

AWARENESS AND UTILIZATION OF INTERNET SERVICES BY COMMERCIAL BANK CUSTOMERS IN ANAMBRA STATE

by

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Abstract

This study was carried out to determine the extent that commercial bank customers in Anambra State were aware of and utilized the technological innovations, particularly internet services, in the industry. Two research questions were answered while two hypotheses were tested at 0.05 level of significance. A proportionate random sample of 1820 was drawn from a population of 710,808 commercial bank customers. Mean was used to analyze the items relating to the research questions while the z-test was used to test the null hypotheses. The findings of the study indicated that commercial bank customers' awareness and utilization of internet banking services were low; and the two null hypotheses were not rejected at 0.05 level of significance. It was recommended that bankers should create appropriate awareness in the customers as regards internet banking services and other technological innovations; and that there should be different types of advertisements on each technological innovation adopted by the banks.

Introduction

The revolution in information and communications technology has become central to development in the banking industry. This technology is changing the banking industry from paper work to digital and network banking services. It has also changed the internal accounting and management system of banks. It is now changing the delivery systems banks use to interact with their customers.

Most banking industry analysts include technological changes on the list of factors affecting the structure and performance of the banking industry (Eric, 2005). All over the world, banks are still struggling to find technological solutions to meet the challenges of a

rapidly changing environment. It is clear that this new technology is likely to change the phase of the banking industry continuously.

The ability to invest and integrate information and communication technology will make banking competitive in the global market. Technology has been a motivating factor in many of the recent bank mergers. Bankers appeared convinced that investing in the new advanced technology would reduce cost and increase profitability (Burred, 2008). Banks face higher cost when conducting business with customers through paper cheques compared to electronic means. For example, a transaction handled via the

internet will cost a bank a less amount than deposit/withdrawal by cheque over the counter at a branch office.

From observation banking establishments make use of modern technological devices as debit cards, automated teller machine (ATM) cards, or master cards, which instantly deduct money from an account, when the card is used across the ATM. Technology in banking either by phone or computer allows customers to pay bills and transfer money from one account to another. Through these channels, bank customers can also get access to information such as account balances and statement history.

Some banks, according to Michael (2006), began offering online account aggregation, which made up in one place, detailed and up-to-date information on a customer's transaction held at various banking institutions. It is assumed that such advances, in technology have also led to improvement in the ways in which banks process information; use of cheque imaging, which allows banks to store photographed cheques on the computers that have been implemented by some banks in Anambra State of Nigeria.

Other types of technology that have greatly enhanced the lending side of banking, for instance the use of credit scoring software allows loans to be approved in minutes rather than days, thereby making the lending departments more efficient than before. According to Staff (2005), the technological trend in the financial services and banking market is toward flexible system to ease the manageability of a company's overall operations. Further, new technologies in banking are intended to ease the customers' operation of accounts at any branch of the institution. Such

technologies according to Michael (2006) are not limited to automated teller machine (ATM), point of sale terminal, mobile banking or banking on wheels, cash card, play-direct, telephone banking, internet banking, electronic fund transfer, master cards, alerts and auto-writing cheque.

These technological devices do not only speed up the operations of the banks but more importantly, offer non-stop cash withdrawal, remittance and easier inquiries (Enebe, 2004). These technologies assist consumers to receive 24-hour services through which inquiries regarding balances and accounting transactions can be made over the phone.

According to Lewis (1998), most banking institutions perceive the introduction of new products and services as a necessary step for retaining their highly valued customers. They equally adopt these measures for maintaining standards required by their customers. As a result of these technological changes, the methods of deposits and withdrawals have changed greatly and more incentives are offered to customers, e.g. customers are given long and short term loans. This implies that development of interest in the customers' progress becomes the concern of the banking institutions.

In the same vein, Lewis (1998) maintained that, the technologies now in vogue in banking industry were rare. Most banks worked with the traditional system whereby transactions between customers and banks were on the face-to-face basis. Cash payments were made at the counter. Deposits were made in cash or paper money. Calculations were done with the ordinary calculator. Money was counted mentally and manually. Accounts were also balanced manually.

