

THE EFFECT OF E-BANKING ON CUSTOMER SERVICE IN BANKS

CASE STUDY: CENTENARY BANK

Submitted By:

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2012-BO21-10122

UGANDA MARTYRS UNIVERSITY

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A dissertation presented to The Faculty of Business Administration and Management in partial fulfillment of the requirements for the award of the degree Business Administration and Management Uganda Martyrs University.

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DEDICATION

I dedicate this work to my entire family and management of Centenary Bank for all the support given. May God bless you abundantly.

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TABLE OF CONTENTS

APPROVAL	i
DEDICATION.....	ii
DECLARATION.....	iii
ACKNOWLEDGEMENTS	iv
TABLE OF CONTENTS	v
LIST OF TABLES	ix
LIST OF FIGURES	x
LIST OF ABBREVIATIONS	xi
ABSTRACT.....	xii
CHAPTER ONE	1
INTRODUCTION.....	1
1.1 Introduction.....	1
1.2 Background to the study	1
1.3 Problem statement.....	4
1.4 General objective	4
1.5 Specific Objectives	4
1.6 Research Questions.....	5
1.7 Scope of the study.....	5
1.7.1 Subject scope	5
1.7.2 Geographical scope.....	6
1.7.3 Time scope.....	6
1.8 Justification.....	6

1.9 Significance of the study.....	7
1.10 Conceptual Framework.....	7
1.11 Limitations	9
1.12 Conclusion	9
CHAPTER TWO	10
LITERATURE REVIEW	10
2.1 Introduction.....	10
2.2 Theoretical review	10
2.2.1 Innovation diffusion theory.....	10
2.2.2 Contemporary Banking Theory	12
2.3 Actual review	15
2.3.1 E-banking products accessible in Centenary Bank.....	15
2.3.2The effect of e-banking products in managing queues in banks.....	20
2.3.3 The effect e-banking products on customer service	22
2.3.4 The challenges in accessing e-banking products	26
2.4 Conclusion	30
CHAPTER THREE	31
METHODOLOGY	31
3.1 Introduction.....	31
3.2 The research design.....	31
3.3 The population	31
3.4 Area of study.....	32
3. 5 Sample size	32

3.6 Sample selection	33
3.7 Methods of Data Collection and Instruments	33
3.7.1 Primary Data	33
3.7.2 Secondary data	33
3.7.3 Data collection instruments.....	34
3.8 Data Management and Analysis	34
3.8.1 Data analysis	34
3.9 Reliability and Validity.....	35
3.9.1 Reliability.....	35
3.9.2. Validity	35
3.10 Ethical Considerations	36
3.11 Limitations of the study	36
3.12 Conclusion	37
CHAPTER FOUR.....	38
DATA PRESENTATION AND DISCUSSION.....	38
4.1 Introduction.....	38
4.1.1 Background information of the respondents.....	38
4.2 Presentation and Discussion of Results Basing or Research Objectives	44
4.2.1 E-banking products accessible at Centenary Bank	44
4.2.2 Effectiveness of e-banking products in managing queues in banks	48
4.2.3 Effectiveness of e-banking products on customer service.....	51
4.2.4 The challenges in accessing E-banking products and suggested solutions.....	55
4.3 Conclusion	74

CHAPTER FIVE	75
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	75
5.1 Introduction.....	75
5.2 Summary	75
5.2.1 E-Banking products accessible in Centenary Bank	75
5.2.2 The effectiveness of e-banking products in managing queues in Centenary Bank	76
5.2.3 The effect of e-banking products on customer service in Centenary Bank	76
5.2.4 The challenges in accessing e-banking products in Centenary Bank and suggested solutions	77
5.3 Conclusions.....	79
5.4 Recommendations.....	83
5.5 Suggestions for further research	83
REFERENCES.....	84
APPENDICES.....	90
APPENDIX I: QUESTIONNAIRE FOR CUSTOMERS OF CENTENARY BANK.....	90
APPENDIX II: LETTER OF INTRODUCTION FOR ASSISTANCE FOR RESEARCH	95

LIST OF TABLES

Table 4.1: Response rate	38
Table 4.2: Gender Distribution of the respondents	39
Table 4.3: Age of the respondents	40
Table 4.4: Education level of the respondents	41
Table 4.5: Duration of the respondent with Centenary Bank	42
Table 4.6: Descriptive statistics showing E-banking products accessible in Centenary Bank	44
Table 4.7: Descriptive Statistics on the effectiveness of e-banking products in managing queues in banks.	47
Table 4.8: Descriptive Statistics on effectiveness of E-banking products on customer service ..	51
Table 4.9: Results on the challenges in accessing E-banking products	54
Table 4.10: Challenges that respondents face when using Automated Teller Machines (ATM). 58	
Table 4.11: Challenges those respondents face when using CenteMobile service	61
Table 4.12: Challenges respondents face when using Western Union Money Transfer service ..	63
Table 4.13: Possible solutions to the challenges faced by Automated Teller Machines (ATM) services	66
Table 4.14: Possible solutions to the challenges faced by CenteMobile Service	70
Table 4.15: Possible solutions to the challenges faced by Western Union Money Transfer	72

LIST OF FIGURES

Figure 1.1 Conceptual framework.....	8
Figure 4.1: Gender Distribution of the respondents.....	39
Figure 4.2: Distribution of Age Groups of the Respondents	40
Figure 4.3: Distribution of education level of the respondents.....	41
Figure 4.4: Duration of the Respondent with Centenary Bank.....	43
Figure 4.5: Challenges those respondents face when using Automated Teller Machines (ATM)	59
Figure 4.6: Challenges that respondents face when using CenteMobile service.....	61
Figure 4.7: Challenges respondents face when using Western Union Money Transfer service...	64
Figure 4.8: Possible solutions to the challenges faced by Automated Teller Machines (ATM) ..	67
Figure 4.9: Possible solutions to the challenges faced by CenteMobile Service.....	70
Figure 4.10: Possible solutions to the challenges faced by Western Union Money Transfer	73

LIST OF ABBREVIATIONS

ATM: Automated Teller Machine

CVI: Content Valid Index

PC: Personal Computer

POS: Point of Sale services

SPSS: Statistical Package for social sciences

ABSTRACT

The study objectives were to establish the e-banking products accessible in Centenary Bank, find out how effective e-banking products have been in managing queues in Centenary Bank, establish the effect e-banking products have had on customer service in Centenary Bank and identify the challenges in accessing e-banking products in Centenary Bank and to suggest solutions. The major question was what is the effect of e-banking products on customer service in banks? The study used structural questionnaires to collect data from the Centenary Bank customers. Data was processed using SPSS and Microsoft Excel and presented using graphs, pie charts and frequency tables and percentages as well as correlation studies. The study found that E-banking products have reduced on the queuing in the banking halls generally and suggested that the e-banking products have resulted to an improvement in the customer service.

Specific to the CenteMobile Service the study concluded the major challenges to be in making corrections, low sensitization and promotion, unsuitable service for the illiterate population in Uganda and security issues., the challenges specific to Western Union Money Transfer were concluded as security issues, too much documentation during verification, low sensitization amongst the customers, long queues which are timewasting due to the fact that it is only one single teller who operates this service in the bank branch, network problems and the uninformed exchange rates. The solutions included diligent updating and upgrading the network and system, appointing a standby team to repair faulty machines, improved sensitization programmes especially in terms of the benefits of e-banking products to customers, continuous interaction of customers with the bank through interviewing customers regularly through feedback exercises to find out how to incorporate customer needs. The study recommends the need to identify key areas in e-banking that are problem areas and enact positive change.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

Over the years, there has been constant innovation with technological changes occurring in the financial services offered by banks. Many developments resulting into the introduction of various products to ease service delivery have occurred. The banking industry has sought better ways of doing business. With the incorporation of information technology through e-banking, banks are able to ensure wider growth through offering customers more convenience, easy accessibility and faster speed in completion of transactions (KPMG, 2013).

This study therefore seeks to investigate the effect of e-banking on customer service in banks. This chapter presents the background of the study, the statement of the problem, the purpose of the study, the objectives of the study, research questions, the hypothesis, scope of the study, justification of the study, conceptual framework and the limitations faced.

1.2 Background to the study

Banks have increasingly sought interest in enhancing customer service delivery to ensure they retain their customer base in the competitive banking industry. Research shows that improvements in customer perception of service value can directly lead to favourable outcomes for the firm such as improved customer retention and growth. (Heskett, 2002 cited in Bodderas, 2011).

Bodderas (2011) notes the importance of employee attitudes as central in the creation of a service brand through employer-customer interaction. He further notes that satisfied employees influence customer experiences positively reinforcing customer service. However many banks are moving away from the traditional interaction between customers and employees to the use of internet technology as a preferred method for better customer service. Over the years the involvement of technology seen through the improvement in product delivery by use of electronic telecommunication has seen the revolutionizing of banking. Many institutions are drawn to the speed and accuracy computers bring in financial transactions.

According to Harker & Zenios (2000) e-banking opens up delivery channels which get more consumers to depend on them and demand access. Through e-banking, financial institutions are able to tap into the unexploited customer base hence tapping into the unbanked population. E-banking offers greater efficiency and effectiveness through targeting the push and pull banking strategies over the brick and mortar banking strategies. The benefit of this strategy to customers is in the easy access to services and the flexibility coming along with e-banking hence encouraging more customers to demand e-banking.

Studies done in developed economies such as the United States of America on Bank of America indicate a decline in branch network by one third of the overall network with a significant increase in Auto banks to facilitate banking. Barclays bank in United Kingdom closed 100 out of the 3000 bank branches with an option of adopting e-banking. This is because e-banking offers wider capacity to branches in terms of customer capacity served by specific branches.

Similarly studies done in Jordan show that the impact that e-banking has on banking is reduced waiting time of customers offering better convenience to them. Despite this fact, bank branches are still seen as major channels for carrying out bank operations (Khalid, 2008).

His study done in the Middle East showed the above results and this has presented the basis for similar studies to be done in a developing economy such as Uganda with limited comparative exposure to information technology.

Evidence suggests that the inclusion of mobile electronic money transfers and the use of ATMS results into desirable consequences. BOU (2012) found that more banks introduced e-banking solutions such as internet banking to augment customer service delivery channels as a cheaper alternative to setting up branches. Similarly, Kasekende (2012) noted that continued growth in financial institutions in 2012 came up due to introduction of electronic money transactions resulting from e-banking, citing the importance of financial institutions in reaching out to customers through e-banking.

However, Namugerwa (2013) in her study notes that electronic banking affects customer satisfaction. She found that customers are satisfied with things which offer them care and dealing with machines cannot in any way help them in efficiently offering customer service. The adoption of e-banking services therefore remains as a gradual process amongst bank customers who prefer to make long queues in banking halls.

It should be noted that e-banking is basically customer oriented and mechanisms enhancing and encouraging the use of e-banking products based on the perception of efficient service (Rogers, 2003). Therefore, failure by management to focus on customer needs and requirements implies that the customers are not recognized and hence will result into customer dissatisfaction and poor customer service. The question arises to determine how effective e-banking is on customer service in banks, the challenges faced and possible solutions to these challenges.

1.3 Problem statement

Centenary Bank has a vision of being the best provider of financial services especially microfinance in Uganda. Continuous strategies have been undertaken to ensure this through the introduction of e-banking. The different e-banking products offered by Centenary bank include; CentePoint (ATM Services), PC Banking Services, E-tax Payments Service, E-Water Payments, E-NSSF Payments, US Visa Application Payments, CenteMobile, Electronic Funds Transfers through Western Union Money Transfers, and Point of Sale Services. Even with all these products, the extent of usage amongst customers remains low. Many customers still remain hesitant to use the products offered. Instead, they opt to continue with the traditional banking methods of making long queues in the banking halls in order to carry out financial transactions hence the need to study the effect of e-banking on customer service through the e-products namely: CentePoint (ATM Services), CenteMobile and Electronic Funds Transfer (western Union).

1.4 General objective

The purpose of the study is to examine the effect e-banking products have on customer service in Centenary Bank.

1.5 Specific Objectives

These include:

- To establish the e-banking products accessible in Centenary Bank
- To find out how effective e-banking products have been in managing queues in Centenary Bank

- To establish the effect e-banking products have had on customer service in Centenary Bank
- To identify the challenges in accessing e-banking products in Centenary Bank and to suggest solutions

1.6 Research Questions

These include:

1. What are the e-banking products accessible in Centenary Bank?
2. How effective have the e-banking products been in managing queues in Centenary Bank?
3. What effect have e-banking products had on customer service in Centenary Bank?
4. What are the challenges in accessing e-banking products in Centenary Bank and what are the solutions to these challenges?

1.7 Scope of the study

1.7.1 Subject scope

The independent variable is e-banking while the dependent variable is customer service. The dimensions of the independent variable are; CenteMobile, Western Union Money Transfer and Automated Teller Machines(ATMs). The dimensions of the dependent variable are; Service quality, Customer feedback and Turn Around Time (TAT).

1.7.2 Geographical scope

The study will be carried out in Kampala specifically in reference to Centenary Bank Uganda, Mapeera Main Branch. The branch was chosen because it is the main branch of Centenary Bank and therefore will provide a more accurate representation of results from the study.

1.7.3 Time scope

The time period for the study is 2011 to 2014 because it was during this time that the bank saw the introduction and adoption of a new e-product called CenteMobile. Centenary Bank has since embarked on campaigns to ensure adoption of this product amongst its customers.

1.8 Justification

The research was undertaken in order to develop better understanding about the effect of e-banking products on customer service in the bank. It will be done through analysis of how the different e-banking products are contributing to customer service, the problems faced and possible solutions to this.

