be taken to mitigate them?. All these questions were answered in this study.

1.5 Scope of the study

The study was conducted at five selected local Commercial banks in Dar es Salaam. The commercial banks included CRDB bank, National Microfinance Bank (NMB), National Bank of Commerce (NBC), Tanzania Postal Bank (TPB) and DCB commercial bank. The study focused on identifying the customer perceptions on E-banking in commercial banks. Specifically the study was to identify Customers' perceptions on benefits of E-banking, Customers' perceptions on risks associated with E-banking and the Customer suggestions of how to mitigate the risks associated with E-banking.

The study took a descriptive design and active customers were accessed for data. Data were obtained using self administered questionnaires. The gathered data were analyzed using mean for objective one and two. For objective three percentages and frequency tables were used.

1.6 Significance of the study

The study is useful to policy makers on the ground that when making polices or amending policies will be able to understand in expansive the concerns of the customers about E-banking as a result it will help them to incorporate the important concerns for customers.

On the side of banking sector more customers may join the E- banking after having a well understanding about the benefits and risks as some may fear to join because of lack of unawareness. Understanding the risks and how to mitigate them is an advantageous as a reaction can be taken to reduce the level of risk on matters that are controllable by the banks so as to ensure conviction to their customers.

The customers will be able to broad their understanding on E-banking products their benefits and to be careful when dealing with E-banking on their daily transaction since they get to know the risks it will be easy to avoid or prevent them.

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CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter discusses the theoretical part, empirical part, and conceptual framework and research model on customer perceptions of electro banking in banking industry.

2.1 Definition of key terms

2.1.1 E-banking

According to Robert (2011) E-banking, also known as electronic funds transfer (EFT), is simply the use of electronic means to transfer funds directly from one account to another, rather than by cheque or cash. The concept had initially been associated with the use of the Automated Teller Machines across the globe; with the growth of technology and new inventions E-banking cater across a number of forums used on either purchase transactions or deposit as part of banks dealings, these include the use of computer and electronic technology as a substitute for cheques and other paper transactions. E-banking offer a set of services that consumers find practical to mention but a few service via Automated Teller Machines providing services daily, pay phone systems such as the M-banking services, personal computer banking, debit card purchase transactions and the direct deposit services.

2.1.2 Customer

A customer is a person who maintains an account with the bank. One view of this question is that a person does not become a bank customer unless and until he opens an account with a bank (Adebayo, 2013). This research dealt with those customers whose frequency of use was medium and also those who preferred the use of e-banking.

2.1.3 Perception

Perception is the process whereby an individual selects, organizes and integrates stimuli into a meaningful and overall picture. Perception involves all the senses (seeing, feeling, tasting, smelling and hearing), and these sensory stimuli play a role in causing certain sensations which influence consumers in deciding whether to purchase or not as cited by (Lamb *et al*, 2000).

2.2 Theoretical literature review

2.2.1 E-banking in Tanzania

According to Corporate Tanzania (2011), up to 2011only 5 per cent of the population of Tanzania use formal banking services. E-banking is revolutionizing this environment by changing the way poor people are spending what they earn by providing them with secured banking services that make their personal finances easier to manage. It is also profitable for the companies, known as microfinance institutions, which run the E-banking systems. The vehicle through which customers can utilize banking services electronically is via mobile phone, ATM, internet banking and MasterCard/Visa. The technology allows customers to check and manage their accounts, pay utility bills such as gas and electric and transfer money between accounts. The number of mobile banking users in Tanzania is now approaching 4,000,000, a figure marketing experts consider to be the “critical mass” of customers – the point at which a product’s popularity is such that those who don’t have it think they need it because everyone seems to be using it.

Despite the aforementioned achievements the growth of E-banking in Tanzania hasn’t been rapid; the main reason for this has been the initial marketing approach in Tanzania, which failed to take into account cultural factors in the society (Corporate Tanzania, 2011) that determine customer perceptions on E-banking.

2.2.2 Customer Perceptions

According to Lamb *et al*. (2000), customer perception pertains to how individuals form opinions about companies and the merchandise they offer through the purchases they make. Perception involves all the senses (seeing, feeling, tasting, smelling and hearing), and these sensory stimuli play a role in causing certain sensations which influence consumers in deciding whether to purchase or not.

According to Lussier (2000), perception has defense mechanisms that are used to protect consumers against undesirable stimuli from the environment. According to Reekie and Brits (1997) different consumers will perceive a product offering differently, depending on their needs. Consumer perception towards a product and service can play a role to influence their buying behavior. Consumers' acceptance of technological innovations such as E-banking may be influenced not only by their socioeconomic and demographic characteristics, but also by their perceptions of specific technologies and by the characteristics of different products and services (Davis, 1989).

It is important to note that perception is built upon attitude. Attitude is a positive or negative feeling or mental state of readiness, learned and organized through experience that exerts specific influences on a person's response to people, objects and situations (Gibson, et al., 2000). Consumer attitude refers to the feeling of liking or disliking that consumers have towards products, stores, brands and other marketing stimuli. The attitude of consumers is important to marketers because they show consumers' intentions and behaviors towards the marketing variables of product, price, place and promotions (Foxall and Goldsmith, 1994). Attitudes are learned and those which result in purchase behavior are formed as a result of direct experience with the product, information acquired from others, and exposure to mass media (Hawkins *et al*., 1989). According to Guo (1999), attitudes are often viewed as determinants of meanings, because they provide a context for the interpretation of new information, and help individuals to evaluate each other's opinions and organize and select facts.

The attitude theory suggests that the more a person has a favorable attitude towards a given product/service, the more likely that person is to buy or use that product/service. The overall attitude towards an object is expected to relate to behaviours towards the object (Ajzen and Fishbein, 1980). The measure and understanding of attitudes allow and help marketers in the development of products that consumers want and promote them effectively and in evaluating their efforts at promoting the products (Foxall and Goldsmith, 1994).

2.2.2.1 Involvement in/usage of E-banking

According to Berkman *et al*., (1997) from a consumer behavior point of view, involvement is defined as the heightened state of awareness that motivates consumers to seek out, attend to, and think about product information prior to purchase.

According to Solomon (2005) involvement is also seen as a person's perceived relevance of the object based on their inherent needs, values, and interests. Involvement is the psychological outcome of motivation and is the perceived level of personal importance or interest evoked by a stimulus within a given situation (Arnould *et. al*. 2004).

Although the concept of involvement was originally investigated in the field of social psychology by Sherif and Cantril (1947) who viewed it as the relation between ego and an object. Later according to Okeke (2013) Sherif, in1965 referred to it as the centrality of beliefs involved with an individual. The concept of involvement was first employed in studies on attitude change and used in social judgment theory which postulates that an audiences' response to a persuasive message is determined by two factors acting together: prior attitude toward; and involvement (Sherif and Hovland 1961; Zaltman and Wallendorf, 1983).

Since according to Okeke (2013) depending on their level of involvement, individual consumers differ in the extent of their decision process and their search for information and use of product/service, consumers may be passive or active when they receive advertising communication depending on their involvement level (Laurent and Kapferer, 1985). As a result, the concept of involvement has played an increasingly important role in explaining consumption and risk associated with it. It may also affect the level of brand loyalty brand discrimination, the amount of comparison between products e.g. non e-banking and e-banking products (Okeke 2013). In this study involvement was considered as usage of e-banking product by a consumer. Since consumers differ in levels of involvement each e-banking product was considered as being used or not used separately by each customer.

2.2.2.2 Customer perceptions on Benefits of E-banking

According to Ezio (2008) by accessing banking services from any place and at any moment, end users can benefit from increased convenience, simplicity and fastness. Besides banks can reduce their transaction cost as e-banking is five times cheaper than traditional banking ways. They can strengthen their core business and broaden their customer scope by reaching valuable customers, selling new financial e-services as an attractive differentiating tool, (Ezio, 2008). Jun and Cai (2001) identified bank customers' perceptions of service quality dimensions using quantitative techniques. The authors' conceptualized internet banking service quality based on three quality perspectives; banking service product quality, customer service quality and online systems quality.

According to Olalekan (2011) enjoyment is the perceived playfulness and intrinsic value consumers experience from the utilization of E-banking. The intention to use is described as the level of resistance to change, which is associated with consumers' intention to change from none E-banking to E-banking. E-banking avails customers with a full range of services including some services not offered at branches. The greatest benefit of E-banking is that it is cheap to customers or even free. However, in one of the past studies, price seemed a significant barrier to adoption or use of Internet banking.

E-banking also has the advantage that customers avoid traveling to and from a bank branch. In this way, E-banking saves time and money, provides convenience and accessibility, and has a positive impact on customer satisfaction (Karjauloto, 2003). Turban *et al*. (2000) indicated that E-banking is extremely beneficial to customers because of the savings in costs, time and space it offers, its quick response to complaints, and its delivery of improved services, all of which benefits make for easier banking.