Customers' statements of account were prepared with outdated typewriters. More disappointedly, money was carried about and in this case, people lost their money to bandits and much trafficking took place. Error was common in cash counting and managerial facilitation was poor. Overtime, payment accumulated due to manual labour. Book balancing was stagnant. The hours spent ran into days.

Iwundu (2005) stated that recently, technological advancement in the world has enormous impact on most business enterprises. Consequently, banks and other financial institutions in Nigeria seemed to be doing everything to ensure that their functions were made as simple as possible. They also strived to reduce the stress and complexities faced by customers in their banking transactions. Very few people appeared not to know much about banking services despite that these innovative services were given adequate publicity for customers to utilize. This study determined the extent of awareness and utilization of internet banking services by bank customers in Anambra State.

Research Questions

The following research questions were answered by the study:

- (1) To what extent are customers aware of Internet services in commercial banks in Anambra State?
- (2) To what extent do customers in Anambra utilize internet utilize services in commercial banks in Anambra State?

Hypotheses

The following two null hypotheses were

tested at 0.05 level of significance:

- H_{01} : Male commercial bank customers in Anambra State do not differ significantly from their female counterparts in their awareness of internet banking services.
- H_{02} : Male commercial bank customers in Anambra State do not differ significantly with their female counterparts in the utilization of internet banking services.

Methods

The study was as a survey design because it involved the gathering of opinions from commercial bank customers in Anambra State. The population of the study constituted of 710,808 current and savings accounts customers of commercial banks in the state. A proportionate random sample of 1820 was drawn from the population. Structured questionnaire was the major data collection instrument, with five point response category of Very High Extent (5.00), High Extent (4.00), Undecided (3.00), Low Extent (2.00), and Very Low Extent (1.00)

The 1820 copies of the questionnaire were distributed and same collected by the researcher with the aid of 12 trained research assistants. The research questions were answered using the mean while the z-test was used to test the hypotheses. For the research questions, the level of acceptance or rejection of each questionnaire item was determined based on the mean rating of items interpreted, relative to real number limits. For the hypotheses, a null hypothesis was not rejected at 0.05 level of significance when the calculated value of z was equal to or less than the critical z; otherwise the null hypothesis was rejected.

Table 1

Mean Rating of Commercial Bank Customers' Awareness of Internet Banking Services in Anambra State Table 1 reveals that the mean score ranged from 1.45 to 1.87 with a grand means of 1.65. This implies that the extent of commercial bank customers' awareness of internet banking services is low in Anambra State.

S/N	Services	Mean	Decision
1	Accessing account through the internet	1.87	Low Extent
2	Effecting transfer of fund through the internet	1.84	Low Extent
3	Making demand for standing order through the internet	1.60	Low Extent
4	Paying bills over the internet	1.70	Low Extent
5	Monitoring account online through the internet banking	1.45	Low Extent
6	Stopping cheque payment through the internet	1.70	Low Extent
7	Recharging phone through the internet	1.6	Low Extent
8	Comparing services with other banks through the internet	1.59	Low Extent
9	Making purchases on line through the internet	1.70	Low Extent
10	Checking for information through the internet about account even when the bank is closed.	1.61	Low Extent
11	Paying for insurance through the internet	1.60	Low Extent
12	Purchasing stocks and bonds through the internet without intermediary	1.63	Low Extent
13	Helping to secure the best services to meet the need through the internet	1.61	Low Extent
14	Applying for loan through the internet	1.54	Low Extent
	Grand \bar{x}	1.65	Low Extent

Table 2
Mean Rating of Commercial Bank Customers Utilization of Internet Banking Services in Anambra Stat