The research was undertaken to harmonize knowledge on the effect of e-banking products on customer service. Many researchers have sought to explain the effect of e-banking in terms of customer satisfaction and customer service. This research therefore seeks to harmonize knowledge from various scholars.

1.9 Significance of the study

The study will help management and other stakeholders in financial institutions to understand how E-banking products affect customer service. This research will guide the managers and policy makers in developing relevant strategies that will improve customer service and in turn improve e-banking services in the long run.

The research will add to the available knowledge of e-banking and customer service among commercial banks in the highly competitive banking sector in Uganda.

This research will act as a reference material to other students pursuing studies in similar areas as this research.

It will enable the researcher to get skills on carrying out research and help meet the requirement for the award of the Bachelor's Degree in Business Administration and Management.

1.10 Conceptual Framework

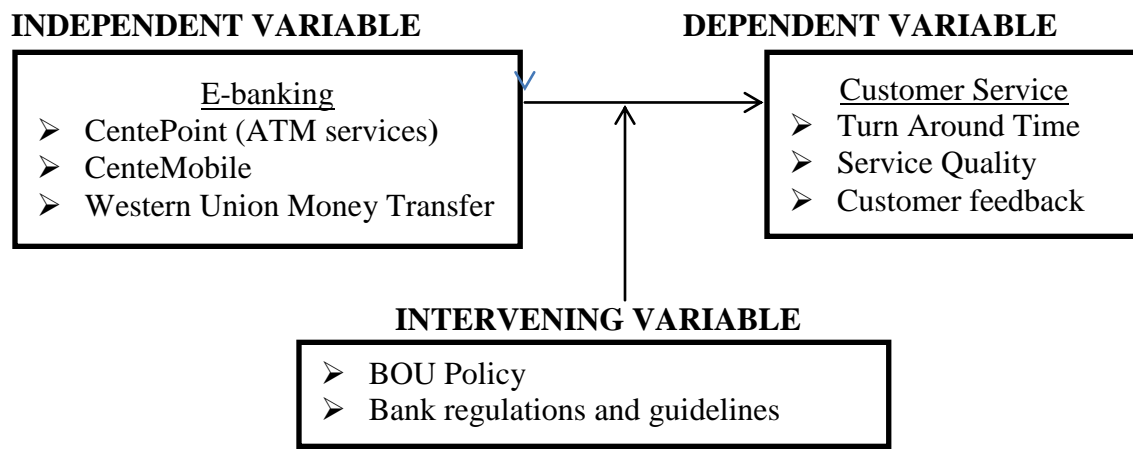
A conceptual framework is defined as a network, or “a plane,” of interlinked concepts that together provide a comprehensive understanding of a phenomenon or phenomena (Jabareen, 2009).

The conceptual framework in the study was formulated to show the relationship between two variables, the independent and dependent variable. The independent variable is e-banking products and the dependent variable is customer service.

In the works of Namugerwa (2013) the effect on financial services brought about by e-banking products was studied in Centenary Bank. The online banking products in Centenary bank included ATMs, mobile banking and western union money transfer.

Service quality is seen as how effective the actual performance of a product is to meeting customer expectations and depends on how well a product meets its performance dimensions (Kumbhar, 2011). Customer feedback is data from customers about their perceptions and experiences as a customer (Nash & Boston, 2014).

Figure 1.1: Conceptual Framework



Source: Namugerwa (2013), Kumbhar (2011) and Nash & Boston (2014).

The independent variable which examines e-banking products looks at three major e-banking products provided by Centenary Bank and these include; ATM services which is also known as the Centepoint , CenteMobile and Western Union Money Transfer.

The dependent variable which is customer service includes the dimensions namely; Turn Around Time, Service Quality and Customer feedback. These are the specific determinants which will be used to measure the extent of customer service.

The intervening variables include the Bank Of Uganda Policy on regulations to other commercial banks concerning e-banking products. In addition it includes the Bank regulations and guidelines concerning E-banking products comprised of the bank procedures and guidelines.

1.11 Limitations

Although Mapeera Main Branch was chosen, the sample size is not adequately representative of the local population of customers Centenary Bank serves as it is located in the Capital City of Kampala and majorly represents the customers located in the urban areas.

In addition, the research was based on the customers who are literate and can be able to read and write. This is because the mode of data collection was through filling in questionnaires and as such required one to be literate.

1.12 Conclusion

This chapter has looked at the general introduction focusing on the background, statement of the problem, purpose of the study, objectives, research questions, hypothesis, scope of the study, its significance, justifications and lastly the conceptual framework of the study. In the next chapter, the review of literature from different authors will be investigated.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a detailed examination of the influence of e-banking products on customer service at large, through the review of works of different scholars that are related and relevant to this study. This chapter entails the theoretical review, the different e-banking products as earlier stated in the objectives namely; Automated Teller Machines (ATMs), CenteMobile and Western Union Money Transfer, all in relation to customer service. The literature presented in this chapter is in accordance with the objectives presented in Chapter one. Basically this chapter is based on views of different researchers, which are conceptualized by the researcher to get a directed path for this research.

2.2 Theoretical review

2.2.1 Innovation diffusion theory

Diffusion of Innovation Theory developed by Rogers in 1962 seeks to explain how overtime an idea or product gains momentum and spreads through a social system. It states that adoption of a new idea does not happen simultaneously but through a systematic approach consisting of innovators who are risk takers and venturesome in adopting an idea. The early adopters who represent the opinion leaders and embrace need to change, early majority who adopt ideas before the majority of the people and seek evidence of working innovations before adopting the idea, late majority who are skeptical of change and only adopt an idea after it is tried by majority and lastly the laggards who are bound by tradition and are conservative (Rogers, 2003).

This theory looks at the introduction of a product, program or service, its adoption until it achieves customer loyalty following the service attained by the innovation in relation to customer needs. This theory attempts to explain the mechanisms enhancing and encouraging the different segments of customers which can later translate into success of the product. He explains the factors that influence adoption of an innovation to include: relative advantage whereby it looks at the degree to which a product is seen better than the idea, program or product it replaces based on the experience the users have got using the previous product, program or service and the advantage brought by the new product, program or service. Compatibility looks at consistency of a product with values and needs of potential adopters of the product, program or service. The product, program or service should therefore be able to consistently fulfill the attached value it presents and satisfy the need of the users. Complexity looks at how difficult an innovation is to understand or use. The more complex an innovation is perceived to be, the less it will be perceived by users as offering greater service. Triability looks at the extent to which an innovation is tested before a commitment to continuously use it and as such leading to consumer loyalty. Observability explores the extent to which an innovation provides tangible results to the users of this innovation. The users should be able to touch, feel, see and quantify the result of this innovation and accord it one with improved service.

This theory also looks at the principle of re-invention which looks at the success of a product being in how well it evolves to meet the needs of more and more demanding and risk adverse individuals in a population. The concept of reinvention looks at a product in need of continuous improvement to spreading the innovation. This theory stresses the need to understand the needs of the users of the product.

The question to this is to whether the continuous innovation of e-products is tailored in a way that meets customer needs and as a result contributes to the better performance. The purpose of these products should remain as ensuring satisfaction by customers.

The theory also looks at understanding the needs of different user segments. It looks at each segment from innovators to laggards as a static segment whereby the needs of each segment should be met by reaching out to the successive segments through different strategies. It looks at the uniqueness of a customer in being satisfied in a product hence the product has to reach out to customers in different perspectives in order to achieve greater service.

However, the limitation to this theory is in the fact that it does not consider an individual's resources or social support in the achievement of satisfactory service. This factor is very relevant to e-products in the banking industry. The question remains as to how effective these e-products are in ensuring satisfactory customer service and what challenges may arise through considering the environment for the effectiveness of e-products for a developing country such as Uganda.

2.2.2 Contemporary Banking Theory

According to the contemporary banking theory, banks play an important role in offering of transfer and payment services, transformation of assets, risk management, processing of information and monitoring of clients (Casu, Giradone & Molyneux, 2006 cited in Andries, 2008, p.21).

Andries (2008) further says that in a world with no transaction costs there would be no need for money but considering the differences that occur in the real economy it is more efficient to exchange assets and services for money than other assets and services.

This form of money currency has evolved from merchandise currency to scriptural currency (money transactions using the e-platforms) stating that banks insure a payment of important amounts of money over long distances under safe conditions in short a time and at reasonable costs. This has become a priority of monetary authorities and banks due to globalization of financial markets hence electronic payment systems. (Rochet, 1995 cited in Andries, 2008, p.21). Although it is quite clear that the banks seek interest in large monetary transactions over long distances because of the benefit brought by transaction costs, the risk factor associated within the system is overlooked because mistakes within the system can result into exorbitant losses to the bank. Customers therefore will prefer a system they trust and closely communicate with to rectify any mistakes which is not the case with one using machines.

E-banking

E-banking is where a customer can access his or her bank account via the internet using a personal computer (PC), or mobile phone and a web browser. Bhattacharjee (2001) summarizes it all and defines it as an integrated system that can provide customers flexible, convenient and inexpensive platforms with integrated services of online personal banking products including online checking and saving accounts, money market accounts, certificate of deposit, credit cards, home equity loans, home mortgages, insurance, investment services, portfolio management and other related financial services.

Vyas (2012) defines e-banking as the electronic bank that provides financial services for the individual client by means of the internet. He further summarizes these financial services to include inquiry about the information of the account, card accounts transfer, bank securities

account transfers, transactions of foreign exchange, bill payments and electronic shopping mall services.

History of E-banking

The e-banking business model started back in the 1980's, and it evolved through three main phases that can be summarized as follows:

The Eighties: The early beginning

Modern e-banking first appeared in New York in the early 1980's, where it was offered by major banks in that city, such as Citibank and Chase Manhattan. The United Kingdom banks started to adopt the concept in 1983 where the Bank of Scotland was the first to introduce it. E-banking at that time required a monitor, and a telephone line. It was also offered through a numeric keypad on a telephone enabling the sending of messages to the bank. The early services were very basic ones such as viewing bank statements and paying bills online. It was not a full transaction banking service. However, it paved the way for the more comprehensive and sophisticated e-banking services that we see today (Polatoglu & Ekin 2001).

The Nineties: Modern Internet Banking

In the 1990's, the use of internet evolved when more people owned computers and were connected to the dial-up home internet. The first bank to offer the most comprehensive e-Banking services was the Stanford Federal Credit Union bank in 1994. This technological evolution and the spread of home internet usage meant customers enjoyed 24/7 e- Banking services. On the other hand, many customers during the 1990's didn't trust the concept enough to make serious and substantial monetary transactions.

This triggered a massive effort and investment by the offering banks to develop more security features for their online banking services to promote them in the market (Polatoglu & Ekin 2001).

The 2000's: The growth and acceptance

The Bank of America in 2001 was the first pioneer in e-banking by reaching three million online users. Throughout the 2000's on-line banking started to grow and become more acceptable by customers. It covered most of the banking services. With the onset of electronic banking, bank customers could conduct the same banking transactions provided by brick and mortar branches at any time and any place through easy and user-friendly browsers (Polatoglu & Ekin 2001).

2.3 Actual review

2.3.1 E-banking products accessible in Centenary Bank

Electronic banking includes a variety of products which make the banking experience more convenient. These products include; ATM Services, PC Banking Services, E-tax Payments Service, E-Water Payments , E-NSSF Payments ,US Visa Application Payments, Mobile banking, Electronic Funds Transfers through Western Union Money Transfer and Point of Sale Services. However, this study is restricted to ATM Services, mobile banking and Western Union Money Transfer.

Automated Teller machines (ATMs)

Automated Teller machines (ATMs) were the first well-known machines to provide electronic access to customers. The late 1960s marked the beginning of modern ATM and POS systems, although the concepts of ATMs and debit cards existed prior to this. It might be argued that the first ATMs were cash-dispensing machines. England's Barclays Bank, installed the first cash dispenser in 1967. Don Wetzel developed the first modern ATM for his employer Docutel. A major part of the development process involved adding a magnetic stripe to a plastic card and developing standards to encode and encrypt information on the stripe. By the early 1970s, ATM technology advanced to the system we know today. ATMs were first accessed primarily with credit cards, but in 1972, City National Bank of Cleveland successfully introduced a card with an ATM but not a credit function. ATMs were developed that could take deposits, transfer money, provide cash advances from a credit card, and take payments. ATMs also were connected to computers, allowing real-time access to information about the cardholder's account balances and transaction activity. By connecting a string of ATMs to a centralized computer, banks established ATM networks. Although many ATM networks were proprietary (single bank) networks, a major development was the emergence of shared networks. In a shared network, ATMs owned by a variety of banks would connect to a single network. Shared networks not only enhanced consumer convenience but also extended the geographic service area of banks at a manageable cost. Today, almost all ATM networks are shared (Fumiko et al, 2003).

According to Frank (2014) the first automated teller machine (ATM) in Uganda was brought in by SCI/NCR for Standard Chartered Bank in September, 1997. By 2002, Standard Chartered Bank had installed up to four ATMs bringing the number to four and the largest number in

Uganda at that time. Other banks then followed and thus this has seen the explosive growth of ATM use in Uganda with increased emphasis on shared ATM networks.

ATM services in Centenary bank are provided under a unique name called CentePoint. CentePoint is a 24hour electronic cashier for Centenary Bank customers which provides access into customers' accounts by use of CenteCards on the Banks ATM machines located on-site in all the Bank's branch offices and off-site in strategic places in the main towns around the country. The main features include instant issuing of ATM cards (CenteCards) and instant account transactions (Centenary Bank, 2013).