In summary, E-banking offers many benefits to banks and their customers. The major benefits accruing to banks are in terms of cost savings, reaching new segments of the population, efficiency and enhancement of the bank's reputation. Customers on the hand benefit mainly through improved customer service and satisfaction.

2.2.2.3 Customers' perceptions on Risks associated with E-banking

Perceived risk is considered an important risk attribute that impacts on the consumer decision-making process when buying a product or consuming some services (Mitchell, 1998). E-banking is a technology-enabled channel and consumers' perceive the use of E-banking as a risky decision because technology-enabled services exhibit persistent technological, unfamiliar and indefinite stimuli (Davidow, 1986). Therefore, when consumers decide to use E-banking, they are exposed to uncertainties such as the availability, the compatibility, and the performance of the complementary E-banking channels (Sarin, Sego & Chanvarasuth,2003). The degree to which individuals accommodate these uncertainties may have gender implications.

Consumers perceive greater risks when buying services than tangible goods (Zeithaml, 1981). Services are perceived as riskier than products because services are intangible, non-standardized, and regularly sold without guarantees or warrantees. Consumers can hardly ever return a service to the service provider since they have already consumed it, and some services are so technical or specialized that consumers possess neither the knowledge nor the experience to evaluate whether they are satisfied, even after they have consumed the service (Zeithaml, 1981). Consumer Perceived risks identified by literature of E-banking according to Okeke (2013) include:-

(i) Financial risk represents the financial loss in using E-banking, as consumers may perceive that reversing transaction, stopping a payment after discovering an error or to obtain a refund may not be possible.

(ii) Performance risk in E-banking is less satisfying than non-E-banking, as consumers may perceive that E-banking cannot be used to complete a transaction when needed due to the denial of access to their account

(iii) Physical risk in E-banking refers to potential injury when personal information is accessed by a third party.

(iv) Social risk refers to the older generation who may disapprove of the use of E-banking due to their perception that non-E-banking is personal and friendly.

(v) Psychological risk represents consumer perceptions that the use of E-banking would lower their self-image, or have a negative effect on their perceived image from other consumers.

(vi) Time risk in E-banking implies that it may take less time to complete a banking transaction than a non-E-banking transaction.

Security factors that affect consumers' adoption/usage of E-banking services are: authorized access, confidentiality, restriction on high –value transactions and strong commitment to security measures (Liao & Cheung 2002). Okeke (2013) contends that high consumer involvement is related to low perception of risk and security of operations.

2.2.3 Theories and models

2.2.3.1 Attitude theory

Attitude is a positive or negative feeling or mental state of readiness, learned and organized through experience that exerts specific influences on a person's response to people, objects and situations (Gibson *et al.,* 2000). Consumer attitude refers to the feeling of liking or disliking that consumers have towards products, stores, brands and other marketing stimuli. The attitude of consumers is important to marketers because they show consumers' intentions and behaviors towards the marketing variables of product, price, place and promotions (Foxall and Goldsmith, 1994). Attitudes are learned and those which result in purchase behavior are formed as a result of direct experience with the product, information acquired from others, and exposure to mass media (Hawkins *et al.,* 1989).

The attitude theory suggests that the more a person has a favorable attitude towards a given product/service, the more likely that person is to buy or use that product/service. The overall attitude towards an object is expected to relate to behaviors towards the object (Ajzen & Fishbein, 1980). The measure and understanding of attitudes allow and help marketers in the development of products that consumers want and promote them effectively and in evaluating their efforts at promoting the products (Foxall & Goldsmith, 1994).

2.2.3.2 Technology Acceptance Model

The Technology Acceptance Model proposed by (Bagozzi, Davis, &Warshaw, 1992) appears to be the most widely used innovation adoption model. This model has been used in a variety of studies to explore the factors affecting individual's use of new technology. The sequential relationship of belief–attitude–intention– behavior in TAM, enables us to predict the use of new technologies by users. In fact, TAM is an adaptation of Theory of Reasoned Action (TRA) in regard to information systems (IS) which notes that perceived usefulness and perceived ease of use determine an individual's attitudes towards their intention to use an innovation with the intention serving as a mediator to the actual use of the system. Perceived usefulness is also considered to be affected directly by perceived ease of use. In the case of system adoption, according to Hanafizadeh, Byron, & Khedmatgozar (2014), almost 40% of all papers in this section are carried out via TAM. This theory asserts that perceived usefulness and ease of use are fundamental determinants of system adoption and usage (Bankole, Bankole, & Brown, 2011). Many electro-banking adoption studies extend or supplement the original TAM by including additional constructs, such as relative advantage and personal innovativeness (Chitungo & Munongo, 2013), perceived risk, perceived cost of use, compatibility with lifestyle (Hanafizadeh, et al. (2014)), and perceived security (Hsu, Wang, & Lin, 2011). In fact, TAM provides the provision to add external variables as the determinants of perceived usefulness and perceived ease of use (Davis, 1989). What's more, TAM assumes that potential consumers are free to act and choose without limitation. In fact, consumers may come up with some constraints in practice that may prevent them to act freely such as the rationalization of traditional banking channels which is why many of them tend to adopt mobile banking over the past decade (Hanafizadeh, et al., 2014). Yousafzai, Foxall, & Pallister (2010), indicated that TAM is superior to the other models and highlighted the importance of it in understanding online banking behavior.

With respect to this model our study of customer perceptions on benefits of E-banking is considered in terms of perceived usefulness. The perceived risk is sought in line with lack or low usefulness of E-banking and the externalities that come with E-banking.

2.3 Empirical review

2.3.1 A study by Srivastava (2007)

Srivastava (2007) conducted a study on Customer's perception on usage of internet banking. The research focused on what are the customer's perceptions about internet banking and what are the drivers that drive consumers. The study used a qualitative exploratory research approach using questionnaire. 500 bank customers were selected for study after initial screening.

The findings revealed that education, gender, income play an important role in usage of internet banking. The study emphasizes the demographic characteristics in which E-banking strategies should focus. The question of what motivates the customers to keep using the E-banking services in the face of perceived risks is unanswered. This is the basis for this study to uncover the prevalence of risk perceptions and benefit perceptions. This is in support of an affirmation that inhibitory factors like trust, gender, education, culture, religion, can have minimal effect on consumer mindset towards internet banking (Srivastava 2007). Consumers' acceptance of technological innovations such as E-banking may be influenced not only by their socioeconomic and demographic characteristics, but also by their perceptions of specific technologies and by the characteristics of different products and services (Davis, 1989).

2.3.2 A study by Olalekan (2011)

Olalekan (2011) made a study on E-banking patronage in Nigeria. The study was intended to identify the customer based driving factors of E-banking by gender. The study was of a survey type where customers from different banks were accessed for data. The study found that service quality (perceived benefit) and perceived risk of E-banking are the powerful driving factors of E-banking. The study did not present the items of perceived benefit and perceived risk in fullness since only performance benefits and financial and social risks were included leaving aside psychological risks, performance risks and physical risks. This implies that a study was too general to uncover the customer perceptions on E-banking. Nevertheless the sampling did not take into account the possibility of inactive respondents' recruitment in as much only the duration of patronage was considered. There is a need to combine it with the frequency of banking.

2.3.3 A study by Okeke (2013)

Okeke (2013) made a study on Perceived Risk/Security and Consumer Involvement with Electronic Payments in Nigeria. The study presents a classification of E-payment customers in Nigeria on the basis of high and low involvement and to find out the perceived risk/security factors that are dominant in the classification. The study found that time-loss risk and security are the most dominant in classifying E-banking customers though these two factors are the dominant but the discriminant-structure matrix show that the seven factors (perceived risk/security factors of psychological risk, quality risk, time-loss risk, financial risk, physical risk and security) are important as they all contribute to the classification. Although the findings of this study has implications for banks and policy makers toward ensuring that E-banking services are secure and that the risks associated e-banking transactions are minimized, the study ignores withdrawal and/or money transfer to be part and parcel of E-banking. However the suggestions of the study on minimizing the risks associated with E-banking are based on the researcher's opinion and therefore a need for a method free from personal bias as emphasized by (Kothari 2006) and this will depend on customers' opinion rather than a researcher's opinion.

2.3.4 A study by Ishengoma A.R (2011)

Ishengoma (2011) conducted a study on the Analysis of mobile banking for Financial inclusion in Tanzania. Objectives of the study were to analyze coverage of M-Banking for financial inclusion, the usage behavior of mobile subscribers to mobile banking services, understand the extent in which mobile banking systems had impeded financial development and the assessment of service effectiveness and service cost charges. The study employed a Technology Acceptance Model (TAM, 2009) to explain the concept of customer perception of usefulness (benefits of E-banking) and customer perception of ease of use. The findings show that the perceived risk of use affected the usage behavior of the customers; however the customer perception of benefits pushed the customers to use the m-banking services. The study did not take into account the totality of E-banking products, which in turn leaves the question of E-banking customers of other alternatives (ATM, Internet banking) unanswered.

