COLLAGE OF BUSINESS AND ECONOMICS

DEPARTMENT ACCOUNTING AND FIANCÉ

The Assessment of Opportunities and Challenges of E-Banking; In Case Of United Bank of Ethiopia in Wolkite Branch.

Senior Essay Submitted To The Department Of Accounting And Finance In Partial Fulfillment Of The Requirement For The Bachelor Of Art Degree In Accounting And Finance.

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ABSTRACT

Despite the growth of e-banking adoption worldwide, Ethiopian banks continue to conduct most of their banking transactions using traditional methods. The general objective of the study was assessment of the current extent and practices, benefits realized by banks, driving forces, opportunities and challenges for the adoption of e-banking service in Ethiopia under Wolkite area on United bank. From this general objective, three specific issues were explored. An exploratory research design was employed to conduct this study. The primary source data is used for study. The collected data was analyzed by using descriptive analysis such as tables and percentages.

From an analysis of the collected data, the findings revealed that: balance inquiry, cash withdrawal, funds transfers, statement printings are among the major practice of e-banking among those banks that are providing the service to the customer. The different e-banking channels by which banks are using to provide these services to the customer are ATM card, debit card, credit card, salary card, visa card, master card, Internet banking and Mobile banking. Cost reduction, coverage of wide geographical area, customer satisfactions etc are among the benefits of adopting the system. Among the different driving forces that initiate banks to adopt e-banking services: existence of high competition in the banking industry, desire to improve organizational performance and, desire to reduce transaction cost.

Key words: - e-banking services, United bank and etc...

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Contents

ACRONYMS

ATM	Automated teller machine
E-banking	Electronic banking
ETC	Ethiopia Telecommunication Corporation
ICT	Information communication technology
L/C	Letter of credit organization Society Telecommunications
PC	Personal computer
POS	Point of sale

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Financial services industry has recently been open to historic transformation, it can call e-developments are emerging and advancing rapidly in all areas of financial intermediation and financial markets: e-finance, e-money, electronic banking (e-banking), e-brokering, e-insurance, e-exchanges, and even e-supervision. The new information technology (IT) is turning into the most important factor in the future development of banking, influencing banks' marketing and business strategies. In recent years, the adoption of e-banking began to occur quite extensively as a channel of distribution for financial services due to rapid advancement in IT and intensive competitive banking markets. The driving forces behind the rapid transformation of banks are influential changes in the economic environment: innovations in information technology, innovations in financial products, the dynamic nature of customers demand, liberalization and consolidation of financial markets, deregulation of financial inter-mediation etc. These and other factors make it complicated to design a bank's strategy, which process is threatened by unforeseen developments and changes in the economic environment and therefore, strategies must be flexible to adjust to these changes. The financial services market is continuing to change rapidly, which brings into question whether traditional banks, as they are now structured, will actually continue to exist by the end of the decade or even survive through the next years (Olga lustsik, 2003). The evolutionof e-banking started from the use of Automatic Teller Machines (ATMs) and Finland is the first country in the world to have taken a lead in e-banking (Mishra, R. and J. Kiranmai (2009) in order to provide efficient and effective service to their customers. Electronic banking has been widely used in developed countries and is rapidly expanding in developing countries. However, the slow diffusion of e-commerce to African countries has been attributed to a number of issues some of which may be

unique to the African Continent (Darley, W. K, 2001). Electronic banking (e-banking) is nothing but e-business in banking industry. It may also be referred as internet banking. The internet is transforming the banking and financial industry in terms of the nature of core products /services and the way these are packaged, proposed, delivered and consumed (Sathye, 1999).

E-banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. E-banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet ATM , Debit card ,credit card etc. The computer applications are paramount concern to the banks in today's business environment and internet has become the major platform for all financial, banking and commercial transactions in the present scenario (Magembe, B A S and Shemi A P (2002). It is an invaluable and powerful tool driving development, supporting growth, promoting innovation and enhancing competitiveness (Kamel, 2005 and Nath, Shrick and Parzinger, 2001). Banks and other businesses alike are turning to Information Technology (IT) to improve business efficiency by delivering the service with minimum cost, service quality and attract new customers (Nath et al, 2001). Technological innovations have been identified to contribute to the distribution channels of banks. The evolution of banking technology has been driven by changes in distribution channels as evidenced by automated teller machine (ATM),Debit card ,credit card ,visa card, Phone- banking, Tele-banking, PC-banking and most recently internet banking. The paperless banking has become inevitable for developing of e-banking services in the banking system (Goi, 2005).

1.2 Statement of the Problem

In this era of globalization, with increased competition around the globe in all sectors, a strong banking industry is important in every country and can have a significant effect in supporting economic development through efficient financial services; as a result many banks in the world are modifying their strategies to reach customers worldwide more easily and cheaply. Therefore, banks are developing the technologies that will help them deliver banking products and services by the most cost-effective channels and one of such channel is adoption of e-banking or internet banking. E-banking is a way to keep existing customers and attract new ones to the bank. The transaction costs of providing these services are lower than the traditional approach. The rapidly growing information and communication technology is knocking the front door of every organization in the world (Booz & Hamilton, 1997).

Despite this growth of IT worldwide, Ethiopian banks continue to conduct most of their banking transactions using traditional methods. In Ethiopia, however, cash is still the most dominant medium of exchange, and electronic payment systems are at an infant stage. In the face of rapid expansion of electronic payment systems throughout the developed and the developing world, Ethiopia's financial sector remain behind in expanding the use of the system. Certainly, the banking industry in Ethiopia is underdeveloped .With a growing number of import-export businesses, and increased international trades, increase the demand of the customer and international relations, the current banking system is short of providing efficient and dependable services. The customers of Ethiopian united banks have missed to enjoy with the technological advancement in banking sector, which has been entertained elsewhere in African and the rest of the world. The modern e-banking methods like ATM

Debit cards, Credit cards, Tele banking, Internet banking, Mobile banking and others are new to the Ethiopian banking sector. E-banking which refers to the use of modern technology that allows customers to access banking services electronically whether it is to withdraw cash, transfer funds, to pay bills, or to obtain commercial information and advices are little known in Ethiopia. In Wolkite Ethiopia, it is difficult to withdraw money without presenting the passbook and money transfer is allowed only in between branches of the same bank. However, from the public and the economy there is a strong need for strengthening linkages among banks in order to allow healthy flow of financial resources among financial institutions and optimize the contributions of the entire financial system to the development processes as whole.