As seen from the example of Centenary Bank, Uganda is known for embracing modern technology such as ATMs and so Ugandan banks have endeavoured to make banking user friendly and easy. The problem is with bank customers who have continuously refused to embrace the computer age but still find comfort in old things (Abaasa, 2007 cited in Kyobutungi, 2014). This therefore calls for further investigation as to whether these products have actually met the customers' needs as they were meant to when they were first introduced by investigating if the customers are satisfied or dissatisfied.

Mobile Banking

According to Hannes (2007) the first mobile banking and payment initiatives were announced during 1999. The first major deployment was made by a company called Paybox largely supported financially by Deutsche Bank. In 2003 more than a million people were registered on Paybox. Another early starter, also identified as a leader in the field was a Spanish initiative called Mobi Pago. The name was later changed to Mobi Pay and all banks and mobile operators in Spain were invited to join in 2003.

France Telecom launched an ambitious product based on a special mobile phone with an integrated card reader. Since 2004, mobile banking industry has expanded and successful deployment with positive business cases and big strategic impact has been seen recently.

In an effort to retain their market share and ease customer service in Uganda, banks have sought out alliances with telecommunication companies. Studies noted the increased partnership of banking institutions with mobile phone service providers in order to keep the funds generated from the mobile money platforms. This has resulted into mobile banking, a new e-product resulting from continuous technology innovation within the banking industry. Mobile banking has opened up new ways to reach out to customers and satisfy their financial needs in a more cost effective way hence improving service quality (BOU, 2012).

Centenary Bank offers mobile banking services through their e-product called CenteMobile. CenteMobile is a 24/7 full banking service that allows customers to access their accounts using their mobile phones anytime and anywhere. Its main features include: Balance inquiry, Ministatement, Funds transfer (within Centenary Bank), Airtime purchase and Bill payments (Namugerwa, 2013).

Western Union Money Transfer

Previously, the transfer systems which were informal were used. The range of informal transfer systems included personal carriage of cash or goods by migrants, their relatives, their friends, or trusted agents. Similar informal services also worked as a side business to an import-export operation, retail shop, or currency dealership. Most people kept little paper or electronic documentation and transactions were communicated by phone, fax, or e-mail to a counterpart who would make the payment (Ikpefan, 2007).

A greater number of people claimed that the old system of getting money from friends/relations residing overseas was outdated and problematic hence the need for Western Union Money Transfer. They associated loss of money in transit to the old system (Western Union Financial Services Inc., 2012).

According to Western Union Financial Services Inc. (2012), Western Union started providing telegraph services in the United States of America in 1851, and became the first to offer coast to coast telegraph lines. It later expanded and inaugurated the service of money transfer service in 1871 and introduced the first consumer charge card in 1914. In 1958, Western Union started the first domestic communications satellite and introduced domestic telex service. In 1989, Western Union introduced International Money and currently serves over 200 countries.

In Uganda, Western Union Money Transfer is the fastest way of sending and receiving money locally and worldwide. The service is available from individual to individual and there is no requirement for the sender or receiver to have an account with Centenary Bank. The main features include: Money can be sent or received both locally & internationally, money can be transferred to any destination within a matter of 10 minutes, the sender then pays charges and money can be sent to companies registered with Western Union. One does not need to have an account to transfer money hence an added advantage to the service (Centenary Bank, 2013).

Kumia, (2008) noted that E-banking product usage is far from uniform, especially between the developed and developing worlds. The developed countries have experienced widespread e-banking use and enjoyed its many benefits .On the other hand, the developing countries has just started to embrace the concept of e-banking in recent years. It is believed that in the long run, developing countries could benefit more from e-banking than developed countries since they could leap frog their technology development by learning from the experiences of the developed

nations. However, during this development processes, it is expected that the developing countries will face many unexpected and complex factors that inhibit the speed and scale of e-banking adoption. In order to encourage further e-banking adoption in developing countries, a better understanding of the drivers and barriers impacting e-banking adoption is critical. In a study done in China, the use of e-banking products among the population was studied based on the influence brought about by environmental, organizational and technical factors. Under the environmental context, influence brought about by Competitive pressure, Government support, Legal framework, National infrastructure and National culture were investigated. The culture of the Chinese which is predominantly conservative resulted to the fact that there was low usage of these products due to distrust in the systems. The systems were viewed as risky due to the fact that the experience with their performance did not meet customer expectations hence the service quality was perceived as low (Kumia, 2008). He also noted the technical context in particular limited infrastructure which limited the e-service product use due to the fact that these transactions took long to be completed hence lengthening the Turn Around Time. This study seeks to examine if the same can be said for an African country such as Uganda with a strong influence of the social environment context.

2.3.2 The effect of e-banking products in managing queues in banks

KPMG (2013) found that the over the counter payments processed at the bank were reported as delayed and average Turn Around Time was 5 working days. This delay impacted the service delivery levels of the bank. The delay in the payment processing also negatively affected the number of payments made to the branches. This brought the need to reduce the time spent from submitting payment memos to release of payment.

Re-engineering of the payment receipt process and elimination of non-value addition activities has reduced the Turn Around Time and this can be seen through using the e-banking products. The modern payment systems which entail e-banking services reduce on the lag in time spent completing transactions.

With advent of ATMs, banks are able to serve customers outside the banking hall. The ATMs are operated by a plastic card inserted in the cash dispenser machine. ATMs allow customers to do a number of banking functions such as; withdrawing cash from one's account, making balance inquiries and transferring money from one account to another (Singh & Komal, 2009).

According to Namugerwa(2013), ATM banking is mainly used by the youth between the ages 26-30 years due to the ability to save time. Similarly, a study done by Tukamwesiga (2011), on the effect of ATMs in DFCU Bank Nsambya branch showed a significant positive relationship between the ATM banking system and customer service indicating that they provide easy access to hard cash money without necessarily accessing banking halls.

On the contrary Namugerwa (2013) in her study revealed that customers still show reluctance in using the electronic service because of challenges that technology is not able to easily address. Stopping transactions in action is not easy hence the customers prefer over the counter transactions. Among her respondents, in the study conducted in Uganda, she found that customers value the need for personal touch in banking services hence achieve greater satisfaction in transactions made with tellers. This is because customers cannot effectively communicate their queries to machines as opposed to the human tellers. In addition, most of the errors over the counter will be as a result of human error on the part of the teller and hence are easier and even faster to rectify as opposed to the ones by the machines.

In the same light, the weakness during service encounters showed that unreliability of the network causes inaccessibility of customers to banking services and hence negatively affects the efficiency of e-products. Customers therefore prefer to opt for the traditional banking methods and hence queue in the banking halls because they are more comfortable with this traditional system which has proven more reliable than the e-products. This therefore necessitates the research to find out whether these e-banking products have been effective in managing queues in banking halls.

2.3.3 The effect e-banking products on customer service

Customer service is a series of activities designed to enhance the level of customer satisfaction that is to say the feeling that a product or service has met the customer expectation (Turban, 2002).

According to Buchanan (cited in Swaleh, 2015), customer service can also refer to the “culture of the organization” that is to say the priority the organization assigns to customer service relative to other components, such as product innovation or low price. In this sense, an organization that values good customer service may spend more money in proactively interviewing customers for feedback in order to improve the product.

The success of any business organization is determined by customer service. Proximity to customers is crucial since they are often the best source of information. A customer’s perception of service quality is as important as the actual quality, which quality can be measured against specifications for the product or service. The implication of this is that the organization should seek ways to ensure that the products made are customized to suit the needs of customers and

this can be done through constant interactions with customers and through studying customer loyalty seen in more repeated business (Kimando, 2012).

A brand perception is also one of the key factors in the banking industry. Perceived brand reputation in the banking sector refers to the banks reputation and position of bank in the banking industry (Che-Ha & Hashim, 2007; Reynolds, 2007). It measures experience of the customer how he/she fills with this brand and its services. A perceived overall brand performance is determined by some combination of beliefs about the brand's various performance dimensions (Che-Ha & Hashim, 2007). A brand perception is an important factor to service because a satisfied customer will recommend that service to others. In addition, such a customer will continuously use the service hence cultivating loyalty to that service (Kumbhar, 2011). However, there is need to note that the applicability of satisfaction one client gets with a product will not necessarily be the same for another customer.

Service quality is seen as how effective the actual performance of a product is to meeting customer expectations, and is seen in factors such as responsiveness, easy to use, cost effectiveness and compensation. Fulfillment, efficiency, security/assurance, convenience and problem handling are predictors of perceived value in e-banking. Therefore, e-banking service designers should think over these dimensions and make possible changes in the e-banking services according to the customers' expectations and need of the time. The above will be of help in enhancing service quality of e-banking products and improve on the customer service in e-banking (Kumbhar, 2011).

In addition, Cristobal, Flavian & Guinaliu (2007) proposed eight dimensions of e-service quality, which are: website design, reliability, responsiveness, security, fulfillment, personalization, information and empathy. The perceived web site quality and customer satisfaction is relevant to customers' loyalty. In view of the above, e-service quality dimensions need to be explored in the e-banking context in Uganda.

In the same light, Loonam & O'Loughlin (2009) in an explorative study in Irish online banking context found ten dimensions of online retail banking. In addition to the dimensions by Cristobal, Flavian & Guinaliu (2007), he found that web usability, access, trust, flexibility, self-recovery and personalization/ customization relate to online retail banking.

Similarly, the empirical work of Ho & Lin (2010) in an emerging economy of Taiwan Internet banking sector, developed and validated a five dimension internet banking service quality with a 17-item measurement scale for measuring the service quality in internet banking. The five emerged dimensions that were based on e-service quality model of Cristobal, Flavian & Guinaliu (2007) are: web design, customer service, assurance, preferential treatment and information provision.

In Uganda, not all dimensions apply with the same severity. More emphasis can be put to dimensions such as accessibility, ease to use, flexibility, information provision and reliability. There is need to investigate the extent to which a particular dimension will positively and negatively affect customer service and how critical it is to the attainment of good customer service.

According to Nash & Boston (2014), customer feedback is data from customers about their perceptions and experiences as a customer. Feedback can take different forms and can cover a wide range of topics. However, it is often structured and relatable to the quality of service. It is typically focused on aspects of the customer experience believed to be most critical to customer such as satisfaction and loyalty. Positive feedback focuses on the various attributes of the customer experience or product offering considered most important as actually being satisfied. It looks at activities such as finding out what customers require in the system and incorporating them through developing either new products or improving current products. It considers customer loyalty because customer satisfaction will result to continuous use and recommendation of the service to other users (Nash & Boston, 2014). Sebunya (2008) further explained that perceived usefulness will result into positive feedback and encourage customer access and continuous usage of e-banking products due to satisfaction of their needs. This research investigates the satisfaction of customers in the various product attributes offered by e-banking products.

Turn around time is expressed as the time from receipt of a transaction to the time it is fully executed and the results are available. It directly relates to the speed which can be said to be either fast or slow. Turn around time is seen to have been reduced by the onset of e-banking products (KPMG, 2013). This research seeks to investigate whether this perception is felt uniformly among customers.

To sum up, Khalid A, (2008) states that the performance of e-products can be evaluated to have better insight about their impact on operations, the widely adopted indicators by previous studies being market share, growth rate and perceived quality. However he adds that firms in the recent years have focused more on tracing customer retention, neglecting the need to ensure customer

service. This therefore necessitates the need for further research into the effect of e-banking products on customer service in particular.

2.3.4 The challenges in accessing e-banking products

Even with all the benefits brought by e-products, there are challenges which are making the access of these services difficult. Much of the usage of technology products is attributed to technical complexity. Musiime & Malinga (2011) point out that though very beneficial to customers and banks at large, electronic banking still remains as a slow process among customers. The lack of experience among customers and unqualified potential users presents a challenge among others in accessing e-banking. Users will therefore be inhibited from using the e-products due to the excessive requirements in terms of mental effort which is time consuming and frustrating.

On the other hand, Sebunya (2008) and Mwesigwa (2008) in their studies show that if customers have a perceived thought that electronic banking will not work, they will not seek e-product offers hence the perceived risk of electronic banking is inversely related to the access and use of the e-products.

Sebunya (2008) showed that if customers perceive the services easy to use as actually useful they will seek access in usage. He showed that customers will access a product based on the perceived usefulness they have for a product. In his research Sebunya showed that the perception by customers that e-banking can benefit them will prompt them to go against odds to seek access and usage. Any contrary perceptions negatively affects customers access resulting into low usage which affects bank performance through the execution of more manual transactions which are more prone to risk and resulting to high operations cost.

This study seeks to investigate the feedback from customers as to whether customers feel that the e-banking products require a lot of mental effort and hence are a challenge to the usage of these products.

Nzoutcoum (2012) in his findings showed that the barriers to electronic banking were attributed to less efficient registration process, unstable network, low coverage, high charges, poor promotions, low literacy and poor access to electronic media. He attributed the poor performance in electronic banking to the tedious formal structure in accessing the service resulting into customers opting for alternative means in access to financial services. In his findings, banking through electronic banking was considered a luxury more to the urban, learned population and the formal population preferred to conduct more transactions from e-accounts to their bank accounts which were difficult for the non-urban population.

In addition, the weakness during customer service encounters showed that unreliability of the network causes inaccessibility of customers to banking services and hence negatively affects the efficiency of ATMs (Namugerwa, 2013). Similarly, Mboma (2013) noted that the level of this satisfaction in accessing e-banking products is reduced by technological and processing failures, customer perception that the service delivery mode is expensive and insecurities regarding stand-alone ATMs.