S/N	Services	Mean	Decision
15	Accessing account through the internet	1.59	Low Extent
16	Effecting transfer of fund through the internet	1.53	Low Extent
17	Making demand for standing order through the internet	1.50	Low Extent
18	Paying bills over the internet	1.64	Low Extent
19	Monitoring account online through the internet banking	1.56	Low Extent
20	Stopping cheque payment through the internet	1.58	Low Extent
21	Recharging phone through the internet	1.59	Low Extent
22	Comparing services with other banks through the internet	1.66	Low Extent
23	Making purchases on line through the internet	1.61	Low Extent
24	Checking for information through the internet about account even when the bank is closed	1.49	Very Low Extent
25	Paying for insurance through the internet	1.48	Very Low Extent
26	Purchasing stocks and bonds through the internet without intermediary	1.71	Very Low Extent
27	Helping to secure the best services to meet the need through the internet	1.44	Very Low Extent
28	Applying for loan through the internet	1.49	Very Low Extent
Grand \bar{x}		1.56	Low Extent

The data presented in Table 2 reveals that the mean scores of the respondents ranged from 1.44 to 1.71 with a grand mean of 1.56. Since the grand mean is 1.56, this implies that commercial bank customers' utilization of internet banking services in Anambra State is on the low extent

Table 3
Determination of the Level of Awareness of Internet Banking Services by the Two Groups (Male and Female Commercial Bank Customers)

Variable	mean(x)	SD	z-cal	z-crit P<0.05	Decision
Male 1160	1.64	1.11	0.57422	+1.959964	N.S.
Female 640	1.67				

N.S. = Not significant

From the result of the data in Table 3 it can be observed that the calculated z-value of 0.57 is less than the critical z-value of 1.95. Therefore, the result shows that there is no significant difference in the mean rating of male and female

commercial bank customers' awareness of internet banking services.

Table 4
Determination of the Level of Utilization of Internet Banking Services by the Two Groups (Male and Female Commercial Bank Customers)

Variable	mean(x)	SD	z-cal	z-crit P<0.05	Decision
Male 1160	1.65	1.01	0.703991	+1.959964	N.S.
Female 640	1.63	1.09			

N.S. = Not significant

From the analysis of data in Table 4, it can be observed that the t-calculated value of 0.70 is less than the z-critical value of 1.95. This implies that the null hypothesis

of no significant difference in the utilization of internet services by male and female commercial bank customers is not rejected.

Discussion of the Findings

From the results obtained from the data collected and analysed, the following discussions were made:

The result of the analysis of the data relating to the first research question indicted that commercial bank customers extent of awareness of internet banking services was low in Anambra State. The grand mean of 1.65 implied that the numbers of the respondents that were aware was quite low. This finding is in agreement with that of Ovia (2005) who indicated that internet banking was not yet fully exploited in Nigeria.

The result of the analysis of the data relating to the research question two indicated that commercial bank customers utilization of internet services in Anambra State was low. With the grand mean of 1.55, it was quite obvious that bank customers underutilized internet banking services in Anambra State.

The two null hypotheses were not rejected as their calculated z values of 0.57 and 0.70 were less than the critical z -table value of 1.95. This confirmed that both male and female bank customers in Anambra State banks did not differ significantly in their awareness and utilization of technological innovations in the banking industry with special reference to internet banking services. Anyaele (2003) pointed out that technological innovation utilized by a senatorial zone may differ from another senatorial zone because of their different environments. In other words, the level of utilization of technological innovation seemed to depend on the nature and needs of the people in that environment and not necessarily on their gender.

Conclusions

In the light of the findings of this study, it was concluded that the level of bank customers' awareness and utilization of internet banking services in Anambra State is low. Further, it was concluded that male and female commercial bank customers do not differ significantly in their rating on the level of awareness and utilization of internet banking services in Anambra State.

Recommendations

Based on the findings of this study the following recommendations were made:

- (1) The banking industry should create awareness in their customers about the different types of technological innovation adopted by the banks, whenever the customers visit their banks. This can be done through variety of method including public relation enlightenments and handbills.
- (2) There should be different types of advertisements on each technological innovation adopted by the banks, oral and pictorial, by the marketing managers in banking industries.
- (3) The writer suggests that units of technological innovation be taught in our institutions so as to enable students appreciate their usage.
- (4) Incentives or souvenirs like gifts should be given to bank customers' who made use of such

innovations just like the Western Union gives out little souvenirs like: jugs, biros, bags purses, and umbrellas.

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