2.4 Research gap

From the empirical literature review, a number of studies concerning the customer perception of E-banking have been made.

Most of the studies focused on the demographic characteristics in relation to customer perceptions (Olalekan 2011; Srivastava, 2007) which left the identification of the same unanswered. Yet (Okeke, 2013) on bridging this gap narrowed E-banking to electronic payments only leaving withdrawal and/or money transfers unconsidered. Most of these studies employed a quantitative approach (Ishengoma, 2011; Olalekan, 2011; Okeke, 2013) except (Srivastava, 2007) who employed a qualitative exploratory approach. In case of Tanzania similar studies have focused on mobile banking (Ishengoma, 2011) one element and not the whole of E-banking. Since customers choose between different alternatives for the same purpose the study gets its foundation on this research gap. More importantly a mixed approach was employed to primarily allow the study capture both the problem and possible solutions (customer suggestions of minimizing the risks associated with E-banking which in previous studies based on the researcher's opinion contrary to (Kothari 2006) who contends that a research method should be free from personal bias) to the same.

2.5 Conceptual framework and research model

Miles & Huberman (1994), defined conceptual framework as a usual or written product, one that explains graphically or in narrative form the main things to be studied, the key factors, concept or variables and the presumed relationships among them.

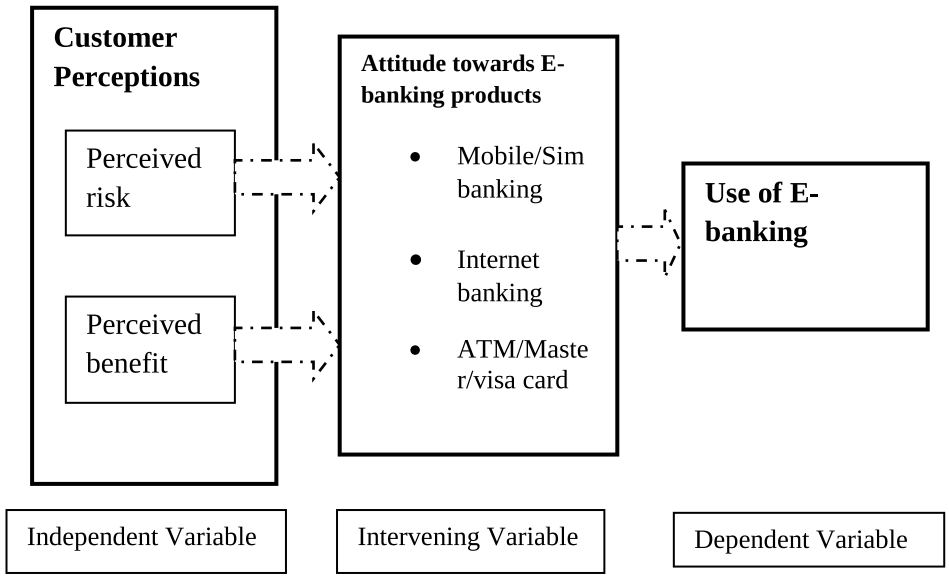


Figure 2.1: Conceptual framework

Source: Researcher 2015

From the figure above, customer perceptions on E-banking creates their attitude on the use of E-banking products such as mobile banking, ATM Internet banking and Master/visa card. The perceived risk negatively affect the use of E-banking where as the perceived benefits positively affect the use of E-banking.

2.5.1 Variable Clarification

The independent variable (customer perceptions of benefits and risks associated with e-banking) affects the intervening variable (attitude towards e-banking products) in form of perceived usefulness, ease of use and risks associated with the product. The more optimistic (due to perceived benefit) customers are towards e-banking the more customers use e-banking and the more pessimistic (due to perceived risks) customers are toward e-banking the more customers despise the use of e-banking. More precisely, perceived benefits including time saving, travel cost saving, customer centeredness, queue free, ease of access, freedom from human error and enjoyment with e-banking cultivate positive attitude towards e-banking products which increase use of e-banking. On the other hand perceived risks including occurrence of incomplete transactions, third part intervention of personal information, failure to give feedback, losses in case of mistaken e-payments and ling time for internet connections cultivate negative attitude towards e-banking which discourages the use of e-banking products.

2.5.2 Variable Definition

Independent Variable

Customer Perceptions

Under this study customer perception refers to how individuals' forms opinion about electronic banking and services offered to them as they make use of the services. This includes both perceived benefits and perceived risks associated with e-banking. The type of data used is qualitative in nature and the source of data is through closed ended questionnaires.

Perceived benefits

Under this study the perceived benefits means customer opinion about both potential and actual benefits customers are likely to find when using e-banking services other than using traditional methods of banking such as the use of cheques and cash deposits and payments. Qualitative data was used and the source of data being questionnaires filled by the customers.

Perceived risks

Under this study the perceived risks means customer opinion about uncertainties that a customer may come across when dealing with E-banking services. Any uncertainty that arises from other alternate services of E-banking is not part of perceived risks in this study. The data used were qualitative and the source being the questionnaires filled by the representative customers

Dependent variable

Use of E-banking

Under this study use of e-banking means customer involvement with E-banking services. This includes the use of ATM machines, Mobile/Sim banking, Internet banking and Master/visa card. The data used were qualitative and the source being the questionnaires filled by the representative customers

Intervening variables

These variables are used to explain the relationship between the independent variables and dependent variable as shown in Figure 2.1: Conceptual framework. They include Mobile/Sim banking, Internet banking and ATM /Master/visa card. The researcher decided to use these products because of their availability and practicability in different banks which were involved in this research. The researcher came at understanding their availability through consultation with banks and the use of internet by visiting the banks website.

Mobile/sim banking

Under this study Mobile/sim banking means use of cellular phone in accomplishment of transactions by the bank customer. Customers use bank to transfer money from bank account to cellular phone account and vice versa.

Internet banking

Internet banking means the use of web based transactions whereby a customer use internet to make transactions such as making payments online and different inquiries to the bank.

Master/Visa Card/ATM

Under this study Master/Visa Card refers to any transaction in which Master/Visa Card is used between the non card bearer (bank or any other party) and a customer provided. The cards can be used for cash withdrawing or as a debit card on point of sale while the ATM cards involves using the cards for cash withdrawing only from the issuing bank.

2.5.3 Variable and their Measurement

Table 2.1: Variable and their Measurement

Variables	Operational definition	Indicators	Measurement
Customer perceptions	Customer perception pertains to how individuals form opinions about companies and the merchandise they offer through the purchases they make	Attitude	Extent by Likert scale
Perceived benefit	Perceived benefit reflects customer opinion about both potential and actual benefits customers are likely to find when using e-banking services	Positive attitude	Extent by Likert scale
Perceived risk	Perceived risk reflects the extent to which consumers are uncertain about the consequences of buying, using or disposing of an offering	Negative attitude	Extent by Likert scale
Attitude towards E-banking products	Customer opinion about either Mobile/Sim banking, ATM, Internet banking or Master/visa card	Attitude	Extent by Likert scale
Use of e-banking products	Is the consumption of the e-banking services instead of traditional services	Availability/access	Involvement/usage

Source: Researcher 2015

2.5.4 Types of data for each variable

Qualitative data were collected for both perceived benefits and perceived risks associated with E-banking where; a Likert scale was used to quantify them so that frequency and mean score analysis were used to arrive at understanding the findings. However for the case of customer opinion on how risks associated with E-banking can be mitigated was analysed by the use of frequency analysis.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter covers type of the study, study area, study population, units of analysis, variables and their measurements, sample size and sampling techniques, types and sources of data, data collection methods, validity and reliability of the instrument, data analysis, and limitation of the study.

3.1 Type of Study

The researcher work was a descriptive design. According to Kothari (2004) Descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual, or of a group. In this case studies concerned with specific predictions, with narration of facts and characteristics concerning individual, group or situation are all examples of descriptive research studies. Descriptive research is used to obtain information concerning the current status of the phenomena and to describe "what exists" with respect to variables or conditions in a situation. In this study the researcher was interested to obtain information concerning the customers' perceptions on E-banking and their suggestions of how to mitigate the risks associated with E-banking as well.

3.2 Study Area

This research was conducted at five selected local Commercial banks in Dar es Salaam. The commercial banks will include CRDB bank, National Microfinance Bank (NMB), National Bank of Commerce (NBC), Tanzania Postal Bank (TPB) and DCB commercial bank. The local commercial banks were chosen since all of these commercial banks serve customers of different social economic conditions as well as offering almost same services being researched hence enabling the researcher to get more reliable information and experience from one bank to another on the same aspect. Customers in Dar es salaam were accessed since they form the population of customers with cultural diversity.