In the same light, there is no consideration being given to people with disabilities such as the blind and people in wheel chairs negating the role played by ATMS in customer service especially to minority groups. This means that such customers remain reluctant to use ATMS especially for big transactions (Mboma, 2013).

Similarly, a study done by Tukamwesiga (2011), showed that the scope of transactions for which ATMs can be used still remains narrow, moreover there is still a limitation to the maximum amount of money that an ATM transaction can have. There is still an inability for customers to pay school fees, water and electricity bills, as well as involving in transactions resulting into the sending and receiving of money across different countries from where the native bank originates using the ATM Card. This study was based on ATM usage. However, this study covers a broader aspect by looking at services relating to Mobile Banking and Western Union Money Transfer besides ATM usage, and hence seeks to find out if this challenge relates to all e-banking products being studied.

The greatest impediment to access and use of either mobile banking or mobile payments appears to be consumers' limited demand for them. Many consumers say their needs are already being met without mobile banking. They are comfortable with non-mobile options, and they do not see a clear benefit from using the service. The gap results from insufficient promotions of e-products resulting into low coverage(Federal Reserve Board, 2014).

Concerns about the security of mobile banking and mobile payment technologies are also frequently cited as reasons why consumers chose not to access and use these technologies (Federal Reserve Board, 2014).

Olowookere & Popo-ola (2008) say that customers need access to a computer with internet being connected. Furthermore, E-banking is subject to the dependability on other computers and a web server which means that if these are faulty, a customer can not have access to his/her account. It also means that a customer has to know how to use a computer before he/she can carry out a transaction.

There are set of people for example the older people who don't want to follow the technological trend probably because they are scared and they do not want to learn new ways of doing things hence preferring the traditional banking way.

The governmental policies that guide Internet banking operations are not efficient. The services of a third party are usually required by the bank to run the online banking services to their clients hence a limitation to access. Banks therefore require the efficiency of mobile companies, information processing companies among others to determine their own efficiency(Olowookere & Popo-ola, 2008).

As regards to the effectiveness and efficiency of accessing services using Western Union Money Transfer, a study done in Nigeria revealed that half of the respondents disliked Western Union Money Transfer because the rate of dollar exchange was less than the market rate. However, the other half of the respondents disagreed with the former position and according to them their dislike for Western Union Money Transfer was due to non-payment to customers in hard currency (Ikpefan, 2007).

Several features make the e-banking products an attractive vehicle through which criminal and terrorist funds can enter the financial system. These include; the simplicity and certainty of money remittances transactions, low-thresholds of currency, less stringent customer identification rules that apply to such transactions compared with opening bank accounts and reduced possibilities for verification of the customers' identification than in credit or other financial institutions. Structuring or "smurfing" was frequently reported and appears to remain the most usual money laundering method identified in regard to Money Remittance providers.

Structuring occurs when a person carries out several cash transactions by breaking them into smaller amounts in order to avoid the mandatory threshold reporting and/or customer identification requirements. Such transactions can be carried out either in a single day or over a period of days, through the same or several agents (Moneyval Secretariat, 2010). Though these policies are put in place to control vices arising from money transfer, fresh challenges to customers in accessing money from abroad arises. This is due to the globalization of the economy and this study seeks to investigate the truth of this in a developing country such as in the Ugandan environment. It is based on these developments that this study seeks to investigate the possible challenges in accessing e-products and the possible solutions to these challenges.

2.4 Conclusion

This chapter has sought to review different literature from different authors. It has covered both the theoretical review and actual review of literature by the different authors and established the gaps still existing hence the need for research. In the next chapter, the methods used to acquire information from the different respondents will be investigated.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents the research methodology through which the study was conducted and it includes elements of research design, area of study, population, study sample, data collection procedure, data processing and analysis procedure and the anticipated limitation of the study as well as ethical considerations.

3.2 The research design

The research design that was used is the Case Study design. The case study was done in Centenary Bank at Mapeera Branch. The case study design is perceived as the most appropriate because it provides in depth study by placing emphasis on the full analysis on individual factors in relation to other factors. It is a better approach in gaining a comprehensive analysis of the study from which data generalizations and inferences are drawn (Mugenda & Mugenda, 2003).

3.3 The population

The population encompassed the accessible customers of Centenary Bank Mapeera Branch. Centenary Bank has a bankable population of over 1,200,000 deposit customers who hold different accounts ranging from current to savings to salary accounts (Centenary, 2013). The population of customers using the E-banking products at Mapeera House is unknown due to the fact that customers are ever on the move hence difficulty in estimating the exact number of customers accessing e-banking products from Mapeera House.

3.4 Area of study

The area of study is Centenary Bank Mapeera Branch at Mapeera House. It is located on Kampala Road in Kampala city. The branch was chosen because it is the main branch of Centenary Bank and therefore would provide a more accurate representation of results for the study.

3.5 Sample size

The study selected up to 118 respondents using the formulae as shown below.

$$n = \frac{z^2 pq}{d^2}$$

Where; n= desired sample size

z= the standard normal deviation at the required confidence level

p= proportion in the population estimated to have the characteristic being measured

q= (1-p)

d= level of statistical significance set

Using the 95% confidence level, the standard normal deviation (z) at this level is 1.96. Taking the proportion of the population using e-banking products at the main branch as half i.e. p= 0.5.

q=1-p= 0.5

d= 9% level of accuracy required

$$n = \frac{1.96^2 \times 0.5 \times 0.5}{0.09^2}$$

$$n = 118.56$$

3.6 Sample selection

The sample size selection was through random sampling. The researcher chose random respondents who had the required information with respect to the objectives of the study. The respondents were approached to provide relevant information to the research.

3.7 Methods of Data Collection and Instruments

3.7.1 Primary Data

Primary sources of data which included getting original information directly from the respondents were used. The researcher gave out questionnaires and collected them from the respondents.

3.7.2 Secondary data

Secondary data was obtained through annual reports especially Centenary Bank Reports. The reports are generally available to the public and available on the Centenary bank website. The researcher will be able to make a comparative analysis of the results using this data.

3.7.3 Data collection instruments

The following instrument was employed when carrying out research in the field:

Questionnaires:

Since E-Banking products are only meant for the individual customers and not corporate or organizations, the questionnaires were distributed to individual persons and not groups. The questionnaires were formulated guided by the research questions coming from the specific objectives. The questionnaires included both open ended and closed ended questions. The open ended questions enabled respondents respond to the questions according to their own words giving respondents complete freedom of response while the closed ended questions were accompanied by a list of all possible alternatives from which respondents selected the answer that best described their situation.

The questionnaire has a Likert scale on which a respondent's perception of the effect of the e-banking products on customer service will be based. The Likert scale was to be converted into a weighting scale as follows: Strongly Agree (SA) = 5, Agree (A) = 4, Not Sure (NS) = 3, Disagree (SD) = 2, Strongly Disagree (D) = 1.

3.8 Data Management and Analysis

3.8.1 Data analysis

Data collected was both qualitative and quantitative and was analyzed by using the Microsoft Excel Spreadsheets and SPSS, tables, pie charts and graphs employed where necessary. The information was pretested and then compiled. The use of descriptive statistics for example use of frequency distribution tables, graphical representations of data which to summarize the sample

and inferential analysis sought to describe the direction and the magnitude of the relationship that existed between the variables.

For the qualitative approach, the information was summarized and grouped according to the main ideas of the information was given and conclusions and recommendations were drawn from this analysis in order to determine the relationship between the variables.

3.9 Reliability and Validity

3.9.1 Reliability

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials (Mugenda & Mugenda, 2003:95). The data research instrument was checked here by the test retest method where by questionnaires administered to the respondents, answered by them and collected after a period of one month.

3.9.2. Validity

Validity is the accuracy and meaningfulness of inferences which are based on the research results (Mugenda & Mugenda, 2003:99). Content validity was used. This shows the extent to which a measuring instrument provides adequate coverage of the topic under study. The determination of validity was basically judgmental based on the opinion of a research expert who judged how well the questionnaire met the standards of the study before the questionnaire was used for the study.

3.10 Ethical Considerations

A letter from the university was got by the researcher which was presented to the authorized officials at Centenary bank introducing the researcher and giving the reason for the study. The researcher endeavored to conclude the research by formally informing the officials in Centenary Bank at the end of the research and appreciating the help given.

Only respondents who willingly volunteered to involve in the research were used. No forms of bribery were used in the research. Confidentiality and privacy was accorded to the respondents of the research and any information revealed was first consented before it was revealed.

The researcher resisted any engagement in plagiarism. Works quoted by authors were cited giving an unbiased view through representing all sides in quoting works of other authors.

The methodology used sought to conclusively capture data required through all the available accepted avenues in order to comprehensively and exhaustively explain the specific objectives and research questions.

3.11 Limitations of the study

The study was cross sectional, that is to say the length of the study was quite short within the required time period and so did not allow the researcher to satisfactorily compare results observed over a period of time and come up with a detailed and in depth conclusion which was tested under different time periods. To mitigate this limitation, the researcher gave out questionnaires to a large number of respondents.

The questionnaires were also answered by only literate individuals who knew how to read and write and could understand what the questionnaire. The study was discriminatory of the illiterate.

3.12 Conclusion

The study used a case study design of a sample size of 118 respondents who are Centenary Bank customers. The sampling techniques used were simple random techniques. The study used questionnaires to obtain information from the respondents. This information is presented in the next chapter.

CHAPTER FOUR

DATA PRESENTATION AND DISCUSSION

4.1 Introduction

This chapter focused on the description and interpretation of data analyzed in correspondence with the study variables on e-banking products and customer service. This chapter is divided into parts where the first part was on background of the respondents, and the other parts on the findings on the research questions.

4.1.1 Background information of the respondents

The background information presented on the response rate, gender, age, education level, and duration of the respondents with Centenary Bank.

Table 4.1: Response rate

	Frequency of respondents	Percentage of respondents
Valid responses	96	81.4% (response rate)
Invalid responses	22	18.6%
Total responses	100	100%

Source: Primary Data, 2015

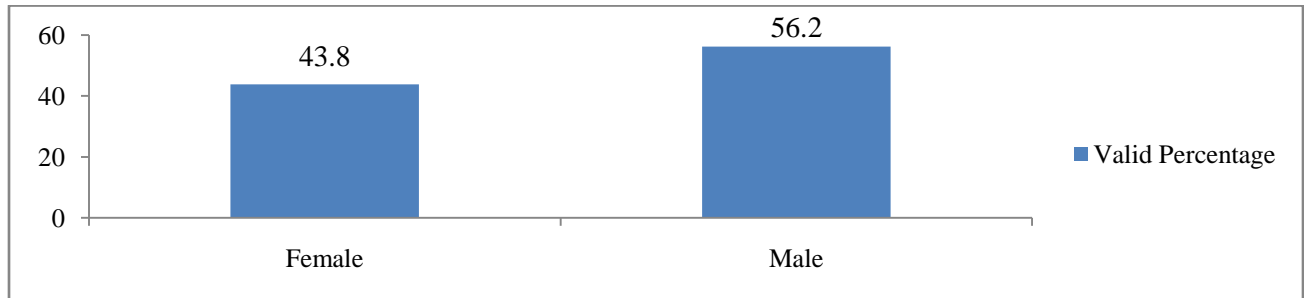
A total of 118 questionnaires were sent out, but only 96 were received back giving a response rate of 81.4%. This percentage is significant representative sample for the study.

Table 4.2: Gender Distribution of the respondents

Gender	Frequency	Valid Percentage
Female	42	43.8
Male	54	56.2
Total	96	100

Source: Primary Data, 2015

Figure 4.1: Gender Distribution of the respondents



Source: Primary Data 2015

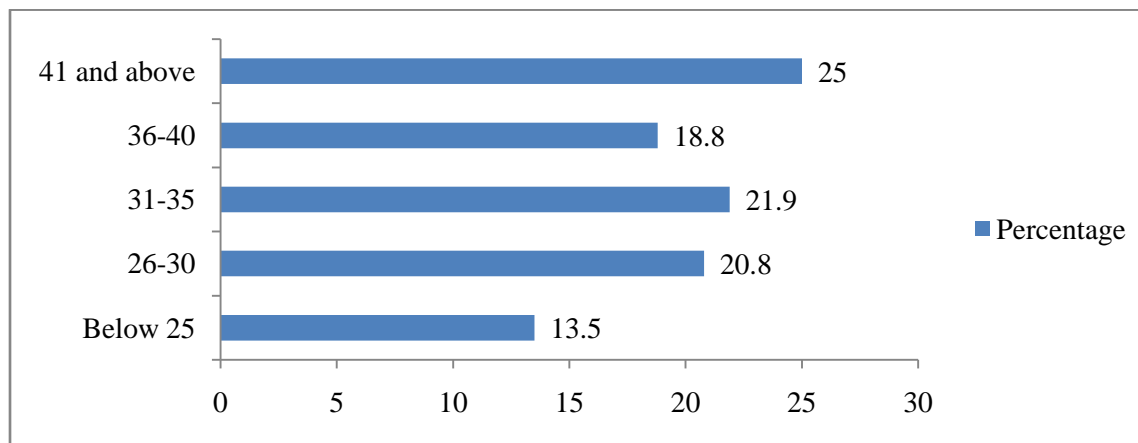
According to the figure 4.1 above, the majority of the respondents were male (56%) and female respondents were 44%. There was representation of both the male and female since the margin between the two sexes (12%) is minimal. Views and inferences were therefore equally represented for both the male and female customers. Issues of gender bias were not considered in this case because during the data collection stages both genders were valued by the researcher. This indicates that e-Banking products of Centenary Bank appeal to both the male and female customers.