All banks in Ethiopia are too late to move with technological advancement. Every bank customer is highly dissatisfied by the disappointing status of financial development in Ethiopia. Even the time wasted in traveling for search of bank branches and the long waiting time to access the account is disappointing. This is particularly because of the non-integration of branches of the same bank, i.e. even within individual banks, their branches are not linked to each other and it is necessary for the customer to physically visit the branch in which an account has been opened**.** In addition, even though there are opportunities for the adoption of e-banking service in the banking industry, lack of concern or lack of giving priority on the side of the government and the national bank of the country is the main cause for the low development of e-banking service in the banking sector. Also in Wolkite there is not full understanding using e-banking, in thus like bank (i.e) in united bank. The peoples know only the popular bank like united bank of Ethiopia which located all over the village of the country.

Finally, even though there are researches conducted in other countries like Bangladesh and revealed that unavailability of a backbone network connecting the whole country; inadequacy of reliable and secure information infrastructure especially telecommunication infrastructure; sluggish ICT penetration in banking sector; insufficient legal and regulatory support for adopting e-banking etc are the major challenges for the efficient adoption of e-banking in the country (Mohammad ,2008). But when came to our country Ethiopia there is no prior study conducted related this

study. Therefore, the purpose of this paper was assessment of the opportunities and challenges for the adoption of e-banking service in Wolkite Ethiopia. Accordingly, the following research questions are drawn from the above-discussed problems.

1.3 Research Questions

1. How looks like the current practices and extent of e-banking service in Wolkite?

2. What are the benefits of adopting e-banking service from the viewpoint of the bank?

3. What are the driving forces towards the adoption of e-banking service in the banking

1.4 Objective of the Study

General objective

To assess the opportunities and challenges for the adoption of e-banking service on United bank in Wolkite Ethiopia

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Specific objectives

1. To assess the current practice and extent of adoption of e-banking service in Wolkite
2. To find the benefits realized by banks in the adoption and practice of e-banking to Compliment their service delivery channels.
3. To identify the driving forces towards the adoption of e-banking service in tanking industry.

1.6 Scope of the Study

The focus of this study is on the assessment of the opportunities and challenges for the adoption of e-banking service of United Bank in Ethiopia. Owing to the initial stage of e-banking services available in Ethiopia, it was very difficult to get secondary data as well as literature in this area from the country perspective. In addition time and financial constraints was also become the main limitation of the study. So the study was scoped United Bank Wolkite branch only selected for the research conducted.

1.7 Significance of the Study

Since E-banking system is in an infant stage in Ethiopia, by investigating the different opportunities and challenges for the adoption of this service delivery channel and by recommending solutions for the identified problems, this study was help banks to benefit from the adoption of this technology. In addition, it helps to fill significant knowledge gaps about e-banking landscape in Ethiopia; thereby it was give insight to researchers and students about the problem and stimulate further investigation of the issue.

1.8 Organization of the Paper

This paper consists of five chapters with different sections and sub-sections. Chapter one presents the introduction for the main part of the paper, and chapter two states the theoretical and empirical literature review about the adoption of e-banking service in some countries. Chapter three discusses research methodology. Chapter four focuses on results and discussions. Finally, the last chapter (chapter five) gives conclusion and the study

CHAPTER TWO

2. Literature Review

2.1 Theoretical Review

2.1.1 Introduction to E-banking

According to Mohammed shamsuddoha (2008), electronic Banking is transforming the financial services industry through various innovations. The quantity of cross-border trading and other financial activities is increasing geometrically make possible by technology. It has been made possible by technology, particularly information technology to generate, collect and process information about bank operation and bank customers efficiently and effectively. It provides the ability to create more effective systems of controls in individual institutions and in the market themselves. Compared to the paper based operation, Electronic Banking Systems, in its most proficient form, offer instant verification and transfer and reduces the flow of costly paper in the record keeping process. Banks have developed electronic banking service for two main reasons. To protect and increase market share and to reduce operating cost by substituting physical capital and technology for labor To generate new revenue.

E-banking allow banks to expand their markets for traditional deposit taking and credit extension activities, and to offer new products and services or strengthen their competitive position in offering existing payment services. In addition, electronic banking could reduce operating costs for banks. More broadly, the continued development of e- banking and electronic money may contribute to improving the efficiency of the banking and payment system and to reducing the cost of retail transactions nationally and internationally. Although many financial instrument and systems are now considered as “Electronic Banking” came into the terminology of t he financial world in the late 1980s, with the possibility of emergence of true electronic money. All sorts of back-office information management technology and financial services using electronic devices can be included into the term “Electronic Banking”. The development in information technology has contributed positively to economic growth through several channels. ICT has led to a productivity growth through the impact on activity processes. Banks have been increasing their own size and financial strength and expanding the scope of their products lines to meet the growing demand of

their customers.

2.1.2 Definition of E-Banking

E-banking is the modern delivery channel for banking services. Banks have used electronic channels for years to communicate and transact business with both domestic and international corporate customers. With the development of the Internet and the World Wide Web (WWW) in the latter half of the 1990s, banks are increasingly using electronic channels for receiving instructions and delivering their products and services to their customers. This form of banking is generally referred to as e-banking or Internet banking, although the range of products and services provided by banks over the electronic channel vary widely in content, capability and sophistication. E-banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. The definition of e-banking varies amongst researches partially because electronic banking refers to several types of services through which bank customers can request information and carry out most retail banking services via computer, television or mobile phone (Daniel, 1999; Mols, 1998; Sathye, 1999). For example, Burr (1996) describes it as an electronic connection between bank and customer in order to prepare, manage and control financial transactions.

According to Singh &Malhotra (2004), E-banking can be defined as the deployment of banking services and products over electronic and communication networks directly to customers. These electronic and communication networks include Automated Teller Machines (ATMs), direct dial-up connections, private and public networks, the Internet, televisions, mobile devices and telephones. Among these technologies, the increasing penetration of personal computers, relatively easier access to the internet and particularly the wider diffusion of mobile phones has drawn the attention of most banks to e-banking. E-

banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet or mobile phone. Customers access e-banking services using an intelligent electronic device, such as a personal computer (PC), personal digital assistant, automated teller machine (ATM), kiosk, or Touch Tone telephone. Or 'e-banking refers to the provision of retail and small value banking products and services through electronic channels. Such products and services can include deposit-taking, lending, account management, the provision of financial advice, electronic bill payment, and the provision of other electronic payment products and services such as electronic money.

2.1.3 E-Banking Channels:

2.1.3.1 Internet banking

According to Booz, Allen & Hamilton (1999), "Internet banking" refers to systems that enable bank customers to access accounts and general information on bank products and services through a personal computer (PC) or other intelligent device. Internet banking products and services can include wholesale products for corporate customers as well as retail and fiduciary products for consumers. Ultimately, the products and services obtained through Internet banking may mirror products and services offered through other bank delivery channels. Some examples of wholesale products and services include: Cash management, wire transfer, automated clearinghouse transactions, Bill presentment and payment.