3.3 Study Population

The study focused on active customers of CRDB bank, National Microfinance Bank (NMB), National Bank of Commerce (NBC), Tanzania Postal Bank (TPB) and DCB commercial bank who have been customers for not less than one year and have access to the e-banking products.

3.4 Sample size and Sampling Technique

According to Amin (2005), a sampling procedure involves by choice made about studying some people, object, situation or event rather than all. Researcher decided to select five commercial Banks in Dar es salaam on the basis that the banks have introduced the E-banking services with high level of technology as well as wide spread of branches in every district in Dar es Salaam City. A total of 40 active customers from each of selected local commercial banks were involved in the study making a total of 200 customers. The total proposed sample size is statistically adequate since it is above the recommended minimum sample of 30 respondents for socio-economic studies (Bailey, 1994). While according to Bailey (1994) a sample of 30 units is statistically adequate, Boyd *et al.* (1981) posit that for socio-economic studies the minimum sample should be 5% of total population, provided that 5% is not less than 30. The researcher used both simple random and purposive /judgmental sampling techniques.

Simple Radom Technique

Simple random sampling technique was used which it has the property that every possible combination of objects in the population studied has an equal chance of being selected (Ndunguru, 2004). In that case the researcher includes everyone in the study considering that all respondents have common observable characteristics. Three teams of 2 data collectors each visited one branch each for different six days except for the seventh day when two teams of 3 data collectors each visited one branch. Time of arrival alternated between morning hours and afternoon hours such that a day for morning visit was preceded by a day afternoon visit. This was aiming at meeting diversity of customers. On arriving at the bank research assistants (group leader) made consent with the bank management for acceptance of data collection. With simple random sampling, ready served customers were chosen basing on the fact that after the first customer was chosen the third served customer was chosen. In case of rejection or failure to meet selection criterion the next customer was chosen until 10 customers were consulted. It applied to the branches which were not busy, for the busy branches sample was chosen from those customers waiting on the benches to be served. It occurred that in some days especially during afternoon visits some customers rejected consent requests and due the fact that at 4.00pm banking services are closed sixteen (16) questionnaires were not fully filled.

Purposive Sampling Technique

This is a non probabilistic sampling techniques where by the researcher has a decision concerning the items to be included in the sample. The researcher used the judgmental techniques in selecting samples in different branches. Example only the customers who had a bank account on the respective bank will be chosen to represent others as a sample. This is due to the fact that not all customers who visit the bank has a bank account in that bank, others have attend to make deposits, others are there to open bank accounts, others to endorse cheques. The researcher intended to obtain the participants who would be mostly likely to contribute to appropriate data.

Four branches were visited for each local bank whereby the three districts were taken in to consideration. The branches visited for CRDB bank were; Tegeta branch, Kariakoo branch near Uhuru road, Azikiwe branch and Mbagala branch. NMB were; Mwenge ,Temeke, NMB House and Msasani branches. TPB braches were; Kijitonyama, Metropolitan ,ilala and Kariakoo branch.NBC were; Mbezi Beach, NBC House, Chang'ombe and Ubungo branches. DCB were, Ukonga aviation, Magomeni, Tabata and External braches.

3.5 Types of Data

In order to attain adequate, appropriate and reliable information, the research work used only primary data.

3.5.1 Primary Data

This information was received directly from the respondent based on the researcher needs. They were collected specifically for a special purpose and the procedures used have to fit best the researcher's problem.

3.6 Data Collection Method/Instrument

3.6.1 Questionnaire Method

With this method the questionnaire with a number of questions are provided to the respondents for answering the questions on their own. According to Kothari (2004) this is a direct consultation to the concerned respondents, concerning variables of interest to an investigation. This is an easiest way of collecting data that can help to get response from unreachable persons and give respondent enough time to think and give well thought out answers. In this study both closed ended and open ended questions were used. Closed ended questions were flat statements where respondents were requested to tick in the appropriate column of a 5 scale of agreement. While for open-ended questions, the respondents were required to fill the spaces provided by giving their opinions. The reasons for using questionnaires are that they cover large sample at low cost, and they are free from bias. They also give respondents adequate time to provide well thought-out answer.

On designing the questionnaire the conceptual framework and literature review in chapter two above was considered. A pilot study was conducted to identify benefit and risks perceptions of customers on e-banking. During pilot study open ended questions were used. Finally pilot study results were compared with literature reviewed and conceptual framework to come up with the questionnaire appended as **Appendix I: Questionnaire.**

3.7 Validity and Reliability

In order to reduce the possibility of getting the wrong answer, attention needs to be kept to the particulars on the research design, reliability and validity (Saunders et. al; 2003).

3.7.1 Validity

Validity defined as the extent to which data collection methods accurately measures what they were intended to measure (Saunder, et. al, 2003). Cooper and Schndler (2003) believe that validity refers to the extent to which a test measures what we actually want to measure. Since according to Kothari (2004) *Content validity* is the extent to which a measuring instrument provides adequate coverage of the topic under study. If the instrument contains a representative sample of the universe, the content validity is good. Its determination is primarily judgmental and intuitive and can also be determined by using a panel of persons who judge how well the measuring instrument meets the standards, but there is no numerical way to express it. Despite the fact that the degree of content validity rests primarily on the knowledge of the instrument designer, the questionnaires were developed in line with the specific objectives which in turn focused on research problem. The formulated questionnaires were also compared with the questionnaire developed by Oladejo (2012) along with the conceptual framework and literature used in the study.

Oladejo (2012) conducted a study on Bankers Perceptions of Electronic banking in Nigeria: A Review of Post Consolidation Experience. The study aimed to collect bank employees' perceptions of the potential benefits and risks associated with electronic banking in Nigeria most especially the post consolidation era. Primary sources were used to collect the data and were analyzed via mean score analysis. The results suggest that bankers in Nigeria perceive electronic banking as tool for minimizing inconvenience, reducing transaction costs, altering customers queuing pattern and saving customers banking time. The consolidation era witnessed upsurge in Electronic banking. Similarly, bankers believed that electronic banking increases the chances of government access to public data, increases the chances of fraud and that there is a lack of information security.

3.7.2 Reliability

According to Saunder et al; (2003), reliability refers to the degree to which data collection method will yield consistent findings, similar observations would be made or conclusions reached by other researchers or there is transparency in how sense was made from source. Cooper & Schindler (2003) have defined reliability as many things to people, but in most contexts the notion of consistency emerges. Reliability was improved in the following two ways:

(i) By ensuring that the representative of the sample qualified for selection, whereby judgmental technique was used by the researcher as well as the assistants. Example only those with bank accounts not less than one year were involved as the sampling technique suggested.

(ii) By physically visiting the bank customers while they are inside the bank venue. This suggested that face to face meeting could at least justify that the person is involved in banking activities rather than the use of telephone and other means that questionnaires could be answered.

(iii) By standardizing the conditions under which the measurement takes place i.e., we ensured that external sources of variation such as boredom, fatigue, etc., are minimized to the extent possible. This was achieved through simplicity of questions, non repletion of questions and availability of research assistant in order to cater for necessary guidance of the respondents during data collection. On the other hand respondents were told of the importance of the research on their side to encourage them to freely participate with self motivation. That improved stability aspect.

3.8 Data Analysis and Presentation Technique

After data collection, the researcher sorted out questionnaires. After coding, data were analyzed using the mean and frequency tables. The analysis was done according to the respective objectives, and research question. The following mean ranges were used to arrive at relevant interpretation of responses:

Table 3.1: Interpretation of responses

Mean Range	Response	Interpretation
1.0 - 1.7	strongly disagree	Very low
1.8 - 2.5	Disagree	Low
2.6 - 3.3	Not Sure	Neutral
3.4 - 4.1	Agree	High
4.2 - 5.0	Strongly Agree	Very High

Source: research data (2015)

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF FINDINGS

4.0 Introduction

Questionnaires were successfully delivered to 184 customers at four branches of each of five selected local Commercial Banks in a period of seven days. This equals 92% of the targeted respondents. In this chapter the researcher presents the findings, analysis and discussion of the same. The findings covers the profile of the respondents, customer banking status, Customers' perceptions on benefits of E-banking, Customers' perceptions on risks associated with E-banking and Customer suggestions on the measures and steps to be taken in order to mitigate the risks associated with E-banking.

4.1 Profile of the Respondent

This part presents the background information of the respondents who participated in the study. The purpose of the background was to find out the characteristics of the respondents and show the distribution of the population in the study. The demographic characteristics of the respondents are characterized by gender, age and education level.

Table 4.1: Gender

Gender	Frequency	Percentage
Male	101	55
Female	83	45
Total	**184**	**100**

Source: Primary data 2015

From table 4.1 above the male respondents were 55% while female were 45% , it exists gender based differences in use of E-banking. For example majority of male respondents were using internet services compared to female customers that was found to be 76.2% (N=84) of internet users in banking services were male. This implies that perceived risk on internet use is high among female customer compared to male customers.