Table 4.3: Age of the respondents

Age	Frequency	Valid Percentage
Below 25	13	13.5
26-30	20	20.8
31-35	21	21.9
36-40	18	18.8
41 and above	24	25
Total	96	100

Source: Primary Date 2015

Figure 4.2: Distribution of Age Groups of the Respondents



Source: Primary Date 2015.

Figure 4.2 shows that of the total number of respondents (96), the age group of 41 years and above years had the highest representation (25%) and the least representation was of the group 25 years and below. The figure above shows that most respondents were selected fairly because all age groups were on average catered for.

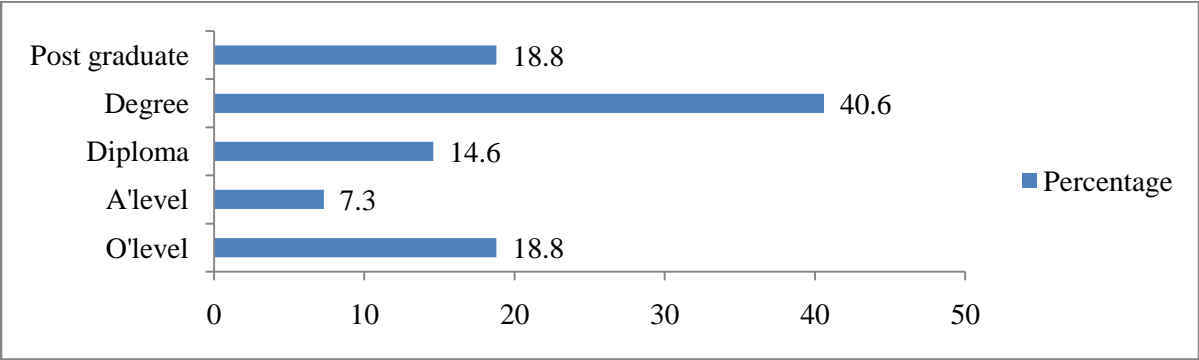
However, this finding suggests that most of the customers of Centenary Bank are 26 years and above, probably they have attained a source of income that enables them interact with the bank and utilize the available e-banking products.

Table 4.4: Education level of the respondents

Education level	Frequency	Percentage
O'level	18	18.8
A'level	7	7.3
Diploma	14	14.6
Degree	39	40.6
Post graduate	18	18.8
Total	96	100

Source: Primary Date 2015

Figure 4.3:Distribution of education level of the respondents



Source: Primary Data 2015

Figure 4.3 above clearly shows that customers to Centenary Bank had at least a substantial level of education with the greatest being degree holders (40.62%), followed by post graduate and O’level certificate holders at 18.8% each. The diploma holders were 14.6% and the A’level respondents were only 7.3%.

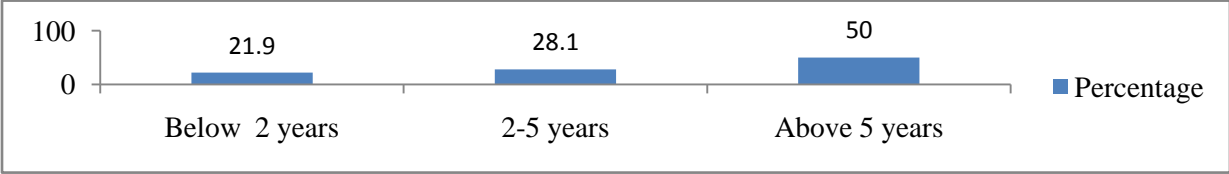
These findings suggest that although Centenary Bank products appeal to the semi-literate and the literate population, the E-banking products appeal more to those customers with higher levels of education that is to say diploma, degree and post graduate degree holders because they collectively form 74% hence these products are tailored to be used more by the literate than illiterate customers.

Table 4.5: Duration of the respondent with Centenary Bank

Duration	Frequency	Percentage
Below 2 years	21	21.9
2-5 years	27	28.1
Above 5 years	48	50
Total	96	100

Source: Primary Date 2015

Figure 4.4: Duration of the Respondent with Centenary Bank



Source: Primary Data 2015

Figure 4.4 above shows that the biggest portion of respondents have banked with Centenary Bank for more than 5 years (50%), followed by respondents who have banked with Centenary Bank for 2-5 years (28%), and those who have banked with Centenary Bank for less than 2 years (22%). These findings suggest that Centenary Bank is able to maintain its customers as they don't leave the bank after a short time and hence they are conversant with banking products.

4.2 Presentation and Discussion of Results Basing on Research Objectives

Table 4.6: Descriptive statistics showing E-banking products accessible in Centenary Bank

E-Banking products	Yes	No	Total
1. Use of E-tax payments by the respondent	64 (66.7%)	32 (33.3%)	96 (100%)
2. Use of the Automated Teller Machines (ATMS) by the respondent	93 (96.9%)	3 (3.1%)	96 (100%)
3. Use of the Point of Sale Services (POS) by the respondent	5 (5.2%)	91 (94.8%)	96 (100%)
4. Use of CenteMobile Services by the respondent	65 (67.7%)	31 (32.3%)	96 (100%)
5. Use of Western Union Money Transfer by the respondent	25 (26%)	71 (74%)	96 (100%)
6. Use of e-water payments to pay water bills by the respondent	40 (41.7%)	56 (58.3%)	96 (100%)
7. Use of Personal Computer Banking (PC Banking) by the respondent	15 (15.6%)	81 (84.4%)	96 (100%)
8. Use of the US Visa Card payments by the respondent	10 (10.4%)	86 (89.6%)	96 (100%)

Source: Primary Data 2015

4.2.1 E-banking products accessible at Centenary Bank

On the aspect of e-banking products accessible in Centenary Bank, table 4.6 above shows that respondents are more versed with the usage of Automated Teller Machines, CenteMobile Services, e-water and e-tax payment systems.

Amongst the respondents, 97% agreed to having used the Automated Teller Machines before, and the percentage of respondents that agreed to having used CenteMobile, E-tax and E-water payments were 68%, 67% and 42% respectively. Of this total, the percentage of respondents that agreed to having not used the services of Automated Teller Machines, CenteMobile, E-tax and E-water payments were 3%, 32%, 33% and 58% respectively. This infers that 9 in 10 customers have used the ATM service, 6 in 10 customers have used CenteMobile Service and e-tax payment while 4 in 10 have used the e-water payment.

Western Union money transfer, Personal Computer (PC) Banking and US Visa application payments have had relatively low usage. A total of 26% of respondents have used Western Union Money Transfer, while 15% and 10% have used PC Banking and US Visa application payment as provided by Centenary bank. On the contrary, 74% of respondents for Western Union money transfer, 85% of respondents for Personal Computer (PC) Banking and 90% of respondents for US Visa application payments said they had not used the services before. This infers that only 2 in 10 customers have used Western Union Money Transfer Payment, 1 in 10 customers have used the PC banking and US visa application payment.

Point of sale service has had the least usage amongst respondents with only a percentage of 5% respondents agreeing to having used it before, and the remainder of 95% of the respondents never having used this service before. This product has hardly been used by any customers before and was the least popular with some respondents even asking what it entailed.

The above findings suggest that the most popularly used e-banking products are the ATM services, CenteMobile service, e-water and e-tax payments. This may be due to the fact that the respondents found these services to satisfy their expectation due to satisfaction with the performance from continued transactions.

The low usage of e-banking products such as Western Union Money transfer, PC Banking and US Visa application payment inferred that the products do not appeal to the banking needs of customers as much as the other e-banking products.

These findings show that on the whole, the use of e-banking products in Centenary bank is still low amongst customers even if they are present in the banking environment. It shows that customers have embraced some e-banking products however, they still remain reluctant to embrace other products.

These findings are supported by the works of Kumia (2008) who noted that the developing countries have just started to embrace the concept of e-banking in recent years.

Table 4.7: Descriptive Statistics on the effectiveness of e-banking products in managing queues in banks.

Opinion	Scale					TOTAL
	SD	D	NS	A	SA	
1. Over the counter transactions normally delay and are time wasting	14 (14.6%)	17 (17.7%)	10 (10.4%)	30 (31.3%)	25 (26.0%)	96 (100%)
2. Using the Automated Teller Machines (ATMs) has reduced on the time spent completing a bank transaction	4 (4.2%)	7 (7.3%)	3 (3.1%)	33 (34.4%)	49 (51%)	96 (100%)
3. Bank transactions can be accessed using the Automated Teller Machines (ATMs) and so it is not necessary to come to the banking hall	8 (8.3%)	22 (23%)	12 (12.5%)	37 (38.5%)	17 (17.7%)	96 (100%)
4. CenteMobile is a faster system of making payments	2 (2.1%)	2 (2.1%)	24 (25%)	33 (34.4%)	35 (36.4%)	96 (100%)
5. It is easier to make transactions using e-banking services over those made with bank tellers	5 (5.2%)	9 (9.4%)	26 (27.1%)	36 (37.5%)	20 (20.8%)	96 (100%)
6. It is easier to correct the mistakes made when making transactions using e-banking products compared to those with human tellers.	24 (25%)	28 (29.2%)	26 (27.1%)	10 (10.4%)	8 (8.3%)	96 (100%)
7. Using Western Union Money Transfer is the fastest way of sending money abroad	3 (3.1%)	12 (12.5%)	26 (27.1%)	27 (28.1%)	28 (29.2%)	96 (100%)
8. Using Western Union Money Transfer is the fastest way of receiving money from abroad	2 (2.1%)	4 (4.2%)	29 (30.2%)	35 (36.4%)	26 (27.1%)	96 (100%)

Source: Primary Data 2015

4.2.2 Effectiveness of e-banking products in managing queues in banks

Table 4.7 above shows that 32% of the respondents disagreed with the statement that over the counter transactions normally delay and are time wasting while 10% were not sure and 58% agreed. This infers that 5/10 of the customers feel like over the counter transactions are time wasting and delay and hence increased on the time spent to complete a bank transaction.

Similarly, 12% of the respondents disagreed with the statement that using the Automated Teller Machines (ATMs) has reduced on the time spent completing a bank transaction, while 3% were not sure and 85% agreed that using the Automated Teller Machines (ATMs) has reduced on the time spent completing a bank transaction. This infers that 8/10 customers feel like ATM transactions are time saving and faster in terms of the time spent to complete transactions.

A total of 31% of the respondents disagreed with the statement that bank transactions can be accessed using the Automated Teller Machines (ATMs) and so it is not necessary to come to the banking hall. However, 13% of the respondents were not sure whilst 56% agreed. This infers that 5/10 of the customers find that Automated Teller Machines reduced upon the time spent to complete Bank transactions and hence they preferred them.

Of the respondents, only 4% disagreed with the statement that CenteMobile is a faster system of making payments. 25% of the respondents were not sure and 71% agreed that it is a faster way of making payments. This implies that the more modern payment systems such as mobile banking are preferred by the customers due to the fact that they save time spent on non-value addition activities in the payment process.

15% of the respondents disagreed with the statement that it is easier to make transactions using e-banking services over those made with the help of bank tellers. However, 27% were not sure while 58% agreed that it is easier to make transactions using e-banking services. This infers that 5/10 of customers find it easier to make transactions using e-banking products than to use bank tellers. This infers that the performance of e-banking products meets the customer's expectations and hence they are satisfied and do not have to use the bank tellers for their bank transactions.

54% of respondents disagreed with the statement that it is easier to correct the mistakes made when making transactions using e-banking products compared to those with human tellers, 27% of the respondents were not sure while only 19% agreed. This infers that a greater number of customer that is to say 5/10 of the customers still find more satisfaction with correction of errors made during transactions using tellers than the corrections done using the e-banking products and hence will be compelled to queue in banking halls due to dissatisfaction of e-banking products in that right.

16% of the respondents disagreed that using Western Union Money Transfer is the fastest way of sending money abroad. 27% of the respondents were not sure whereas 57% agreed that Western Union Money transfer is the fastest way of sending money abroad. This infers that 5/10 customers agreed that Western Union money transfer is the fastest way of sending money abroad implying that they are satisfied with the performance of Western Union due to the fact that it is very fast hence reduces time spent on completion of the transaction.

On the other hand, 6% of the respondents disagreed with the statement that using Western Union Money Transfer is the fastest way of receiving money from abroad, 30% were not sure and 64% agreed that Western Union Money Transfer is the fastest way of receiving money from abroad.

The implication of this is that 6/10 customers agree that Western Union is the fastest way of receiving money from abroad implying that the respondents are satisfied with the performance of Western Union due to the fact that it is very fast hence reduces time spent on completion of the transaction.

These findings are in support of the previous works of KPMG (2013) which found over the counter transactions to be time wasting.

In addition, Tukamwesiga (2011) found ATM banking system gives customers easy access to hard cash money without necessarily accessing banking halls and hence customers will opt for e-banking products as they are faster than those performed after queuing in banking halls with the help of bank tellers.

In addition, Namugerwa (2013) noted that stopping transactions in action is not easy hence the customers prefer over the counter transactions and cannot easily communicate their queries to machines as opposed to the human tellers and as such will still queue in banking halls. This is in line with the findings and observation of the research.

Table 4.8: Descriptive Statistics on effectiveness of E-banking products on customer service.