Examples of retail and fiduciary products and services include Balance inquiry, Funds transfer, Downloading transaction information, Bill presentment and payment, Loan applications, investment activity, other value-added services.

Based on the levels of access granted, internet-banking products are divided into 3 types. They are:

I) Information Only System: General purpose information like interest rates, branch location, bank products and their features, loan and deposit calculations are provided in the banks website. There exist facilities for downloading various types of application forms. The communication is normally done through e-mail. There is no interaction

between the customer and bank's application system. No identification of the customer is done. In this system, there is no possibility of any unauthorized person getting into production systems of the bank through internet.

II) Electronic Information Transfer System: The system provides customer- specific information in the form of account balances, transaction details, and statement of accounts. The information is still largely of the 'read only ‘format. Identification and authentication of the customer is through password. The information is fetched from the bank's application system either in batch mode or off-line. The application systems cannot directly access through the internet.

III**) Fully Electronic Transactional System:** This system allows bi-directional capabilities. Transactions can be submitted by the customer for online update. This system requires high degree of security and control. In this environment, web server and application systems are linked over secure infrastructure. It comprises, technology covering computerization, networking and security, inter-bank payment gateway and legalinfrastructure.

Growth in Internet Banking

Numerous factors including competitive cost, customer service, and demographic considerations are motivating banks to evaluate their technology and assess their electronic commerce and Internet banking strategies. Many researchers expect rapid growth in customers using online banking products and services.

Some of the market factors that may drive a bank's strategy to use internet banking include the following:

Competition — Studies show that competitive pressure is the chief driving force behind increasing use of internet banking technology, ranking ahead of cost reduction and revenue enhancement, in second and third place respectively. Banks see internet banking as a way to keep existing customers and attract new ones to the bank.

Cost Efficiencies — banks can deliver banking services on the internet at transaction costs far lower than traditional brick-and-mortar branches. The actual costs to execute a transaction will vary depending on the delivery channel used. For example, according to Booz, et.al, as of mid- 1999, the cost to deliver manual transactions at a branch was typically more than a dollar, ATM and call center transactions cost about 25 cents, and internet transactions cost about a penny. These costs are expected to continue to decline. Banks have significant reasons to develop the technologies that will help them deliver banking products and services by the most cost-effective channels.

Geographical Reach — Internet banking allows expanded customer contact through increased geographical reach and lower cost delivery channels.

In fact some banks are doing business exclusively via the internet — they do not have traditional banking offices and only reach their customers online.

Other financial institutions are using the internet as an alternative delivery channel to reach existing customers and attract new customers.

Branding — Relationship building is a strategic priority for many banks. Internet banking technology and products can provide a means for banks to develop and maintain an ongoing relationship with their customers by offering easy access to a broad array of products and services. By capitalizing on brand identification and by providing a broad array of financial services, banks hope to build customer loyalty, cross-sell, and enhance repeat business.

Customer Demographics — Internet banking allows banks to offer a wide array of options to their banking customers. Some customers will rely on traditional branches to conduct their banking business. For many, this is the most comfortable way for them to transact their banking business. Those customers place a premium on person-to-person contact. Other customers are early adopters of new technologies that arrive in the marketplace. These customers were the first to obtain PCs and the first to employ them in conducting their banking business. The demographics of banking customers will continue to change. The challenge to banks is to understand their customer base and find the right mix of delivery channels to deliver products and services profitably to their various market segments.

2.1.3.2 Types, Benefits and Features of Electronic Payment Methods

Cheques and drafts have replaced the traditional payment system with money as a medium of settlement and further development in the field has been with the advent of e-cards. The most commonly used e-cards include ATM cards, Debit cards, Credit cards and Smart cards. ATM card is a kind of plastic card, which allows a cardholder to withdraw money from his bank account through automated teller machine. This card can be used also for other banking services like deposit and transfer to any other account by using the ATM machine. Credit card is the modern electronic plastic card that may be used repeatedly to borrow money or buy products and services on credit. VISA, Master Card, American Express and Discover is commonly known and widely used credit cards throughout the world. The decision with which card to go depends on the comparison of the features of the specific card (not the brand). The most important features, of course, are Interest rate and Annual fees. Debit cards are electronic plastic cards directly tied to bank account and the amount of money the cardholder can spend with it is limited to the amount of money he/she has in the bank. It is called debit card because when cardholder

uses a debit card, the transaction debits(withdraws) the amount of the transaction from cardholders' account, usually on the same day(C.S.V Murthy, 2004).

2.1.3.4. Benefits of E-Cards

E-cards offer a number of benefits to the issuing banks and customers of the bank dramatically reduce printing, mailing, and financial handling costs associated with processing transaction. Enhance payment security by minimizing theft or loss. Prevent fraud through automated controls Increase customer satisfaction and enhance service to constituents. Ensure continuity of service to cardholders in emergency or disaster situations Improve operational efficiency and profitability of the issuing banks (C.S.V Murthy, 2004).

2.1.3.5 Mobile Banking

Mobile banking (also known as M-banking or SMS banking) is a term used for performing balance checks, account transactions, payments etc. via a mobile device such as a mobile phone. Mobile banking is most often performed via SMS or the Mobile Internet but can also use special programs called clients downloaded to the mobile device. The standard package of activities that mobile banking covers are: mini-statements and checking of account history; alerts on account activity or passing of set thresholds; monitoring of term deposits; access to loan statements; access to card statements; mutual funds/equity statements; insurance policy management; pension plan management; status on cheque, stop payment on cheque; ordering check books; balance checking in the account; recent transactions; due date of payment (functionality for stop, change and deleting of payments); PIN provision, change of PIN and reminder over the internet; blocking of (lost/stolen) cards; domestic and international fund transfers; micro-payment handling; mobile recharging; commercial payment processing; bill payment processing; peer to peer payments; withdrawal at banking agent and deposit at banking agent (Rahman, 2006).

2.1.3.6 Tele Banking, Home Banking Point of Sale Terminal

Tele banking refers to the services provided through phone that requires the customers to dial a particular telephone number to have access to an account, which provides several options of services. Home banking frees customers from visiting branches and most transactions will be automated to enable them to check their account activities, transfer funds and to open L/C sitting in their desk with the help of a personal computer and a telephone.An advanced payment system, which enables customers to use an ATM card to pay for goods and services, electronically debiting the cardholders account and crediting the account of the merchant (Rahman, 2006).