Table 4.2: Age of respondents

Age (years)	Frequency	Percentage
18-28	68	37
29-39	46	25
40-50	58	31.5
51 or above	12	6.5
Total	**184**	**100**

Source: Primary data 2015

From table 4.2, majority (37%) of respondents were aged 18-28 years, 31.5% were aged 40-50 years, 25% were aged 29-39 years and the remaining 6.5% were aged 51 years or above. The fact that a few customers with 51 years of age or above were involved in E-banking implies that, old aged people are risk averse compared to younger generation.

Table 4.3: Level of Education

Level of Education	Frequency	Percentage
Higher education	70	38.1
College education	50	27.2
Secondary education	56	30.4
Didn't attend secondary education	8	4.3
Total	**184**	**100**

Source: Primary data 2015

From the table 4.3, majority (38.1%) of the respondents had higher education level. 27.2% had college education, 30.4% had secondary education and the remaining 4.3% did not attend secondary education. The findings imply that respondents were elites to meet the demand of questionnaire method of data collection. On the other hand the involvement in E-banking was associated with level of education in that respondents who had higher education were involved in internet banking compared to other respondents. For example 63.1% of internet users were customers with higher education.

4.2 Customer Banking Status

The researcher was interested to find out the customer banking status in terms of type of account the customer had, the time since the customer had hold of an account, frequency with which customers operate with their accounts and Customer involvement in E-banking. The findings were useful in establishing the background of E-banking among customers.

Table 4.4: Type of account

Type of account	Frequency	Percentage (N=184)
Saving account	184	100
Current account	38	21
Other	88	48

Source: Primary data 2015

From the table 4.4 above, 100% of respondents had saving accounts, 38% had current accounts and only 48% had other accounts different from saving account or current account. The findings imply that customer preferences in holding other accounts was less compared to saving account, which in turn indicates that customers had differing preferences on the use of E-banking products.

Table 4.5: Time of holding any account

Time of holding any account	Frequency	Percentage
1-2 years	50	27.2
3-4 years	58	31.5
5^{+} years	76	41.3
Total	**184**	**100**

Source: Primary data 2015

From table 4.5 above, the majority 41.3%of the customers had their accounts with commercial banks in a period of 5 years or above. This implies that majority of the respondents had a good experience with E-banking products so that they could provide more reliable answers on perceived benefits and perceived risks associated with E-banking. However all respondents had met the selection criteria since 31.5% of the respondents had their accounts with commercial banks in a period of 3-4 years while the remaining 27.2% had their accounts with commercial banks in a period of 1-2 years.

Table 4.6: Frequency with which customers operate with their accounts

Rate of operation	Frequency	Percentage
At least once a week	32	17.4
At least once a month	98	53.3
At least once in a period of three months	54	29.3
Total	**184**	**100**

Source: Primary data 2015

From the table 4.6 above, 53.3% of customers in commercial banks access their accounts at least once per month. While a few (17.4%) of customers in commercial banks access their accounts at least once per week, the remaining 29.3% of customers in commercial banks access their accounts at least once per three months. The some respondents involved in -banking services most of times so that they were aware of changes in the services such as adoption and use of E-banking products by the commercial banks. The findings were supported by the findings on customer involvement in E-banking below.

Customer involvement in E-banking

Customers were asked to tell whether they normally use E-banking products like Mobile/Sim banking, ATM, Internet banking or Smartcard/Visa Card. Normally meant at least the product was used once in a period of three months. The findings were represented in the table below:-

Table 4.7: Customer involvement in E-banking

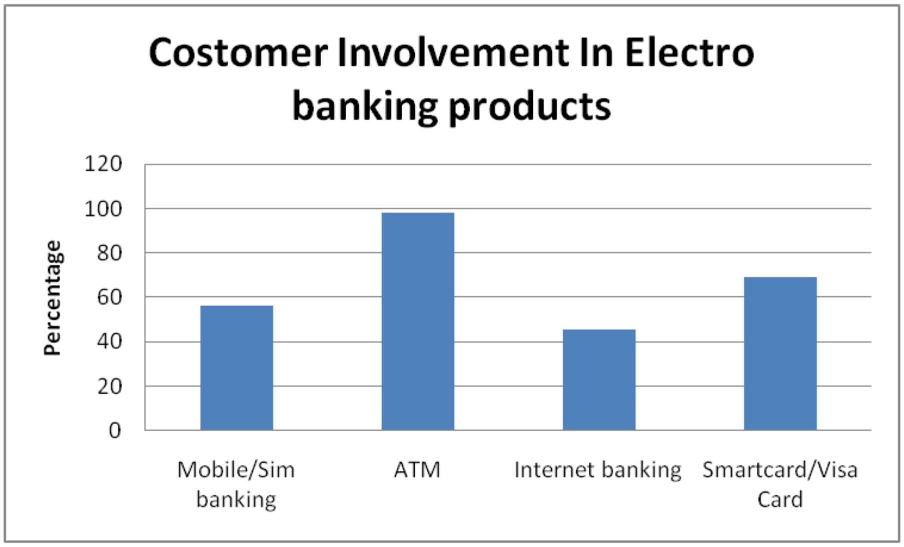
	Frequency			Percentage		
E-banking product	**Yes**	**No**	**Total**	**Yes**	**No**	**Total**
Mobile/Sim banking	104	80	184	56.5	43.5	100
ATM	180	4	184	97.8	2.2	100
Internet banking	84	100	184	45.7	54.3	100
Smartcard/Visa Card	127	57	184	69	31	100

Source: Primary data 2015

From the table 4.7 above, majority that is (97.8%) of respondents use ATM, 69% use Smartcard/Visa Card, 56.5% use Mobile/Sim banking and a few (45.7%) use internet banking. This shows that customers do vary access and use of E-banking products; on the other hand each of the E-banking products was useful since at least 45.7% of customers had used either of the E-banking products. This implies that customers who responded to the research questions had relatively good exposure on the benefits and risks associated with E-banking in terms of Mobile/Sim banking, ATM, Internet banking and Smartcard/Visa Card. The findings are in line with Corporate Tanzania (2011) which reported that the vehicle through which customers can utilize banking services electronically is via mobile phone, ATM, internet banking and MasterCard/Visa.

Nevertheless a comparative analysis of customer involvement in E-banking was presented in the figure 4.1 below

Figure 4.1: Customer involvements in E-banking products



Source: Primary data 2015

From the figure 4.1 above, the leading E-banking product with which customers operates is ATM. This was due to the fact that all customers had saving account unlike current accounts which may not be applicable with ATM. The second product was smartcard/visa card, the third was mobile/Sim-banking and the fourth was internet banking. The customer involvement in smartcard/visa card was relatively higher compare to internet banking due to the fact that while internet banking demands an application of smartcard/visa card, the application of smartcard/visa card is not limited to internet banking alone but also applicable with inter banking. For example with smartcard/visa card from CRDB bank one can not only withdraw money from an ATM of NBC bank and Umoja Switch ATM but also use the same smartcard/visa card in making transactions on the website.

On the other hand the use of mobile banking was found to be relatively low due to the fact that unlike other E-banking products mobile banking is the latest E-banking product. Nevertheless mobile banking services depend on mobile service providers' agreement with respective commercial banks. Some commercial banks are in agreement with some mobile service providers while others have no contracts/agreements. For example

Vodacom is in agreement with all selected local commercial banks (CRDB, NBC, NMB, TPB and DCB) which were involved in this study while Tigo has not made the services with NBC compatible. This means if a customer at NBC is using Tigo mobile services will miss mobile banking until s/he decides to use Vodacom mobile services.

However, the rate of use of mobile banking should not be overlooked since the findings reveal that 56.5% use mobile banking such that its acceptance among customers is reasonable. This was also supported by Corporate Tanzania (2011) that the number of mobile-banking users in Tanzania is now approaching 4,000,000, a figure marketing experts consider to be the "critical mass" of customers – the point at which a product's popularity is such that those who don't have it think they need it because everyone seems to be using it.

4.3 Customers' perceptions on benefits of E-banking

This is the first research objective in which customers were provided with a five point Likert scale flat statements on the benefits of E-banking to customers. This was in accordance with attitude theory which suggests that the more a person has a favorable attitude towards a given product/service, the more likely that person is to buy or use that product/service The findings were presented in the table 4.8 below:-

Table 4.8: Customers' perceptions on benefits of E-banking

Benefits of E-banking to customers	Mean	Rank
E-banking is queue free	4.40	1
E-banking is travel cost saving	4.32	2
E-banking is customer centered	4.19	3
E-banking is time saving	4.00	4
E-banking can be accessed easily at any time regardless the whereabouts	3.92	5
E-banking is free from human errors	3.80	6
E-banking is enjoyable	3.72	7
Total mean	**4.05**	**Very high**

Source: Primary data 2015

Key:

Rating scale

Mean Range	Interpretation	Response Made
1. 1.0-1.7	Strongly Disagree	Very Low
2. 1.8-2.5	Disagree	Low
3. 2.6-3.3	Neutral	Moderate
4. 3.4-4.1	Agree	High
5. 4.2-5.0	Strongly Agree	Very high

Table 4.8 shows the mean scores of customer perceptions on the benefits of E-banking were added and divided to the total number of perceived benefits to come up with the total mean (4.05), which stands for very high consideration and is represented by strongly agree according to the Likert scale. It is from this background that the researcher found out that perceived benefits of E-banking were very high.