Opinion	Scale					TOTAL
	SD	D	NS	A	SA	
1. E-Banking products are customized to suite banking needs.	1 (1.0%)	4 (4.2%)	26 (27.1%)	39 (40.6%)	26 (27.1%)	96 (100%)
2. E-Banking products are easy to use.	3 (3.1%)	4 (4.2%)	19 (19.8%)	57 (59.4%)	13 (13.5%)	96 (100%)
3. Banking is accessible through e-banking products.	2 (2.1%)	1 (1.0%)	21 (21.9%)	45 (46.9%)	27 (28.1%)	96 (100%)
4. E-Banking products offers a safe means for bank transactions	1 (1.0%)	40 (41.7%)	21 (21.9%)	6 (6.2%)	28 (29.2)	96 (100%)
5. Using e-banking products is more reliable than over the counter transactions.	1 (1.0%)	16 (16.7%)	24 (25%)	42 (43.8%)	13 (13.5%)	96 (100%)
6. E-Banking products offer the fastest way of making transactions in banks.	1 (1.0%)	5 (5.2%)	14 (14.6%)	40 (41.7%)	36 (37.5%)	96 (100%)
7. Using e-banking products is cheaper than over the counter transactions	1 (1.0%)	9 (9.4%)	14 (14.6%)	39 (40.6%)	33 (34.4%)	96 (100%)

Source: Primary Data 2015

4.2.3 Effectiveness of e-banking products on customer service

As with regards to customer service, table 4.8 above shows that 68% of the respondents agreed that the E-Banking products are customized to suite banking needs.27% of the respondents were not sure whereas 5% of these respondents disagreed with the statement that e-banking products

are customized to suit their needs. This inferred that the majority of customers which is 6/10 are satisfied with the performance of e-banking products that is to say the e-banking products have met their expectations.

These findings are supported by the previous works which say that customer service is a series of activities designed to enhance the level of customer satisfaction that is to say the feeling that a product or service has met the customer expectation (Turban, 2002).

In addition, 73% of the respondents agreed with that e-banking products are easy to use whereas 20% were not sure and the minority which was 7% disagreed with this statement. This inferred that 7/10 of the customers are in agreement that e-banking products are easy to use and this implies that they were satisfied with the performance of e-banking products in this right.

75% of the respondents agreed that banking is accessible through e-banking products while 22% of the respondents were not sure and 3% disagreed with this statement. This study inferred that about 7/10 of the customers are able to access banking services through the e-banking products. This implies that the e-banking products actually meet the banking needs and expectations of the customers.

35% of the respondents agreed that e-banking products offer safe means for bank transactions, 22% were not sure while 43% of the respondents disagreed with this. This study infers that 4/10 customers do not trust the e-banking products and consider them an unsafe means for transactions. This means that the customers' expectations of the service as safe are not fulfilled.

57% of the respondents agreed that using e-banking products is more reliable than over the counter transactions. However, 25% of the respondents were not sure whereas 18% of the respondents disagreed.

This infers that 5/10 of the customers consider the e-banking products as a reliable way to perform banking transactions as compared to performing the same transaction over the counter with the help of the bank tellers and hence they are satisfied with the performance of the e-banking products in this right.

Of the total number, 80% of all the respondents agreed that e-banking products offer the fastest way of making transactions in banks. Only 14% of the respondents were not sure where as 6% which were the minority disagreed with the statement. This inferred that the majority which was 8/10 of the customers find that e-banking products offered the fastest way of making transactions in banks and hence reduced upon the time spent in completion of a transaction (turnaround time).

The majority of the respondents which was 75% agreed that using e-banking products is cheaper than over the counter transactions, 15% of these respondents were not sure where as 10% of the respondents disagreed with the statement. This inferred that 7/10 of the customers find it cost effective and hence an indicator of the fact that they were satisfied with the performance of the e-banking products.

The research findings are in line with the works of Kumbhar (2011), Ho& Lin (2010), Loonam & O'Loughlin (2009) and Cristobal, Flavian & Guinaliu (2007) who identified customer service as fulfillment of the dimensions of service quality through performance indicators such as easy to use, cost effectiveness, efficiency, security/assurance, convenience and reliability. In addition, (Kimando 2012) noted that proximity to customers is crucial since they are often the best source of information. A customer's perception of service quality is as important as the actual quality which implies that organizations should seek ways to ensure that the products made are customized to suit the needs of customers after gaining feedback on how to best suits their needs. This is echoed in the observations and findings of this research.

Table 4.9: Results on the challenges in accessing E-banking products

Opinion	Scale					TOTAL
	SD	D	NS	A	SA	
1. The Automated Teller Machines (ATMs) service is complicated and hard to use.	45 (46.9%)	34 (35.4%)	5 (5.2%)	9 (9.4%)	3 (3.1%)	96 (100%)
2. CenteMobile service is complicated and hard to use.	28 (29.2%)	36 (37.5%)	23 (24%)	8 (8.3%)	1 (1.0%)	96 (100%)
3. Western Union Money Transfer is complicated and hard to use.	27 (28.1%)	31 (32.3%)	26 (27.1%)	9 (9.4%)	3 (3.1%)	96 (100%)
4. Using e-banking products requires a lot of mental ability.	15 (15.6%)	30 (31.2%)	21 (21.9%)	19 (19.8%)	11 (11.5%)	96 (100%)
5. The registration process for e-banking products in Centenary Bank is a difficult process.	20 (20.8%)	20 (20.8%)	35 (36.5%)	16 (16.7%)	5 (5.2%)	96 (100%)
6. System Network problems makes e-banking products inaccessible	4 (4.2%)	21 (21.9%)	18 (18.7%)	37 (38.5%)	16 (16.7%)	96 (100%)
7. The range of transactions for which e-banking products covers is narrow.	3 (3.1%)	32 (33.3%)	32 (33.3%)	19 (19.8%)	10 (10.4%)	96 (100%)
8. Poor promotion of e-banking products is the reason they have low area coverage.	4 (4.2%)	27 (28.1%)	31 (32.3%)	18 (18.8%)	16 (16.7%)	96 (100%)
9. E-banking products are attractive to be used in criminal activities	3 (3.1%)	15 (15.6%)	28 (29.2%)	30 (31.3%)	20 (20.8%)	96 (100%)

Source: Primary Date 2015

4.2.4 The challenges in accessing E-banking products and suggested solutions

Table 4.9 above shows that 82% of the respondents disagreed that the Automated Teller Machines (ATMs) service is complicated and hard to use. However 5% of these respondents were not sure and 13% of the respondents agreed that it is a complicated and hard service to use. This inferred that a few of the customers that is to say 1/10 find that the ATM service is hard to use.

Similarly, 67% of the respondents disagreed that CenteMobile service is complicated and hard to use, 24% of these respondents were not sure while 9% of the respondents agreed that it is a difficult service to use.

60% of the respondents disagreed that Western Union Money Transfer service is complicated and hard to use, whereas 27% were not sure and 13% of the respondents agreed that Western Union is a hard service to use. This infers that only 1 in 10 respondents find the Western Union money transfer a hard service to use.

47% of the respondents disagreed that using e-banking products requires a lot of mental ability, where as 22% were not sure but only 31% agreed that thee-banking products required a lot of mental ability. This is infers that 3 in 10 customers in Centenary Bank find the e-banking products difficult to use.

42% of the respondents disagreed that the registration process for e-banking products in Centenary Bank is a difficult process. 37% of the respondents were not sure while the minority of 21% agreed that the registration process for e-banking products in Centenary Bank is a difficult process.

This infers that 2 in 10 customers find it difficult to register for e-banking products in Centenary Bank and hence this makes the process of accessing the e-banking products difficult.

Of all the respondents, the majority constituting 55% agreed that system network problems makes e-banking products inaccessible, 19% of them were not sure while 26% of the respondents disagreed with the statement. This infers that 5 out of 10 of the customers agree that system network problems affect accessibility of the e-banking products hence they are dissatisfied in this right.

37% of the respondents disagreed that the range of transactions for which e-banking products covers is narrow. 33% of the respondents were not sure whereas 30% of the respondents agreed with this statement. This inferred that 3 in 10 of the customers feel that e-banking products should increase upon the range of transactions covered since the scope covered is small.

The majority of the respondents which was 36% agreed that poor promotion of e-banking products is the reason they have low area coverage. 32% of the respondents were not sure whereas 32% of the respondents disagreed with this statement. This inferred that 3 in 10 of the customers agree that poor promotion is the reason why e-banking products have low accessibility amongst the users.

In addition, 52% of the respondents agreed that e-banking products are attractive to be used in criminal activities. 29% of the respondents were not sure whereas 19% disagreed with the statement. This infers that 5 in 10 customers agree that e-banking products are attractive means to be used in criminal activities and hence were not satisfied with e-banking products in this right.

These findings and observations are in line with Musiime & Malinga (2011) who pointed out that the lack of experience among customers and unqualified potential users presents a challenge among others in accessing e-banking. Users will therefore be inhibited from using the e-products due to the excessive requirements in terms of mental effort which is time consuming and frustrating.

Sebunya (2008) and Mwesigwa (2008) showed that if customers perceive the services easy to use and not requiring a lot of mental ability, they will view the products as actually useful and they will seek access terms of continuous usage.

In the same light, the findings of the study agreed with the works of Mboma (2013) which indicated that E-banking still has some service delays resulting from network problems, which are the major cause of delay.

Similarly, Tukamwesiga (2011) showed that the scope of transactions for which ATMs can be used still remains narrow. He noted that this gap results from insufficient promotions of e-products resulting into low coverage, which is in line with the findings of this research.

The above study findings and observations echo the works of the Federal Reserve Board (2014) and Moneyval Secretariat (2010) which concluded that there are numerous concerns about the security of banking and payment technologies which makes them an attractive vehicle through which criminal and terrorist funds can enter the financial system. The findings show that the security challenge also relates to the Ugandan setting.

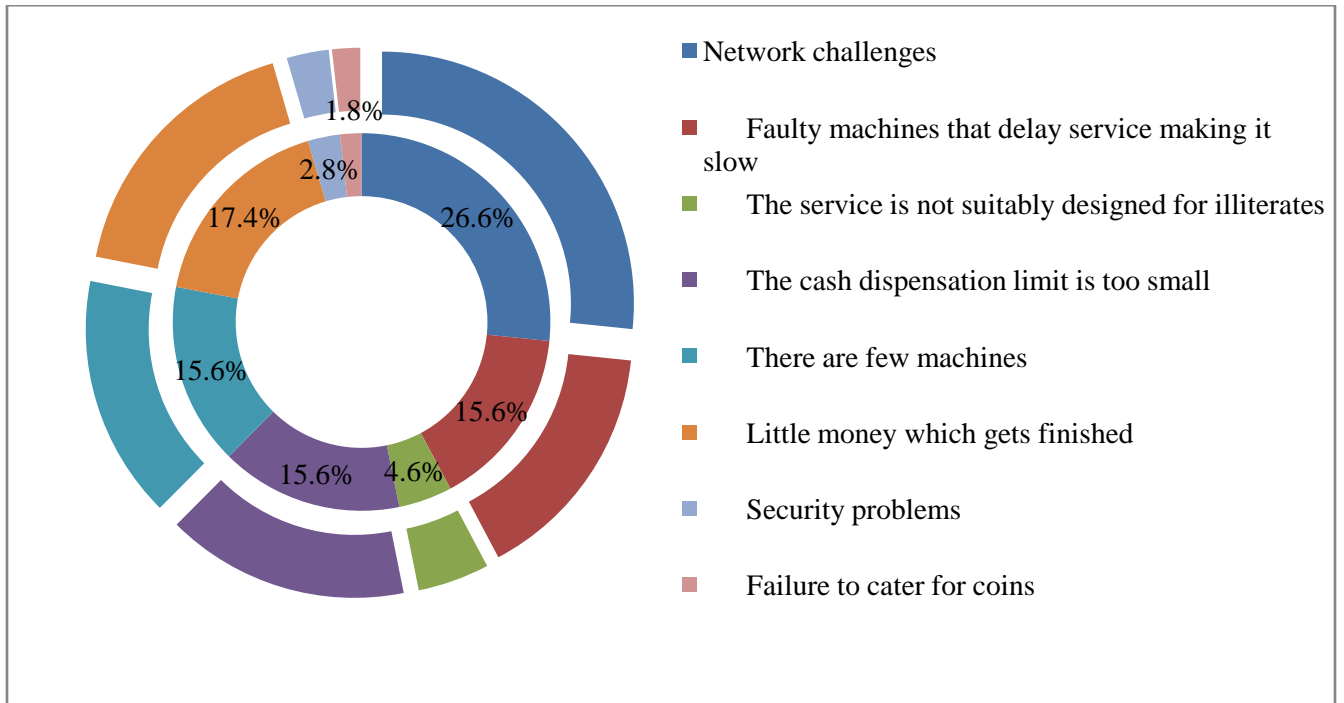
The respondents gave responses to the challenges they faced while using the particular e-banking products and this is summarized through grouping the responses under the main ideas as presented below:

Table 4.10: Challenges that respondents face when using Automated Teller Machines (ATM)

Challenges	Frequency	Percentage
Valid Network challenges	29	26.6
Faulty machines that delay service making it slow	17	15.6
The service is not suitably designed for illiterates	5	4.6
The cash dispensation limit is too small	17	15.6
There are few machines	17	15.6
Little money which gets finished	19	17.4
Security problems	3	2.8
Failure to cater for coins	2	1.8
Total	109	100

Source: Primary Data 2015

Figure 4.5: Challenges those respondents face when using Automated Teller Machines (ATM)



Source: Primary Data 2015

Table 4.10 showed the challenges that the customers faced while using the Automated Teller Machines (ATMs).

27% of the respondents enlisted network problems as the major challenge faced. This is because it makes it impossible to deposit or withdraw money hence renders the ATM useless when it cannot be used to access financial services.

In addition, 16% noted that the cash limit is low and hence limits the amount of money one can withdraw to only UGX 1,000,000. The ATM service cannot be used with bulk transactions that are above this limit.