2.1.3.7 Society for Worldwide Inter-Bank Financial Telecommunication

(SWIFT)

It is a bank owned non-profit co-operative based in Belgium servicing the financial community worldwide. It is a highly secured messaging network enables banks to send and receive fund transfer, L/C related and other free formal messages to and from any banks active in the network. Having SWIFT facility, banks will be able to serve its customers more profitable by providing L/C, payment and other messages efficiently and with at most security. Especially it will be of great help for clients dealing with imports and exports etc (Mohammed shamsuddoha, 2008).

2.2.1 Importance of E-Banking

Understanding e-banking service is important for several stakeholders, since it helps them to derive benefits from it. Many banks and other organizations have already implemented or are planning to implement e-banking because of the numerous potential benefits associated with it. Some of these major benefits according to Shah & Clarke (1997) are briefly described below.

2.2.2. from the Banks Point of View

Attracting High Value Customers: E-Banking often attract high profit customers withhigher than average income and education levels, which helps to increase the size of revenue streams. For a retail bank, e-banking customers are therefore of particular interest, and such customers are likely to have a higher demand for banking products. Most of them are using online channels regularly for a variety of purposes, and for some there is no need for regular personal contacts with the bank's branch network, which is an expensive channel for banks to run (Berger &Gensler, 2007).Some research suggests that adding the Internet delivery channel to an existing portfolio of service delivery channels results in nontrivial increases in bank profitability (Young, 2007). These extra revenues mainly come from increases in non-interest income from service charges on deposit/current accounts. These customers also tend to be of high-income earners with greater profit potential.

Enhanced Image: E-banking helps to enhance the image of the organization as a customer focused innovative organization. This was especially true in early days when only the most innovative organizations were implementing this channel. Despite its common availability today, an attractive banking website with a large portfolio of innovative products still enhances a bank's image. This image also helps in becoming effective at e-marketing and attracting young/professional customer base.

Increased Revenues: Increased revenues as a result of offering e-channels are often reported, because of possible increases in the number of customers, retention of existing customers, and cross selling opportunities. Whether these revenues are enough for reasonable return on investment (ROI) from these channels is an ongoing debate. It has also allowed banks to diversify their value creation activities. E-banking has changed the traditional retail banking business model in many ways, for example by making it possible for banks to allow the production and delivery of financial services to be separated into different businesses. This means that banks can sell and manage services offered by other banks (often-foreign banks) to increase their revenues. This is an especially attractive possibility for smaller banks with a limited product range. E-banking has also resulted in increased credit card lending as it is a sort of transactional loan that is most easily deliverable over the internet. Electronic bill payment is also on

rapid rise (Young, 2007) which suggests that electronic bill payment and other related capabilities of e-banking have a real impact on retail banking practices and rapidly expanded revenue streams.

Easier Expansion: Traditionally, when a bank wanted to expand geographically it had to open new branches, thereby incurring high start up and maintenance costs. E-channels, such as the Internet, have made this unnecessary in many circumstances. Now banks with a traditional customer base in one part of the country or world can attract customers from other parts, as most of the financial transactions do not require a physical presence near customers living/working place.

Load Reduction on Other Channels: E-Channels are largely automatic, and most of the routine activity such as account checking or bill payment may be carried out using these channels. This usually results in load reduction on other delivery channels, such as branches. This trend is likely to continue as more sophisticated services such as mortgages or asset finance are offered using e-Banking channels. In some countries, routine branch transactions such as cash/cheque deposit related activities are also being automated, further reducing the workload of branch staff, and enabling the time to be used for providing better quality customer services.

Cost Reduction: The main economic argument of e-banking so far has been reduction of over head costs of other channels such as branches, which require expensive buildings and a staff presence. It also seems that the cost per transaction of e-banking often falls more rapidly than that of traditional banks once a critical mass of customers is achieved. The research in this area is still inconclusive, and often-contradicting reports appear in different parts of the world. The general consensus is that fixed costs of e-banking are much greater than variable costs, so the larger the customer base of a bank, the lower the cost per transaction would be. Whilst this implies that cost per transaction for smaller banks would in most cases be greater than those of larger banks, even in small banks it is seen as likely that the cost per transaction will be below that of other banking channels.

Organizational Efficiency: To implement e-banking, organizations often have to re-engineer their business processes, integrate systems and promote agile working practices. These steps, which are often pushed to the top of the agenda by the desire to achieve e-banking, often result in greater efficiency and agility in organizations. However, radical organizational changes are also often linked to risks such as low

employee morale, or the collapse of traditional services or the customer base. In addition, Electronic banking has also helped banks in proper documentation of their records and transactions

Benefits from the Customers' Point of View

The main benefit from the bank customers' point of view is significant saving of time by the automation of banking services processing and introduction of an easy maintenance tools for managing customer's money. The main advantages of e-banking for corporate customers as per are:Reduced costs in accessing and using the banking services.Increase comfort and timesaving rather other options.Quick and continuous access to information: Corporations will have easier access to information as, they can check on multiple accounts at the click of a button. Better cash management(Bank Away! 2001; Gurău, 2002). E-banking facilities speed up cash cycle and increases efficiency of business processes. Private customers seek slightly different kind of benefits from e-banking. In the study on online banking drivers Aladwani (2001) has found, that providing faster, easier and more reliable services to customers were amongst the top drivers of e-banking development. The main benefits from e-banking for private customers are as per Bank Away (2001) are Reduced costs is in terms of the cost of availing and using the various banking products and services. Convenience all the banking transactions can be performed from the comfort of the home or office or from the place a customer wants to. Speed the response of the medium is very fast; therefore customers can actually wait till the last minute before concluding a fund transfer.

Funds management can download their history of different accounts and do a “what-if” analysis on their own PC before affecting any transaction on the web. This will lead to better funds management. In addition, besides withdrawing cash customers can also have mini banks statements, balance inquiry at these ATMs. Through Internet Banking customer can operate his account while sitting in his office or home. There is no need to go to the bank in person for such matter. E- Banking has also greatly helped in payment of utility bill. Now there is no need to stand in long queues outside banks for his purpose. All services that are usually available from the local bank can be found on a single website. The Growth of credit card usage also owes greatly to E-banking. Now a customer can shop worldwide without any need of carrying paper money with him and Banks are available 24 hours a day, seven days a week and they are only a mouse click away.

2.2.4 Benefits to General Economy

Electronic Banking as already stated has greatly serviced both the public and the banking industry. This has resulted in creation of a better enabling environment that supports growth, productivity and prosperity. Besides many tangible benefits in the form of reduction of cost, reduced delivery time, increased efficiency, reduced wastage, banking electronically controlled and thoroughly monitored environment and discourage many illegal and illegitimate practices associated with banking industry like money laundering, frauds and embezzlements. Further E-banking has helped banks in better monitoring of their customer base. This is a useful tool in the hand of the bank to device suitable commercial packages that are in conformity with customer needs. As e- banking provide opportunity to banking sector to enlarge their customer base, a consequence to increase the volume of credit creation which results in better economic condition. Besides, E-banking has also helped in documentation of the economic activity of the masses (Mahdi Salehi, 2004).