The findings show that the statements, "E-banking is queue free", "E-banking is travel cost saving" and "E-banking is customer centered" appear with the highest mean scores of 4.40, 4.32 and 4.19 respectively; all of which stand for very high consideration and is represented by strongly agree according to the Likert scale. The perceptions “E-banking is time saving”, “E-banking can be accessed easily at any time regardless the whereabouts”, “E-banking is free from human errors” and “E-banking is enjoyable” appear with the mean scores of 4.00, 3.92, 3.80 and 3.72 respectively; all of which stand for high consideration and is represented by agree according to the Likert scale

The perceptions that “E-banking is time saving” and “E-banking can be accessed easily at any time regardless the whereabouts” are in line with Ezio (2008) who found that by accessing E-banking services from any place and at any moment, end users can benefit from increased convenience, simplicity and fastness. The findings are also in support of Karjauloto, (2003) who found that E-banking has the advantage that customers avoid traveling to and from a bank branch. In this way, E-banking saves time and money, provides convenience and accessibility, and has a positive impact on customer satisfaction. On the other hand the perception that “E-banking is travel cost saving” is in support of Turban *et al*. (2000) found that that e-banking is extremely beneficial to customers because of the savings in costs, time and space it offers, its quick response to complaints, and its delivery of improved services, all of which benefits make for easier banking. Nevertheless the perception that “E-banking is customer centered” shows that customers rate quality of e-banking very high since it was also found by Jun and Cai (2001) who conceptualized that E-banking service quality based on three quality perspectives; banking service product quality, customer service quality and online systems quality. While the perceptions that “E-banking is free from human errors” and “E-banking is enjoyable” are contrary to Olalekan (2011) who found that enjoyment is the perceived playfulness and intrinsic value consumers experience from the utilization of E-banking

4.4 Customers' perceptions on risks associated with E-banking

This is the second research objective in which customers were provided with a five point Likert scale flat statements on the risks associated with E-banking. This was based on technology acceptance model in which Hanafizadeh *et al*., (2014) noted that although TAM assumes that potential consumers are free to act and choose without limitation, in fact, consumers may come up with some constraints in practice that may prevent them to act freely such as the rationalization of traditional banking channels that accelerate adoption of mobile banking over the past decade. The findings were presented in the table 4.9 below:-

Table 4.9: Customers' perceptions on risks associated with E-banking

Risks associated with E-banking	Mean	Rank
There may occur incomplete transactions due to network problems	4.44	1
E-banking is prone to third party accessing of my personal information	4.34	2
Completion of E-banking transactions may take long time	4.33	3
E-banking may fail to give the feedback causing dilemma	4.23	4
In case of uncompleted transactions service charges may not be refunded	4.22	5
E-banking is associated with transaction charges and therefore expensive	4.01	6
There may occur losses in case of mistaken e payments	3.01	7
E-banking lowers self image	2.12	8
Total mean	**3.84**	**High**

Source: Primary data 2015

Key:

Rating scale

Mean Range	**Interpretation**	**Response Made**
1. 1.0-1.7	Strongly Disagree	Very Low
2. 1.8-2.5	Disagree	Low
3. 2.6-3.3	Neutral	Moderate
4. 3.4-4.1	Agree	High
5. 4.2-5.0	Strongly Agree	Very high

Table 4.9 shows the mean scores of customer perceptions on the risks associated with E-banking were added and divided to the total number of perceived risks to come up with the total mean (3.84), which stands for high consideration and is represented by agree according to the Likert scale. It is from this background that the researcher found out that perceived risks of E-banking were high.

The findings show that the statements, “There may occur incomplete transactions due to network problems”, “E-banking is prone to third party accessing of my personal information”, “Completion of E-banking transactions may take long time”, E-banking may fail to give the feedback causing dilemma”, In case of uncompleted transactions service charges may not be refunded” and “E-banking is associated with transaction charges and therefore expensive” appear with the highest mean scores of 4.44, 4.34, 4.33, 4.23, 4.22 and 4.01 respectively; all of which stand for very high consideration and is represented by strongly agree according to the Likert scale. The perception “There may occur losses in case of mistaken transactions” appear with the mean score of 3.01 which stands for moderate consideration and is represented by neutral according to the Likert scale. The perception “E-banking lowers self image” appear with the mean score of 2.12 which stands for low consideration and is represented by disagree according to the Likert scale.

The findings on security perceptions ranked the second risk (refer table 4.9 above) are similar to those of Gerrard & Cunningham (2003) who, in case of Singapore, emphasized that the confidentiality of consumer data is an important concern in the adoption of the online-banking. Customers fear that someone will have unlimited access to their personal financial information. Further, steps should be taken to develop trust among banks employees, first towards the issues of information security and the chances of fraud. The findings on psychological risk such as “E-banking lowers self image“ reveal that customers did not consider loss of self-image as important risk factor for their choice to accept E-banking. This was contrary to Okeke (2013) who found that psychological risk represents consumer perceptions that the use of E-banking would lower their self-image, or have a negative effect on their perceived image from other consumers.

4.5 Customer Suggestions on the measures and steps to be taken in order to mitigate the risks associated with E-banking

This was the third research objective in which the researcher was interested to find out the customers' opinion about measures and steps to be taken by commercial banks and other stakeholders to mitigate risks associated with E-banking. The findings show that customers had different opinion about measures and steps to be taken by commercial banks and other stakeholders to mitigate risks associated with E-banking. The findings were summarized in the table 4.10 below:-

Table 4.10: Customer Suggestions on the measures and steps to be taken in order to mitigate the risks associated with E-banking

Measures and steps to be taken in order to mitigate the risks associated with E-banking	Frequency	Percentage (N=184)
Network assurance should be enhanced (availability)	182	99
Network speed should be increased (strengthened)	178	97
Commercial banks should validate each online payment entities for security enhancement to restrict cyber crime (officially authenticate third parties)	169	92
All enquiry services should be free and in case of transaction failure service charges should be refunded	158	86
Customer should be entitled with an authority to block mistaken transactions	146	79

Source: Primary data 2015

From table 4.10 above the findings show that majority (99%) of the respondents had an opinion that "Network assurance should be enhanced", 97% had an opinion that "Network speed should be increased (strengthened)" 92% had an opinion that "Commercial banks should validate each online payment entities for security enhancement to restrict cyber crime (officially authenticate third parties)", 86% had an opinion that "All enquiry services should be free and in case of transaction failure service charges should be refunded" and 79% had an opinion that "Customers should be entitled with an authority to block mistaken transaction".

The findings show that the customers' opinion that "Network assurance should be enhanced" and "Network speed should be increased (strengthened)" were focusing on the risks related to network problems and inconveniences. In case of a guaranteed network (internet availability) the first four risks associated with E-banking namely "There may occur incomplete transactions due to network problems", "E-banking is prone to third party accessing of my personal information", "Completion of E-banking transactions may take long time" and "E-banking may fail to give the feedback causing dilemma" will be under control. This implies that network/internet stability is very important to ensure network related risks are dealt with in E-banking.

On the other hand while the opinion that "Commercial banks should validate each online payment entities for security enhancement to restrict cyber crime (officially authenticate third parties)" and "All enquiry services should be free and in case of transaction failure service charges should be refunded" focus on mitigating risks of costly charges of E-banking, the opinion that "Customer should be entitled with authority to block mistaken transactions," focuses on avoiding loss associated with those transactions.

CHAPTER FIVE

DISCUSSION OF THE FINDINGS

5.0 Introduction

In this chapter the researcher provides detailed discussion of the findings in relation to the theories and empirical studies. The main findings that are discussed include customers' perceptions on benefits of E-banking, customers' perceptions on risks associated with e-banking and measures to mitigate risks associated with E-banking.

5.1 Customers' perceptions on benefits of E-banking

This was the first objective of the researcher which intended to answer the question that how do customer perceive the E-banking services. The results were customers are very sensitive to costs associated with banking and time saving is at the centre of their choices to use E-banking. Customers focus on the benefits of E-banking in relation to time saving aspects and cost cutting as well. Perceptions like e-banking is queue free, e-banking is time saving and e-banking can be accessed easily at any time regardless the whereabouts reflect how customers wish to save time and therefore choose e-banking for the same reason. This is also supported by Turban *et al*. (2000) who found that E-banking is extremely beneficial to customers because of the savings in costs, time and space it offers, its quick response to complaints, and its delivery of improved services, all of which benefits make for easier banking. The findings imply that in case e-banking fails to help save time of customers due to any reason including slow connectivity, delayed online feedback and temporary internet failures customers will likely be indifferent between e-banking and traditional banking.