In addition, 17% of the respondents cited the fact that the money in the ATM machines is little and hence easily gets finished especially during busy seasons such as the festive seasons namely Christmas and Easter season as a challenge faced in the use of the ATMs.

16% of the respondents listed faulty machines as another challenge which renders the service inaccessible and hence cannot be used. This frustrates the customers who cannot access banking services.

16% of the respondents indicated that the ATM machines are still few and not well spread out throughout the country. This means that this service is limited to areas that have the ATMs and hence affects the accessibility of these services and reveals that the number of ATMs is not adequate to serve the banking population efficiently.

5% of the respondents indicated that the service is not suitably designed for illiterates. This is because the number of local languages that the instructions for use of the ATMs can be translated is still limited and yet Uganda is blessed with a diversity of cultures hence some people are left out in the use of this service.

2% indicated that the security measures are still lacking hence discouraging clients. Fraudsters easily access customer's money through stealing the ATM Cards and manipulation of the system to access the pin numbers. This in turn increases on the risk in ATMs hence discourages continued use.

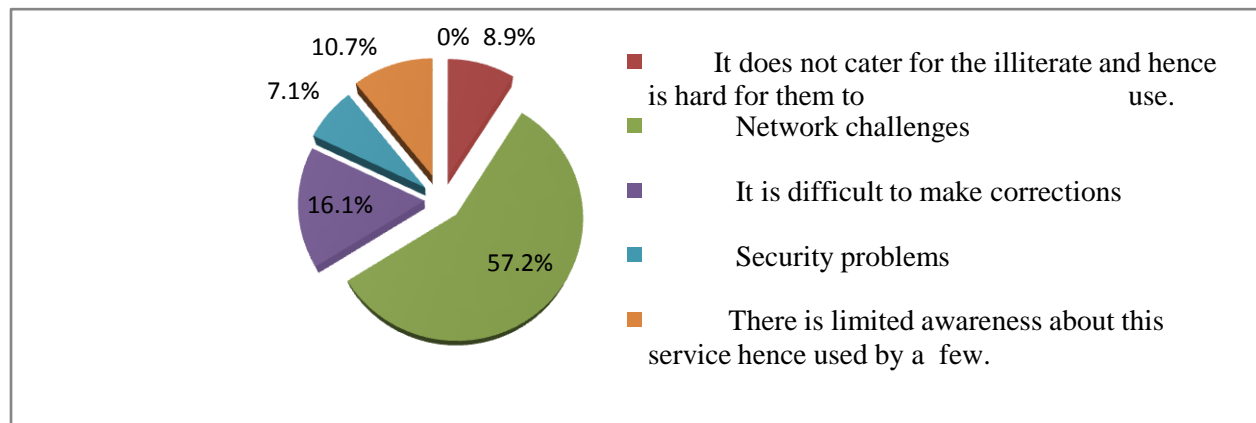
1% of the respondents indicated complications in using the system especially for transactions that involve coins. This is because the ATMs are not designed to receive coins but paper money. This means that if a customer has numerous coins, they will have to make the transaction in the banking hall.

Table 4.11: Challenges those respondents face when using CenteMobile service.

Challenges	Frequency	Percentage
Valid: It does not cater for the illiterate and hence is hard for them to use.	5	8.9
Network challenges	32	57.2
It is difficult to make corrections	9	16.1
Security problems	4	7.1
There is limited awareness about this service hence used by a few.	6	10.7
Total	56	100

Source: Primary Data 2015

Figure 4.6: Challenges that respondents face when using CenteMobile service.



Source: Primary Data 2015

Table 4.11 showed the Challenges that customers face when using CenteMobile service.

The respondents enlisted limited network as the major problem of CenteMobile service with a percentage of 57%. This was as a result of slow network, outright network failure or no network especially caused by interruptions.

Because the service basically involves close interactions with the telecommunication companies, any disruptions in telecommunication network will directly affect this service. In addition, because one can withdraw money from a mobile money agent, places with no mobile money are similarly left out.

16% of the respondents listed that it is challenging to make corrections with transactions using CenteMobile. This is because once the transaction has been confirmed it cannot be reversed and sometimes the implication of not being able to correct the transactions discourages the users.

11% of the respondents cited that the CenteMobile service is still new and hence has not spread out amongst the customers. The customers are still learning about the benefits and some are still enrolling onto the service. Due to this fact that it is new, few customers use it effectively.

9% of the respondents also indicated that this service does not favour the illiterates because of the fact that it requires one to read and be able to interpret the transactions. The service is also predominantly in English and hence favours those who can read and write. This indicates the importance of considering the social environment in achievement of effective customer service.

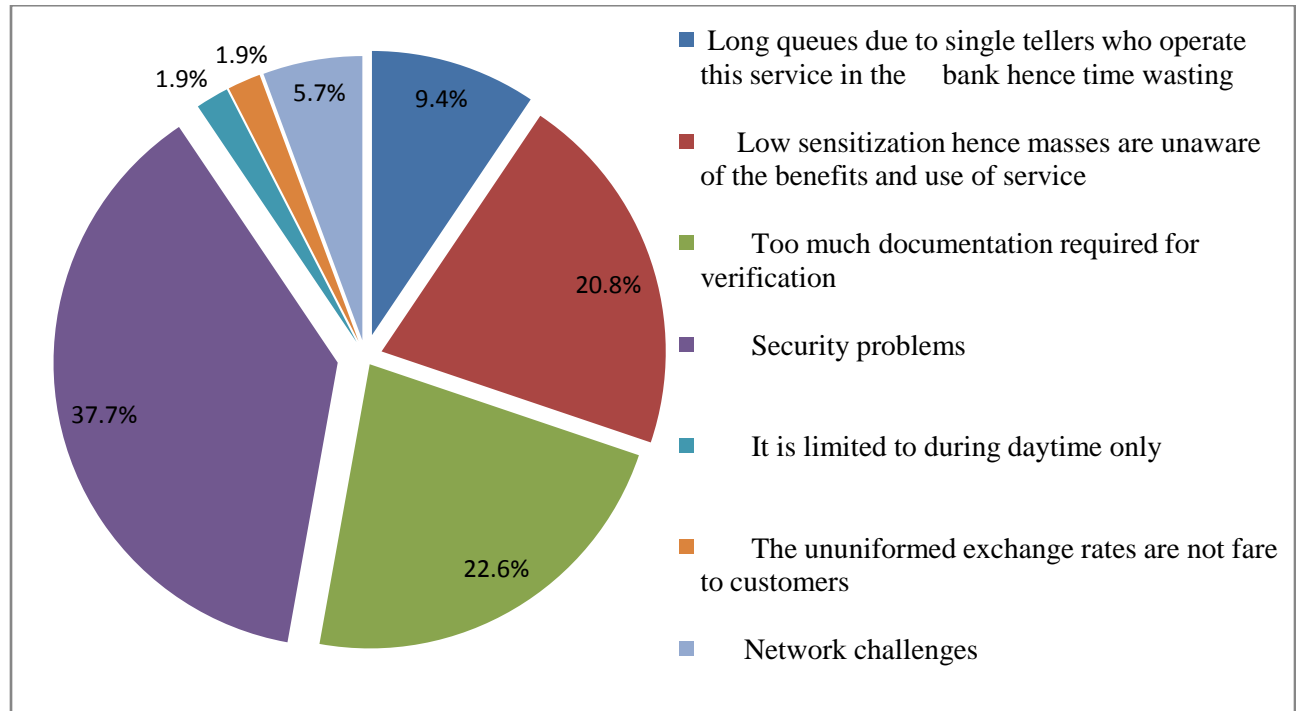
7% of the customers cited security problems in specific after the enrollment into the service when one gets their verification code/number. In case of access of this verification code by a different user, this user can continuously access the customer's account without his approval and transact as if he were the owner of the account hence presenting a security risk.

Table 4.12: Challenges respondents face when using Western Union Money Transfer service.

Challenges	Frequency	Percentage
Valid Long queues due to single tellers who operate this service in the bank hence time wasting	5	9.4
Low sensitization hence masses are unaware of the benefits and use of service	11	20.8
Too much documentation required for verification	12	22.6
Security problems	20	37.7
It is limited to during daytime only	1	1.9
The un-uniform exchange rates are not fare to customers	1	1.9
Network challenges	3	5.7
Total	53	100

Source: Primary Data 2015

Figure 4.7: Challenges respondents face when using Western Union Money Transfer service



Source: Primary Data 2015

Table 4.12 shows that 38% of the respondents cited security problems as the biggest challenge in using the Western Union Money Transfer service. This is because it can be used for various criminal activities such as money laundering practices and as such customers as well as the banking officers are still skeptical of any financial transactions through Western Union.

Similarly, 23% of the respondents cited that too much documentation during verification is in itself a challenge in using the Western Union Money Transfer Service. This is because it causes the process to itself take a longer time.

21% noted that low sensitization is another challenge. One respondent noted that many customers are not aware that the service is present in the bank and hence go to perform the transaction elsewhere other than the bank. In addition other respondents were not clearly aware of the benefits of the service due to insufficient awareness programs.

9% were however disgruntled with the long queues due to the fact that it is only one single teller who operates this service in any bank branch hence it is time wasting. This teller is also involved with other transactions such as foreign exchange, e-tax, e-water and mobile money.

5% of the respondents indicated that network problems are one of the challenges in Western Union Money Transfer which limits its coverage. In case the network is down, transactions using Western Union cannot be performed hence making this service inaccessible.

2% of the respondents indicated that this service is limited to day time only and hence is operational on weekdays from 8.30pm to 5.00pm and on Saturday from 9.00a.m to 1.00p.m. and yet Western Union Transactions are not only limited to this time. This indicates that the hours for performance of this service are limited.

2% of the respondents indicated that the un-uniform exchange rates are not fare to customers. This means that incase one receives money in any foreign currency, they are subject to varying exchange rates hence unstable currency can result to foreign exchange losses.

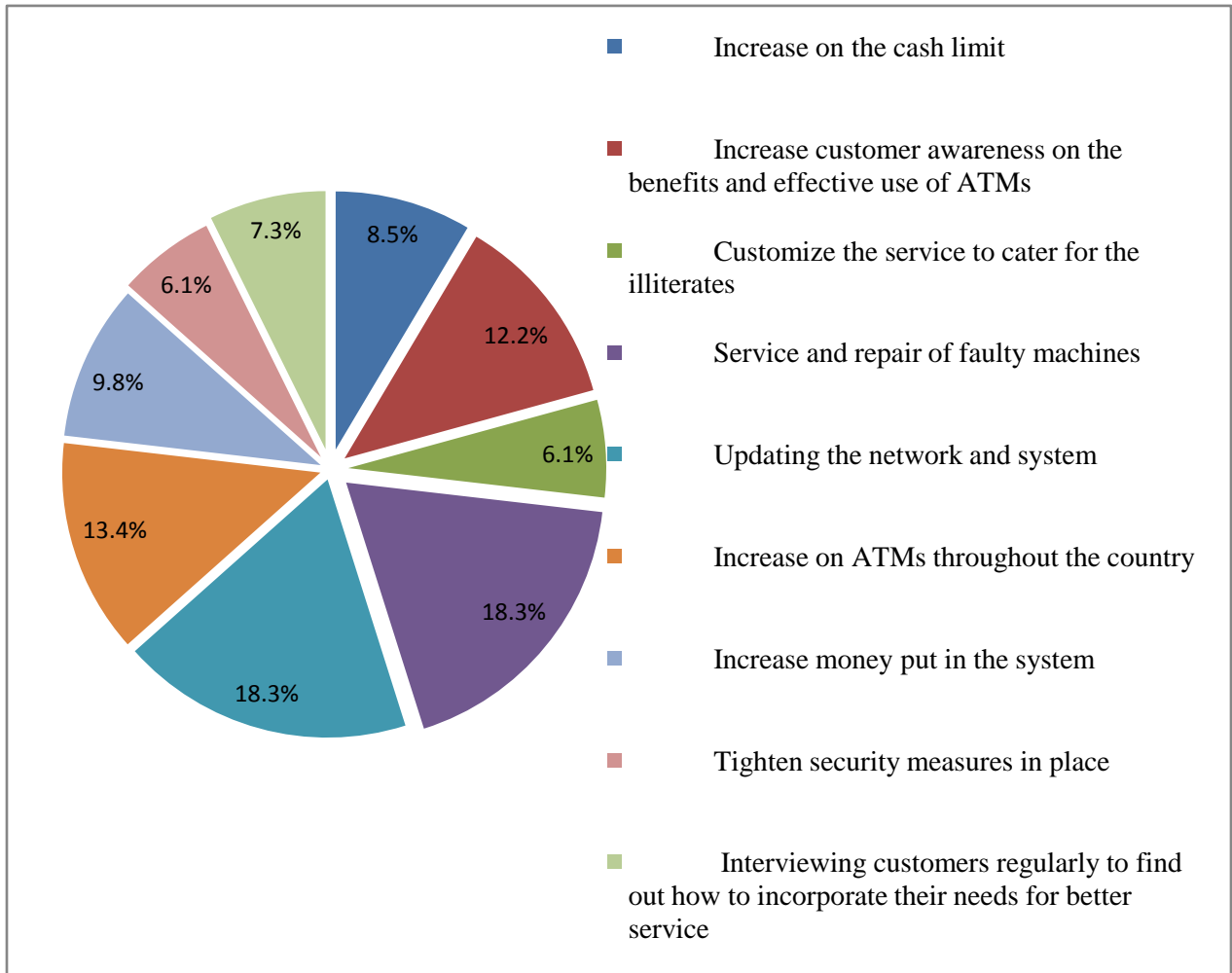
Table 4.13: Possible solutions to the challenges faced by Automated Teller Machines

(ATM) services

Solution	Frequency	Percentage
Valid		
Increase on the cash limit	7	8.5
Increase customer awareness on the benefits and effective use of ATMs	10	12.2
Customize the service to cater for the illiterates	5	6.1
Service and repair of faulty machines	15	18.3
Updating the network and system	15	18.3
Increase on ATMs throughout the country	11	13.4
Increase money put in the system	8	9.8
Tighten security measures in place	5	6.1
Interviewing customers regularly to find out how to incorporate their needs for better service	6	7.3
Total	82	100

Source: Primary Data 2015

Figure 4.8: Possible solutions to the challenges faced by Automated Teller Machines (ATM)



Source: Primary Data 2015

Table 4.13 shows the response of the respondents. The analysis above suggested the following solutions:

The study revealed that 18% of the respondents suggested that diligently updating the network and system will improve on customer service because it will reduce on the network problems.