2.2.5 E-Banking Risks

Although e-banking has bright prospects, it involves some financial risks as well. The major e-banking risks according to FSA (2010) include:

Operational risks .Banks faces three main types of operations risk: such as volume forecasts, management information systems and Outsourcing.

Accurate volume forecasts have proved difficult - One of the key challenges encountered by banks is how to predict and manage the volume of customers that they will obtain. Many banks going on-line have significantly misjudged volumes. When a bank has inadequate systems to cope with demand it may suffer reputational and financial damage, and even compromises in security if extra systems that are inadequately configured or tested are brought on-line to deal with the capacity problems. The second type of operations risk concerns management information systems. Again, this is not unique to E-banking. Banks may have difficulties in obtaining adequate management information to monitor their e-service, as it can be difficult to establish/configure new systems to ensure that sufficient, meaningful and clear information is generated. Such information is particularly important in a new field like e-banking. Finally, a significant number of banks offering e-banking services outsource related business functions, e.g. security, either for reasons of cost reduction or, as is often the case in this field, because they do not have the relevant expertise in-house. Outsourcing a significant function can create material risks by potentially reducing a bank's control over that function

Security risk: Security issues are a major source of concern for everyone both inside and outside the banking industry. E-banking increases security risks, potentially exposing hitherto isolated systems to open and risky environments. Security breaches essentially fall into three categories; breaches with serious criminal intent (e.g. fraud, theft of commercially sensitive or financial information), breaches by 'casual hackers' (e.g. defacement of web sites or 'denial of service' - causing web sites to crash), and flaws in systems design and/or set up leading to security a breaches (e.g. genuine users seeing / being able to transact on other users' accounts). All of these threats have potentially serious financial, legal and reputational implications.

Reputational risk: This is considerably heightened for banks using the Internet. For example, the Internet allows for the rapid dissemination of information, which means

that any incident, either good or bad, is common knowledge within a short space of time. Internet rumors can easily become self-fulfilling prophecies. The speed of the Internet considerably cuts the optimal response times for both banks and regulators to any incident. Banks must ensure their crisis management processes are able to cope with Internet related incidents (whether they be real or hoaxes).

2.2.7 Typical Security Technologies Applicable to Control System Networks

According to Juniper (2010), the following are among the major typical security technologies applicable to control System Networks:

Firewalls: A firewall is simply a program or hardware device that filters the information coming through the Internet connection into the private network or computer system. If an incoming packet of information is flagged by the filters, it is not allowed through. A firewall limits a control system's network access to specific ports and protocols from specified networks. It can also provide the ability to create distinct security zones using Network Address Translation (NAT), which enables multiple areas of a private network to access the Internet using a single public IP address and Virtual Private Networks). The firewall's main task is to regulate traffic between network segments at different trust levels—for example, between the Internet, as a zone with no trust, and the internal control network, a zone of higher trust.

Intrusion Detection and Protection: its appliance provides a more advanced layer of defense. Such defense (known as intrusion prevention system) can be deployed to help prevent attacks, or simply to detect attacks using intrusion detection systems. Information is sent through the network in small blocks of data known as packets. It goes deeper than a firewall by assessing each packet based on the network protocols, the context of the communication, and it's tracking of each session (the time the user spends communicating on the network). Akin to antivirus software on a desktop, it contains a large repository of signatures that help to identify potential attacks by matching attempts to exploit known vulnerabilities.

Authentication/Authorization Systems: Authentication and authorization systems protect applications by verifying user identity, providing access to devices based on that user's role and privilege level, and logging all access attempts in order to audit any infringement or misuse of critical plant functions. The use of passwords alone is not a secure enough mechanism, yet it is still the norm to find devices in the field that rely on the manufacturer's default password. Most security standards require two-factor authentication, which requires the combination of two methods of identification, such as a password and a certificate.

Network Access Control: This might include ensuring those users and their laptops or other devices meet a minimum baseline of security in order to gain access. Such policies can be based on various criteria, such as user identity, device identity, device health, and device and/or network location. A solution including it ensures that both user and device properly make the appropriate connection to the appropriate network. It also ensures that users and their devices meet all authentication and security policies. Since network access control applies to users as well as devices, this can become a reliable method for rogue device mitigation over wireless or wired networks.

Encryption of Critical Data: Encryption is the process of transforming information, such as a document or important message, by using an algorithm or cipher to make it unreadable to anyone who does not have the key to the cipher. It is a standard method for protecting highly confidential information. However, as heavily encrypted messages can slow network performance unless managed effectively, its use is often restricted to non-real-time messaging and data.

Monitoring for Administration and the Audit Trail: An increasingly important aspect

of today's security solutions is the ability to monitor and administer the entire network to keep it at optimum performance, identify weaknesses, maintain consistent security policies, track a constant history of activity, and assure the complete safety of information.

Secure Remote Access: on top of these security capabilities, contractors, engineers and managers may remotely communicate via remote access virtual networks enabled by the secure socket layer (SSL) based security protocols. Found in all standard web browsers, SSL provides a more secure, efficient and effective way to access control networks from an outside location or even outside the organization. This set of protocols allows secure communications via the Internet for gathering sensor data, sending instructions to field devices, performing remote maintenance and administrative data transfer task

Configuration Management: A final aspect of security is helping to assure high network performance to avoid problems of availability, access and lack of service. A good security solution provides support for configuration management and control, a model that focuses on establishing and maintaining knowledge of the system and network configuration, including security. Based on this approach, operations personnel have the ability to manage security features and assurances through control of changes made to hardware, software, firmware, testing and documentation throughout the lifecycle of the systems Juniper (2010).