On the other hand the second ranked perceived benefit that e-banking is travel cost saving reflects the effect that costs incurred in banking process like travel costs, online charges and internet costs are a determinant of customer choices to either use or ignore E-banking. In relation to the Theory of Reasoned Action (TRA) in regard to information systems (IS), which notes that perceived usefulness and perceived ease of use determine an individual's attitudes towards their intention to use an innovation with the intention serving as a mediator to the actual use of the system; it revealed that both perceived usefulness and ease of use of e-banking revolves around time saving and cost cutting demands of bank customers.

The policy implication for the same should focus on how effective E-banking will save time and cut down costs in banking transactions. While some aspects of the policy can be directly influenced by the commercial banks others need government intervention. Commercial banks can facilitate low transaction charges but in isolation commercial banks cannot facilitate low internet costs and cannot enhance internet connectivity speed which depends on collaboration with the government through the ministry of communication and internet providers.

5.2 Perceived risks associated with E-banking

The perceived risk associated with the E-banking was the second objective intended to hit upon the perceived risks, whereby the risks of incompleteness of service and insecurity dominate the perceptions on customers. For risks of incomplete online servicers/transactions customers were able to reveal that may occur incomplete transactions due to network problems and E-banking may fail to give the feedback causing dilemma. Also since in case of uncompleted transactions service charges may not be refunded customers are likely to count on it as non existence of E-banking, questioning if exists E-banking is for professional theft crime or for service improvement. For insecurity risks customers reveal that E-banking is prone to third party accessing of customers' personal information and there may occur losses in case of mistaken payments.

Although perceived usefulness and ease of use in accordance to the technological acceptance mode (TAM) facilitates the adoption of E-banking still risks of insecurity and incompleteness of transactions are drawbacks of E-banking. This is in line with Ishengoma (2011) who found that perceived risk of use affected the usage behavior of the customers; however the customer perception of benefits pushed the customers to use the mobile banking services. In case the possibility of third party accessing customers' personal information increases, customers are likely to count time saving and cost cutting benefits of E-banking as irrelevant. Therefore while promoting the usefulness and ease of use of E-banking to bank customers it is also important for the policy to align security of customer information and transactions as well. This is in line with Okeke (2013) who found that ensuring that E-banking services are secure and that the risks associated E-banking transactions are minimized is a major concern of promoting the acceptance of E-banking.

5.3 Measures and steps to be taken in order to mitigate the risks associated with E-banking

The third objective focused on measures to be taken to reduce the risks associated with E-banking where customers gave their own opinions which were in line with the risks associated with E-banking. For the purpose of dealing with service/transaction incompleteness customers suggested that network assurance should be enhanced (availability) and network speed should be increased (strengthened). Since completeness of E-banking depends on connectivity which may fail under uncontrollable circumstances like extranet problems, customers suggest that enquiry services should be free and in case of transaction failure service charges should be refunded. For the purpose of security assurance customers suggest that commercial banks should validate each online payment entities for security enhancement to restrict cyber crime (officially authenticate third parties). This is based on the fact that customers are not at a position of thoroughly scrutinizing and authenticating third parties compared to bankers. For instance if a customer wants to make a transaction, the bank involved should help the customer in order to avoid invalid transactions.

Customer suggested that they should be entitled with some more options and authority when making transaction. For example the use of mobile banking menu has no options on how to reverse a mistaken transaction, until one visit the bank physically which disturb the usefulness of E-banking.

5.4 Implication of the findings

To policy makers

The policy should focus on the effect that; less costly and time saving e-banking services are at the centre of its adoption. Pessimism towards E-banking revolves around insecurity and ineffectiveness of E-banking in cases of incomplete transactions. Since bankers are limited towards achievement of effective connectivity and security issues policy makers will find that stakeholders should involve the government, internet providers and the bankers. On the other hand a contradiction with security when inevitable third part accesses the personal information occurs, for example when the government accesses personal information for security reasons. Policy address of this phenomenon will necessitate banking industry and customers to redefine insecurity associated with e-banking which should exclude all necessary intervention.

To bank customers

Customers expect time saving and cost cutting when deciding to use E-banking. They also realize that transaction failures and insecurity phenomenon are associated with E-banking and can tolerate such risks when they occur less frequent. In case of more frequent transaction failures and insecurities customers are likely to withdraw from using E-banking. This means customers are more likely to adopt use of E-banking and remain using it for the bank with reasonable E-banking service provision.

To banking industry

The banks efforts in E-banking in bank services provision intend to increase the use of E-banking to customers. Banks with stead internet connectivity, relatively available E-banking services throughout the day for the whole week and less transaction costs meet the expectations of customers. Banks with effective insecurity resolutions will therefore retain customers using E-banking for the long time and experience a return on their investment in E-banking. More options should be granted to customer in dealing with the E-banking like reversing a transaction once wrongly done.

5.5 Limitation of the study

The potential limitation of this study was on sampling technique that was used. The study applied a systematic random sampling in selecting customers. With this sampling technique the researcher was not able to representatively equally include respondents from different social economic conditions which matters in studying perceptions (for example, the profile of respondents show that majority of respondents were male, younger age and with higher education).

Following a time limit (time bound by the university almanac) and financial constraints the researcher could not employ the most feasible sampling technique of stratified and systematic probabilistic sampling. In this case the researcher could use two approaches, first, accessing respondents at their residences to facilitate filtering the respondents basing on strata in terms of education, gender, and income. This is because respondents of different gender, education and income may have different perceptions on e banking. For example a higher income person is likely to positively perceive a costly e banking service unlike a lower income person. Second, the researcher could ask the banks to provide a list of customers and their personal accounting information for stratified sampling which is difficult to attain.

However, the researcher minimized the effect of this limitation by including more than one bank to increase the sample. Future research should strengthen the sampling method by using either of the aforementioned approaches.

5.6 Conclusion

This chapter presents a detailed discussion of the findings in combination with literature usage to associate previous study findings and the findings of this study. Furthermore the chapter derives the implication of the findings with respect to the significance of the study for all stakeholders like policy makers, government, bankers and customers.

CHAPTER SIX

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

6.0 Introduction

This chapter looks at the research findings and shows the summary of the findings, conclusion, recommendations and the area for further research.

6.1 Summary of the findings

The purpose of the study was to examine the customer perceptions on E-banking in commercial banks. The study was guided by three specific objectives are; to identify Customers' perceptions on benefits of E-banking, to identify Customers' perceptions on risks associated with E-banking and to identify Customer suggestions of how to mitigate the risks associated with E-banking.

6.1.1 Customer involvements in E-banking products.

The findings show that majority of respondents' use ATM, Smartcard/Visa Card was ranked the second E-banking product being highly used, and Mobile/Sim banking was the third and a few customers use internet banking. The finding that the leading E-banking product with which customers operates their e-banking services is ATM are due the fact that all customers had saving account unlike current accounts which may not be applicable with ATM.

The customer involvement in smartcard/visa card was relatively higher compare to internet banking due to the fact that while internet banking demands an application of smartcard/visa card, the application of smartcard/visa card is not limited to internet banking alone but also applicable with inter banking. For example with smartcard/visa card from CRDB bank one can not only withdraw money from an ATM of NBC bank and Umoja Switch ATM but also use the same smartcard/visa card in making transactions on the website.

On the other hand the use of mobile banking was found to be relatively low due to the fact that unlike other E-banking products mobile banking is the latest e-banking product. Nevertheless mobile banking services depend on mobile service providers' agreement with respective commercial banks in which some commercial banks are in agreement with some mobile service providers while some mobile service providers have not provides such access of mobile banking.

For example Vodacom is in agreement with all selected local commercial banks (CRDB, NBC, NMB, TPB and DCB) which were involved in this study while Tigo has not made the services with NBC compatible. This means if a customer at NBC is using Tigo mobile services will miss mobile banking until s/he decides to use Vodacom mobile services. However the rate of use of mobile banking should not be overlooked since the findings reveal that half of customers use mobile banking such that its acceptance among customers is reasonable.

This was also supported by Corporate Tanzania (2011) that the number of m-banking users in Tanzania is now approaching 4,000,000, a figure marketing experts consider to be the "critical mass" of customers – the point at which a product's popularity is such that those who don't have it think they need it because everyone seems to be using it.