2.3 Empirical Evidence

2.3.1 Challenges and prospects of E-Banking Adoption

Challenges

According to M. M. Rahman (2008) in Bangladesh despite huge demand from the business community as well as the retail customers particularly the urban customers, electronic banking (e-banking) is still at a budding state due mainly to a number of constraints such as unavailability of a backbone network connecting the whole country; inadequacy of reliable and secure information infrastructure especially telecommunication infrastructure; sluggish ICT penetration in banking sector; insufficient legal and regulatory support for adopting e-banking and so on. The concept of e-banking includes all types of banking activities performed through electronic networks. It is the most recent delivery channel of banking services, which is used for

both business-to-business and business-to-customer transactions. transfer of funds between accounts, applying for a loan, payment of loan installments, sending funds to third parties via emails or internet connections regardless of where the client is located. Leow, Hock Bee (1999) state that the terms PC banking, online banking, Internet banking, telephone banking or mobile banking refers to a number of ways in which customer can access their banks without having to be physically present at the bank branch. Therefore, e-banking covers all these ways of banking business electronically. Since e-banking offers some smart services benefiting both banks and customers compared with traditional banking system, it has become imperative to make necessary room for banks to flourish e- banking. Among others, attractiveness of e-banking includes: it lowers transaction cost; provide 24-hour services; ensure increased security and control over transactions; reduces fraud risk; performs higher volume of transactions with less time; increases number and volume of value payment through banks; allows remote transactions facilities that replace physical presence of a customer in a bank branch and; increases transaction speed and accuracy. On the other hand, traditional banking is time-consuming and more costly and therefore, e-banking is replacing traditional banking all over the world. In addition, an exploratory study that was conducted in Zimbabwe by Chitura Tofara (2008) indicated that incompatibility with the existing system, cost of implementation, security concerns, lack of expertise, inadequate legislation and consumer acceptance are the major challenges for the adoption of e-banking in the country's banking industry.

Prospects of e-Banking

Technological Infrastructure the implementation of e-payment is been impeded by unavailability of ICT infrastructure. Most rural areas where majority of According to M., M Rahman (2008) in Bangladesh e-banking is now a global phenomenon. Apart from the developed countries, the developing countries are experiencing strong growth in e-banking. The government's emphasis on setting up ICT park, raising allocation for developing ICT infrastructure, waiving taxes on computer peripherals and other measures including the automation program of banking sector and competition among the scheduled banks in improving customer services have accelerated the prospects of e-banking.In addition, as investigated by Alhaji Ibrahim H. (2009) using exploratory study, the following are among the critical challenges for the adoption of e-banking in

Nigeria:Lack small and medium scale industries are concentrated have no access to internet facilities ICT Equipment Costs – where available, the cost of ICT is a critical factor relative to per capital income. This makes the cost of entry higher compared to developed countries. Non-readiness of banks and other stake holders (acceptability) – even though some have shown impressive willingness, some banks are still not fully ready to for this new payment regime. Resistance to changes in technology among customers and staff due to: Lack of awareness on the benefits of new technologies, Fear of risk among banks, Lack of trained personnel in key organizations and Tendency to be content with the existing structures

People are resistant to new payment mechanisms;

Security – where disclosure of private information, counterfeiting and illegal alteration of payment data may be rampant. Frequent connectivity failure and frequent power interruption

Perceived advantages that Initiate Banks to Adopt E-Banking

The study that was conducted in Omani banks by Al-Sabbagh, I., &Molla, A. (2004) using exploratory research found that bank manager' perceptions of four concepts: perceived relative advantage, Perceived organizational performance, perceived customer/organizational relationship and perceived ease of use provided a broader understanding of e-banking adoption in the banking industry.

The first construct: Perceived Relative Advantage construct relates to the degree to which bank managers think that Internet technology might help their bank gain advantages in the industry. From the literature, three major issues emerged relating to the perception of relative advantage: convenience of services; innovative use of IT; and management of banking services

The second construct: Perceived Organizational Performance is associated with how much a bank manager thinks Internet technology could improve their organizational performance. Three issues: profitability; market environment and employee productivity were utilized to explore this construct in depth. From the broad question related to

The third construct: profitability, two impediments are indicated: high technology investment cost and the need for economies of scale for Internet technology use are inhibiting the rate of E-banking adoption. Productivity of employees was another issue of interest. Most respondents expected that their business efficiency could be improved

on the Internet. Perceived Customer/Organizational Relationship relates to how a bank manager perceives Internet technology adoption in terms of improving the relationship with their customers. In the literature, three major issues emerge related to the perception of customer/organizational relationship: customer trust, customer commitment, and customer satisfaction.

The final construct: Perceived Ease of Use measures how easy a bank manager believes that Internet technology is to use. The literature suggests that if technology is perceived to be easy to use then the rate of adoption will increase. The research threw up three major issues related to perceived ease of use: easy to navigate, easy to learn and easy to manage. The last issue related to management of financial transactions on the Internet.

2.3.4 Drivers and Barriers of E-Banking Adoption

An exploratory research conducted by Mahdi Salehi (2004) in Iran indicate that the adoption status of e-banking is the transition of pre-development to development phase and the main drivers for adopting e-banking are downsizing, gaining competitive advantage, increasing market share and improving bank's image. The analysis further reveals that inefficient ICT infrastructure, political challenges and traditional organizational culture are barriers for adoption of e-banking.

In addition to the above factors, the case study that was conducted in china by SherahKurnia, FeiPeng, Yi Ruo Liu (2005) suggests that the government support is also a strong driver for e-banking adoption. The government support is manifested in two ways. Firstly, the Government is establishing an electronic commerce (EC)-friendly environment in the country. The government in recent years to revamp the national ICT and logistic infrastructures has committed heavy investments. New EC laws and regulations have also been passed and adjusted to provide legal protections for EC activities in general. Secondly, the government also directly offers financial incentives to promote e-banking adoption.

2.3.5 Constraints and Drive Forces for the Adoption of E-Banking in Africa

The study that was conducted by Isaac Awuondo (2005) indicated that the Constraints and drive forces for the adoption of e-banking in Africa respectively are:-

Security: Majority of the shy away from e-Banking services due to security concerns.

Human face: According to some analysts, customers still value personalized and responsive services from their bankers, lack of technological infrastructure in the rural area, lack of proper legislation governing e-transactions and preference to paper money, as opposed to "virtual" cash in transactions etc.

CHAPTER THREE

RESEARCH METHODS AND METHODOLOGY

3.1 Description of the Study Area

The study was conducted in southern part of the country SNNP region, Gurage Zone, Wolkite town. Wolkite town is located in the southern part of Addis Ababa ***158km***far away; from Hawassa is 178km, very near to the capital city of the country and the administrative center of Gurage zone of SNNPR.

Demography

Based on the 2007 Census conducted by the Central Statistical Agency, this town has a total population of 28,866, of whom 15,074 are men and 13,792 women. The plurality of the inhabitants practiced Ethiopian Orthodox Christianity, with 48.17% of the population reporting that belief, while 42.31% were Muslim, 7.86% were Protestants, and 1.34% were Catholic.

The 1994 national census reported this town had a total population of 15,329 of whom 7,580 were men and 7,749 were women. In the villages around Welkite there are believed to be about 1,000 speakers of Gumuz, who are a Nilo-Saharan people whose homeland straddles the border between Ethiopia and Sudan.

Source Wolkite statics agency

3.2 METHODS OF DATA COLLECTION

So as to conduct the study only primary data were employed i.e. Secondary data were not used hence the system is secured and it can't be exposed to the external parties other than the institution employees. The bank manager is not voluntary to give the annual report of United Bank Wolkitte branch. The primary data will is collected from the respondents based on structurally designed questionnaire. It includes both closed end and open ended questions. In addition UN structured interview with the bank manager of United Bank Wolkitte branch used to collect supporting data.

3.2 Sampling Techniques

The study has two target groups. The first groups are workers and the other target groups are customers of the bank. In order to select the required data a simple random sampling are used. The reason is all those united banks currently providing the service and all those United banks that have an age of more than five years.

3.3 Sample size

As it impossible to cover the whole target population due to financial and time constraints also the banks had few customers, this enforces the researcher to take 15 from workers and 20 from customers of united bank of Wolkite branch of Ethiopia.

3.4 Data Analysis and presentation

After collecting the relevant data it will be analyzed through analytical and statically approach. Statically tools such as percentages, ratios and tables are used to analyze the present data.

CHAPTER FOUR

Data analysis and presentation

This section consists of presentation, analysis and interpretation of data from employees and customers of United Bank Wolkite branch. To collect and gather valuable opion, questionnaires were distributed to 15 employees and 20 customers of the United Bank Wolkite branch. Among of these questionnaires 10 from employees and 15 from customers were filled by the respondents and returned to the researcher. Thus based on the response obtained from the sample respondents; analysis and interpretation of data are presented as follows:

4.1 General characteristics of employees'

Table 4.1.1 sex of employees

Item		Frequency	No of respondent%
Sex	Male	1o	67%
	Female	5	33%
	Total	15	100%

Source questionnaire, 2021

It can be easily understood from the above table about 10(67%)of respondent were male and 5(33%) of respondents were female. This table shows that the majority of the employees in the bank were males.

Table 4.1.2 age of employees

Item		frequency	No- respondents in %
Age	18-25	6	40%
	26-35	4	27%
	36-45	3	20%
	Above 45	2	13%
	Total	15	100%

Source questionnaire; 2021

The above table shows that 6(40%) of the respondents were 18-25, 4(27%) were26-35 and 3(20%) were 36-45.And above 2(13%).

Table 4.1.3 level of education

Level of education	Frequency	No of respondent in %
Certificate	0	0%
Diploma	4	27%
Degree	11	73%
Above	0	0%
Total	15	100%

Source questionnaire; 2021

From the above table shows that 27% of the respondents were diploma and majority of the respondents were degree holders that are 73%.This refers that the majority of the workers of United of bank of Ethiopia were degree holders.

4.1.4 Income of Employees

Monthly income	Frequency	No of respondents In %
500-1000	-	-
1001-2000	3	23%
2001 above	12	83%
Total	15	100%

Source questionnaire; 2021

From the above table with regard to monthly income of employees about 83% of employees were above 2001 and 23% of employees were 1001-2000 birr.

4.1.5 General information related to the study

In this section the important issues related to e- banking were discussed briefly. The analysis and presentation is made using statically tools such as ratios, percentages and tables.

Do you think the expansion	frequency	No of respondents in

of e-banking makes easy access to use your money?		%
Yes	9	90%
No	1	10%
Total	10	100%

Source questionnaire; 2021

It can be easily seen from table 4.1.5 about 90% of the respondents believed that expansion at e-banking makes easily access to their money. The respondent who responses the expansion at e-banking makes easy access to use their money. It helps the financial institutions to fasten their service and in controlling their over head and operating costs.

4.1.6 using e-banking reduce costs

Item	Frequency	No of respondents in %
Do you think using e-banking reduce costs?		
Yes	6	60%
No	4	40%
Total	10	100%

Source questionnaire; 2021

The expansion e-banking is expected to reduce costs. Because from the above table 6(60%) of the respondents were using e-banking reduce costs and the other 4(40%) of the respondents were using e-banking didn't reduce costs.

4.1.7 Risks of e-banking

Item	Frequency	No of respondents in %
Do you think there is a risk with relation to e-banking?		
Yes	4	40%
No	6	60%
Total	10	100%

Source questionnaire; 2021

The above table shows that 4(40%) of the respondents agree that there is a risk in the adoption of e-banking and 6(60%) of the respondents didn't agree.

4.1.8 Customers knowledge and information about e-banking

Item	Frequency	No of respondents in %
Do you think all customers have knowledge and information?		
Yes	3	30%
No	7	70%
Total	10	100%

Source questionnaire; 2021

The above table shows that about 3(30%) of the respondents were have the knowledge of and information about e-banking used by the bank and 7(70%) of the respondents were have no knowledge and information about e-banking used by the bank.

Additionally the respondents who replied "yes" in the above question were asked to explain their reasons accordingly: all customers have got the knowledge and information about e-banking through of banks and different brochures. The bank gives very good information for all customers know about e-banking using system .but before they didn't have knowledge about e-banking

Item	Frequency	No of respondents in %
How do you explain the capacity of the bank?		
Excellent	4	40%
Very good	4	40%
Good	2	20%
Poor	0	0%
Total	10	100%

4.1.9 Capacity of bank towards e-banking

Source questionnaire; 2021

In the above table shows that about 40% of the respondents agree that the capacity of the 40%were excellent and very good and about 20% of the respondents agree the capacity the bank is good.

Table Risks of e-banking

Item	Frequency	No of respondents in %
Do you think that e-banking faces risk during the adoption?		
Yes	5	50%
No	5	50%
Total	10	100%

Source questionnaire; 2021

The above table shows that 50% of the respondents agree that the adoption of e-banking faces a risk and also 50% of the respondents didn't face a risk while adopting e-banking.

4.2.1 Challenges of e-banking

What are the challenges of e-banking?

Adoption of e-banking is a new technology and very difficult to adopt in our country's standard since our country Ethiopia is at the age of infancy in the development of this new technology .so that acceptance of new technology is low and frustrations.

The challenges of e-banking were lack of awareness towards all customers to access the commercial bank of Ethiopia banking service. And the infrastructure of telecommunication network during working time. Lack of knowledge about E-banking

4.2.2 Opportunities of e-banking

1. What are the opportunities during the adoption of e-banking?

At the time of adopting e-banking; e-banking provides several opportunities:

- ✓ To save time and properly use money ;with 24 hours all the bank activities are done by e –banking or gives service for 24 hours.
- ✓ It also helps for mobilization of money from the customer.
- ✓ The other opportunities of e-banking is the employees of united bank by themselves get a basic information about how to use ;how to provide information to customer and other benefits.
- ✓ Make it networked (on line) branches also the other opportunity e-banking.