6.1.2 Customers' perceptions on benefits of E-banking

The findings show that the statements, "E-banking is queue free", "E-banking is travel cost saving" and "E-banking is customer centered" appear with the highest mean scores of 4.40, 4.32 and 4.19 respectively; all of which stand for very high consideration and is represented by strongly agree according to the Likert scale. The perceptions "E-banking is time saving", "E-banking can be accessed easily at any time regardless the whereabouts", "E-banking is free from human errors" and "E-banking is enjoyable" appear with the mean scores of 4.00, 3.92, 3.80 and 3.72 respectively; all of which stand for high consideration and is represented by agree according to the Likert scale.

The perceptions that “E-banking is time saving” and “E-banking can be accessed easily at any time regardless the whereabouts” are in line with Ezio (2008) who found that by accessing e-banking services from any place and at any moment, end users can benefit from increased convenience, simplicity and fastness. On the other hand the perception that “E-banking is travel cost saving” is in support of Turban et al. (2000) found that that e-banking is extremely beneficial to customers because of the savings in costs, time and space it offers, its quick response to complaints, and its delivery of improved services, all of which benefits make for easier banking. Nevertheless the perception that “E-banking is customer centered” shows that customers rate quality of e-banking very high since it was also found by Jun and Cai (2001) who conceptualized that E-banking service quality based on three quality perspectives; banking service product quality, customer service quality and online systems quality. While the perceptions that “E-banking is free from human errors” and “E-banking is enjoyable” are contrary to Olalekan (2011) who found that enjoyment is the perceived playfulness and intrinsic value consumers experience from the utilization of E-banking

6.1.3 Customers’ perceptions on risks associated with E-banking

The findings show that the statements, “There may occur incomplete transactions due to network problems”, “E-banking is prone to third party accessing of my personal information”, “Completion of E-banking transactions may take long time”, E-banking may fail to give the feedback causing dilemma”, In case of uncompleted transactions service charges may not be refunded” and “E-banking is associated with transaction charges and therefore expensive” appear with the highest mean scores of 4.44, 4.34, 4.33, 4.23, 4.22 and 4.01 respectively; all of which stand for very high consideration and is represented by strongly agree according to the Likert scale. The perception “There may occur losses in case of mistaken e payments” appear with the mean score of 3.01 which stands for moderate consideration and is represented by neutral according to the Likert scale. The perception “E-banking lowers self image” appear with the mean score of 2.12 which stands for low consideration and is represented by disagree according to the Likert scale.

The findings on security perceptions ranked the second risk are similar to those of Gerrard and Cunningham (2003) who, in case of Singapore, emphasized that the confidentiality of consumer data is an important concern in the adoption of the online banking. Customers fear that someone will have unlimited access to their personal financial information. Further, steps should be taken to develop trust among banks employees, first towards the issues of information security and the chances of fraud. The findings on psychological risk such as “E-banking lowers self image“ reveal that customers did not consider loss of self-image as important risk factor for their choice to accept e-banking. This was contrary to Okeke (2013) who found that psychological risk represents consumer perceptions that the use of E-banking would lower their self-image, or have a negative effect on their perceived image from other consumers.

6.1.4 Customer Suggestions on the measures and steps to be taken in order to mitigate the risks associated with E-banking

The findings show that majority of the respondents suggested Network assurance should be enhanced, Network speed should be increased (strengthened), Commercial banks should validate each online payment entities for security enhancement to restrict cyber crime (officially authenticate third parties), All enquiry services should be free and in case of transaction failure service charges should be refunded, and Customer should be entitled with ability to block mistaken payments.

The findings show that in case of a guaranteed network (internet availability) the first four risks associated with E-banking namely; “There may occur incomplete transactions due to network problems”, “E-banking is prone to third party accessing of my personal information”, “Completion of E-banking transactions may take long time” and “E-banking may fail to give the feedback causing dilemma” will be under control. This implies that network/internet stability is very important to ensure network related risks are dealt with in E-banking.

The findings reveal that while the opinion that “Commercial banks should validate each online payment entities for security enhancement to restrict cyber crime (officially authenticate third parties)” and “All enquiry services should be free and in case of transaction failure service charges should be refunded” focus on mitigating risks of costly charges of E-banking, the opinion that “Customer should be entitled with ability to block mistaken payments” focuses on avoiding loss associated with e payments.

6.2 Conclusion

From the findings it can be concluded that customers’ perceptions on benefits of e-banking inlude; e-banking is queue free, e-banking is travel cost saving, e-banking is customer centered, e-banking is time saving, e-banking can be accessed easily at any time regardless the whereabouts, e-banking is free from human errors and e-banking is enjoyable. On the other hand customer perceptions of risks associated with e banking include; occurrence of incomplete transactions due to network problems, e-banking is prone to third party accessing of my personal information, completion of e-banking transactions may take long time, e-banking may fail to give the feedback causing dilemma, in case of uncompleted transactions service charges may not be refunded, e-banking is associated with transaction charges and therefore expensive and occurrence of losses in case of mistaken e payments.

6.3 Recommendation

Perceived benefits of e-banking should be realized and made available to the customers by the banking sector. Therefore commercial banks should work hard to improve network/internet stability. This will depend on the private public partnership (PPP) so that wide area and local area networks will be stabilized and made available throughout the country. Perceived risks should be dealt with to come up with increasing involvement of customers in e-banking services. On the other hand e-banking services should be made cheaper and cheaper in terms of less or no customer service charges, minimized transaction charges and limited possibility of loss in form of mistaken e payment.

6.4 Areas for further research

The areas for further research should focus on corporate customers, the ways under which internet banking in particular will be improved to attract many customers, how mobile banking can be standardized to create similarity of service and service charges among different stakeholders and e banking with Corporate Client.

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APPENDICES

Appendix I:

Questionnaire

Dear sir/Madam,

Greetings

I am a candidate of Msc Accounting and Finance at Mzumbe University with a study on Customer perceptions on E-banking a case of local commercial banks in Dar es Salaam. As I pursue to complete this academic requirement, I request your assistance by being part of the study. Kindly provide the most appropriate information as indicated in the questionnaires and possibly please do not leave any item unanswered. Any data from you shall be for academic purposes only and will be kept with utmost confidentiality.

I will retrieve the questionnaire at the bank branch one week after you received them. Thanks for your co-operation

Yours faithfully

Clearence Erick

PART I: Personal information (Please tick):

1. Gender
   a) Male
   b) Female
2. Age
   a) 18-28 years old

b) 29-39 years old

c) 40-50 years old

d) Above 50 years

3. Level of Education

a) Higher education

b) College education

c) Secondary education

d) Didn’t attend secondary education

Customer Banking Status

4. Do you hold any account with local commercial bank in Dar es Salaam?

a) Yes
b) No

5. Which type of account?

a) Saving account
b) Current account
c) Other

6. For how long have you been holding the account?

a) 1-2 years
b) 3-4 years
c) 5^{+} years

7. How frequently do you operate with your account?

a) At least once a week
b) At least once a month
c) At least once in a period of three months

8. Do you normally use e-banking products? [Normally means at least once in a period of three month]

No	E-banking product	YES	NO
1	Mobile/Sim banking		
2	ATM		
3	Internet banking		
4	Smartcard/Visa Card		

DIRECTION: Please respond to the options and kindly be guided with the scoring system below, Please tick your training in space provided

Score	**Response mode**	**Description**
SA	Strongly Agree	You agree with no doubt at all
A	Agree	You agree with some doubt
N	Not sure	You are not certain
D	Disagree	You disagree with some doubt
SD	Strongly Disagree	You disagree with no doubt at all

PART 11: QUESTIONNAIRE TO IDENTIFY CUSTOMERS' PERCEPTIONS ON BENEFITS OF E-BANKING

A	**Benefits of E-banking to customers**	**SA**	**A**	**NS**	**D**	**SD**
1	E-banking can be accessed easily at any time regardless the whereabouts					
2	E-banking is travel cost saving					
3	E-banking is queue free					
4	E-banking is time saving					
5	E-banking is free from human errors					
6	E-banking is enjoyable					
7	E-banking is customer centered					

PART 111: QUESTIONNAIRE TO IDENTIFY CUSTOMERS' PERCEPTIONS ON RISKS ASSOCIATED WITH E-BANKING

B	Risks associated with E-banking	SA	A	NS	D	SD
1	There may occur losses in case of mistaken e payments					
2	E-banking is associated with transaction charges and therefore expensive					
3	In case of uncompleted transactions service charges may not be refunded					
4	There may occur incomplete transactions due to network problems					
5	E-banking is prone to third party accessing of my personal information					
6	Completion of E-banking transactions may take long time					
7	E-banking may fail to give the feedback causing dilemma					
8	E-banking lowers self image					

PART 1V: Customer Suggestions

What are your suggestions of the measures and steps to be taken in order to mitigate the risks associated with E-banking?

1. …………………………………………………………………………………
2. …………………………………………………………………………………
3. …………………………………………………………………………………
4. …………………………………………………………………………………
5. …………………………………………………………………………………
6. …………………………………………………………………………………

THANK YOU VERY MUCH FOR GIVING ME YOUR PRECIOUS TIME.