4.2.3 General characteristics of customers

4.2.3.1 Sex of customers

Item		Frequency	No of respondents in %
Sex	Female	9	45%
	Male	11	55%
	Total	20	100%

Source questionnaire; 2021

It can be easily understood from the above table about 9(45%) of the respondents were females and 11(55%) of the respondents were males.

4.2.3.2 Ages of customers

Item		Frequency	No of respondents in %
age	18-25	5	25%
	26-35	9	45%
	36-45	6	30%
	>46	0	0%
	Total	20	100%

Source questionnaire; 2021

It can be easily understood from the above table about 5(25%) of the respondents were 18-25, 9(45%) of the respondents 26-35, 6(30%) of the respondents were 36-45 years old.

4.2.3.2 Income of customers

Item		Frequency	No of respondents in %
Income	500-1000	6	30%
	1001-2000	7	35%
	2001 above	7	35%
	Total	20	100%

Source questionnaire; 2021

The above table shows that 30% of the respondents earn 500-1000, 35% of the respondents earn 1001-2000 and 35% of the respondents earn above 2001.

4.2.4 General information related to the study

4.2.4.1i important in the development of economy

Item	Frequency	No of respondent
Do you think e-banking can have an important role in the development of the economy the country?		
Yes	12	80%
No	3	20%
Total	15	100%

Sources questionnaire; 2021

It can be easily understood from the above 12(80%) of the respondents from the total respondents were e-banking can have an important role in the development of economy of a country and 3(20%) of respondents from the total respondents were e-banking cannot have an important in the development of economy of a country.

4.2.4.2 Knowledge and information

Item	Frequency	No of respondents in%
Do you the knowledge and information of e-banking?		
Yes	7	47%
No	8	53%
Total	15	100%

Source questionnaire; 20121

It can be easily understood that from the above table about 7(47%) 0f the respondents have the knowledge and information about e-banking used by the bank and 8(53%) of the respondents have no knowledge and information about e-banking used by the bank.

4.2.4.3 Access to use their money

Item	Frequency	No of respondents in %
Do you think e-banking provided to commercial bank of Ethiopia make easy access to your money?		
Yes	10	67%
No	5	33%
Total	15	100%

Source questionnaire; 2021

The above table shows that about 10(67%) of the respondents were provided to commercial bank of Ethiopia make easy access to use their money 5(33%) of the respondents doesn't provided to United bank of Ethiopia make easy access to use their money .Generally the majority of the respondents think that e-banking provided to United bank make easy access to use their money.

4.2.4.3 ATM of the bank

Item	Frequency	No of respondents in%
Do you think expansion of ATM result in low money flow?		
Yes	9	60%
No	6	40%
Total	15	100%

Source questionnaire; 2021

It can be easily understood from the above table 9(60%) of respondents from the total respondents were expansion of ATM result low money flow and 6(40%) of the respondents from the total respondents were expansion of ATM didn't result in low money flow.

CHAPTER FIVE

5. CONCLUSSION AND RECOMMENDATION

5.1 CONCLUSSIONS

The results of this study have important conclusions for researchers and banks that are planning to offer e- banking products in terms of research. This study provides further evidence prospects and challenges of e-banking in United Bank branch of Wolkite Ethiopia and the factors that are influential for its success full adoption.

This study recognizes that e-banking have different benefits operational cost reduction, perfect information about customer. Easy access to use money on this benefits banks can be affirmed e-banking products at lowest cost attracting and satisfying more customers.

On the other hand it has also recognized that e-banking has challenges emanated from the fundamental requirements like technological and infrastructural requirements capacity of existing banks and associated with e-banking like operational risk, strategic risk and business risk.

The results also show that the number of customers increasing from time to time due to the e-banking system and also the obstacles of e-banking system in operation is lack of awareness. It also shows that e-banking can have an important role in the development of economy of the country. The e-banking provided to United Bank of Ethiopia at Wolkite branch making easy access to use their money.

5.2 RECOMMENDATIONS

Based on the above research conclusions and observes of the study recommended ideas are as follows:

United Bank of Ethiopia at Wolkite branch need to appropriately asses and quit in height of these factors for the success of full adoption of e-banking system.

United Bank of Ethiopia at Wolkitte branch should have eventually distributed the availability of e-banking throughout the country.

United Bank of Ethiopia at Wolkitte branch should improve the awareness of customers about the system of e-banking.

United Bank of Ethiopia at Wolkitte branch should to consider the opportunities and challenges e-banking before the adoption of the products to market.

United Bank of Ethiopia at Wolkitte branch has to undertake market research in order to developing a suitable business continuity plan to avoid the risk of e-banking system.

United Bank of Ethiopia at Wolkitte branch should more on creating awareness or the existing e-banking products such as ATM, Debt card as the majority of the people don't have knowledge about this new technology.

United Bank of Ethiopia at Wolkitte branch should do more the aware of the customers about the service provided under e-banking.

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APPENDIX

WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF ACCOUNTING AND FINANCE

Questionnaire for E-banking services

Dear respondents

First of all I would like to thanks you in advance for your corporation & for your timely scarification in participating on this study.

This study is intended to serve for academic purpose only. This questionnaire is prepared for the purpose of collecting data that can be used as an input for the activity of research on the assessment and trend analysis of E-banking service in case of united bank in wolkite.

N.B please put sign in the answer box provided for yes or no question and writes your opinion idea in appropriate manner for explanation

Student Research

A**) Demographic Information**:

1. Age - (a) Less than 25 years (b) 25-50years (c) 50 years and above

2. Gender– (a) Male ☐ (b) Female ☐

3. Level of education – (a) Certificate ☐ (b) Diploma ☐ (c) Degr ☐ (d) ☐ Above

4. Monthly income - (a) 500-1000 ☐ (b) 1001-2000 ☐ c) 2001 above ☐

B**) General Information**:

5. In which bank you have an account? United Bank ☐ Private Bank ☐

6Do you think the expansion of e-banking makes easy access to use your money? (a) Yes ☐ ☐ (b) No

8.Which of the following E-banking services are provided by your bank? ☐

a) ATM banking ☐ b) Telephone-banking ☐ c) Credit Ca ☐

d) Debit Cards ☐ e) Mobile-banking ☐ f) Internet banki ☐

g) Electronic transfers (EFTs) ☐ h) Immediate Payment Service IMPS ☐

i) Pay Utilities bill ☐

9. Have you applied for e-banking services?

a) Yes ☐ b) No ☐

10. Do you use E- Banking a) Yes ☐ b) no ☐

11Do you think using e-banking reduce costs? a) Yes ☐ b) no ☐