This can be done by continuously upgrading the systems software.

This will increase on the efficiency of the ATMs as it will improve on the service quality through increasing accessibility to financial services and hence increasing satisfaction in the service amongst customers.

In the same light, servicing and repair of faulty machines was suggested by 18% of the respondents. They suggested that there should be a standby technical team which immediately responds in case of faulty machines. This can be coupled with messages informing customers earlier of an ATM that is faulty. This will improve on the reliability on the system by increasing the efficiency and actual performance of the system hence resulting to customers being satisfied in the service leading to positive feedback from customers.

In addition, 13% of the respondents suggested that the number of ATMs should be increased and this should not only be done in the city centres but also spread to the outskirts in order to increase on the coverage amongst the customers. This improves accessibility and leads to increased satisfaction among customers hence enhancing customer service.

Similarly, 12% of the respondents suggested the need to increase awareness of the benefits of ATMs among customers. The respondents cited areas of information that ought to be emphasized such as the cost effectiveness of the ATMs and the ability to save time. This will result into customers being open to continuous use of the service.

10% of the respondents said that the amount of money put in the ATM should be increased so that it can be sufficient for withdrawal by the customers. This will improve on reliability in the system in that customers will know that they can withdraw money from the ATMs without worry that it may be finished and hence they will continuously use the ATMs. It will result to better service quality and hence enhance customer service.

9% of the respondents indicated that the cash limit should be increased in order to save customers from queuing in the banking halls. The ATM service is currently not used for bulk transactions and hence it results to dissatisfaction amongst customers in this respect. Increasing on the cash limit will capture customers with relatively bulky cash and hence increase use amongst customers resulting to better customer service.

7% of the respondents suggested that there should be continuous interaction of customers with the bank through interviewing customers regularly to find out how to incorporate their needs for better service. Customers are the ones who know what they expect and want from a service and will adopt use of a service based on how best it satisfies their needs. The Banks should introduce customer feedback exercises in order to improve the system according to customer expectations hence enhancing customer service.

6% of the respondents suggested that the service should be customized in order to cater for the illiterates. The languages that the instructions are translated into should be increased as well as various ways of catering for those who do not read or write should be incorporated to improve on customer service. These can include the installment of voice recognition applications using ATMs.

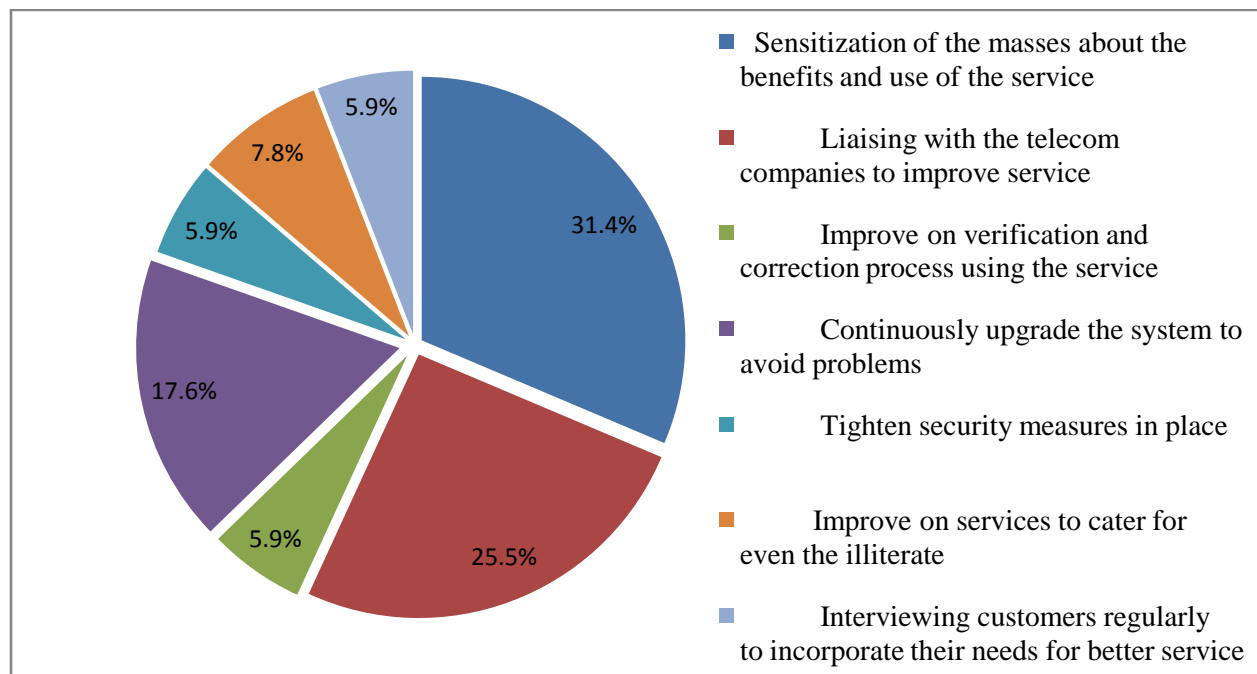
Finally, 6% of the respondents suggested that the security measures should be tightened through activities such as frequently changing one's pin number, putting security guards in high risk areas, use of security cameras monitored by staff in risky areas and setting up ATMs in secure places. This will reduce on the perceived risk and enhance safety which will lead to improved customer service.

Table 4.14: Possible solutions to the challenges faced by CenteMobile Service

Solution	Frequency	Percentage
Valid Sensitization of the masses about the benefits and use of the service	16	31.4
Liaising with the telecom companies to improve service	13	25.5
Improve on verification and correction process using the service	3	5.9
Continuously upgrade the system to avoid problems	9	17.6
Tighten security measures in place	3	5.9
Improve on services to cater for even the illiterate	4	7.8
Interviewing customers regularly to incorporate their needs for better service	3	5.9
Total	51	100

Source: Primary Data 2015

Figure 4.9: Possible solutions to the challenges faced by CenteMobile Service



Source: Primary Data 2015

Table 4.14 shows that 31% of the respondents indicated the need for sensitization of the masses about the benefits and use of the service. This would improve awareness of customers of the product hence its use. The sensitization includes use of intensive advertisements through approaching customers and convincing them of the benefits of using mobile banking.

26% of the respondents suggested the need to liaise with the telecommunication companies in order to improve network and provide a favourable atmosphere for mobile transactions. The network challenges can be solved through ways of ensuring that the system is faster and this can be achieved through constant interactions with the telecom companies.

17% of the respondents indicated the need to continuously upgrade the CenteMobile system in order to encourage use. This will improve on customer's reliability in the system. Reliability results into customer loyalty due to satisfaction of the customer and eventually positively impacts customer service.

8% of the respondents suggested that the service should be customized in order to cater for the illiterates. The languages that the instructions are translated into should be increased as well as ways of catering for those who do not read or write should be incorporated. Using voice recognition applications in the system can be incorporated. This will improve on the customer's understanding of the service and hence positively impact customer service since the transactions will be easy to perform.

6% of the respondents suggested that the security measures should be tightened through activities such as frequently changing one's security code number. This will reduce on the risk and enhance safety which will lead to increased customer service.

6% of the respondents suggested that there should be continuous interaction of customers with the bank through interviewing customers regularly to find out how to incorporate their needs for better service. Customers know what they expect and want from a service and will adopt use of a service based on how best it satisfies their needs. The Banks should introduce customer feedback exercises in order to improve the system according to customer expectations hence enhancing customer service.

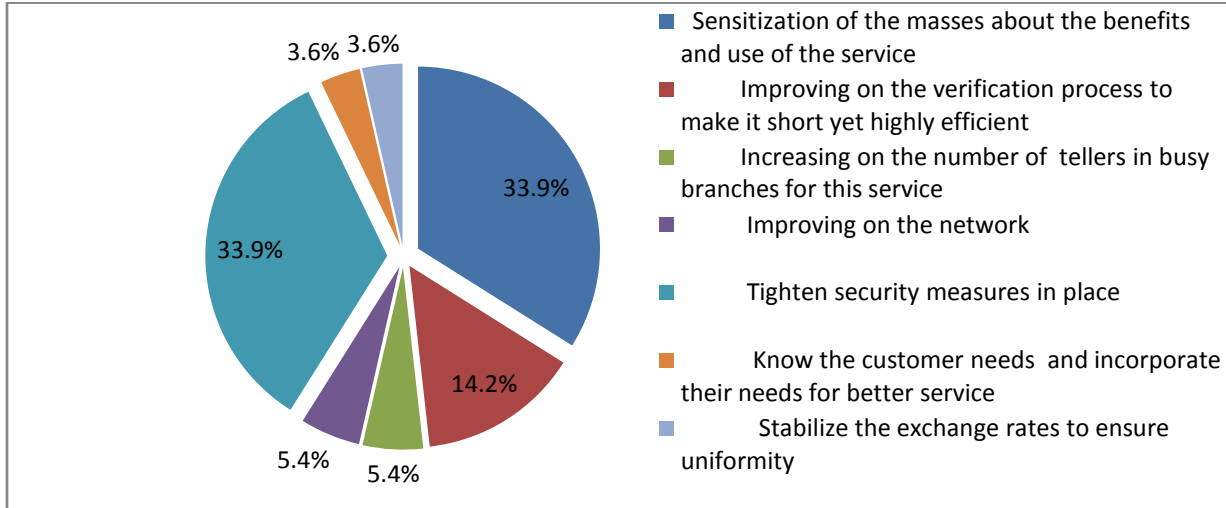
6% of the respondents cited the need to improve on the verification and correction process using the system. More elaborate messages confirming a transaction after it is performed should be incorporated in the system. This will improve on efficiency which impacts on customer service.

Table 4.15: Possible solutions to the challenges faced by Western Union Money Transfer

Solution	Frequency	Percentage
Valid Sensitization of the masses about the benefits and use of the service	19	33.9
Improving on the verification process to make it short yet highly efficient	8	14.2
Increasing on the number of tellers in busy branches for this service	3	5.4
Improving on the network	3	5.4
Tighten security measures in place	19	33.9
Know the customer needs and incorporate their needs for better service	2	3.6
Stabilize the exchange rates to ensure uniformity	2	3.6
Total	56	100

Source: Primary Data 2015

Figure 4.10: Possible solutions to the challenges faced by Western Union Money Transfer



Source: Primary Data 2015

Table 4.15 shows that 33% of the respondents suggested that the security measures put in place should be tightened in a way that is not lengthy and hectic to users. The use of efficient verification procedures and systems can be incorporated. This solves the problem of criminal activity for example money laundering acts.

Similarly 33% noted that increased sensitization of the masses on the benefits of this service and its usage to equip the users with knowledge and working of the system can improve its usage. This will raise awareness and erase the perception that it is a hard service to use hence enhance usage and customer service.

In the same light 14% of the respondents suggested that the verification process should be shortened and yet have high efficiency levels to reduce on time for carrying out the transactions. This will encourage customers to use the service and improve on customer service.

5% of the respondents indicated increasing the number of tellers in busy branches as a possible solution to reduce on congestion caused by queuing for one teller. This results into better customer service if customers are satisfied with the shorter turn around time.

5% of the respondents indicated improving on the network as a possible solution to improving on the satisfaction in use of Western Union Money Transfer.

4% of the respondents indicated the need to know the customer needs and incorporate their needs for better service. There is need of the bank management to know who its customers are, what appeals to them and incorporate these needs into the use of the service. This requires the bank management to know which customers use this service and what their needs are in order to appeal to them. This integration results to increased customer service as customers feel that their opinions are considered.

4% of the respondents indicated the need to stabilize the exchange rates at favourable amounts that appeal to the customers. This will result into customers realizing that Western Union transfer is cost effective and hence the resultant satisfaction in the service.

4.3 Conclusion

The data collected from the respondents played a big role in finding out the effect of electronic banking on customer service in Centenary Bank and this continued to support the findings of previous researchers in some aspects.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary, conclusions, recommendations and areas for further studies arising from the study findings on the effect of e-banking products on customer service in Centenary Bank.

5.2 Summary

5.2.1 E-Banking products accessible in Centenary Bank

The first objective of the study was to establish the e-banking products accessible in Centenary Bank. This study found out that the most accessible e-banking products among customers were the ATM service, CenteMobile and e-tax. 9 in 10 of the customers had used the ATM service before, 6 in 10 had used CenteMobile and e-tax payment whereas 4 in 10 had used e-water payment.

The study found out that the least accessed e-banking products among customers were Western Union Money Transfer, Point of Sale Services, Personal Computer Banking and US Visa application payment. The study found that 2 in 10 of the customers had used Western Union Money Transfer, 1 in 10 of the customers had used the PC Banking, Point Of Sale service and US Visa Application payment before.

5.2.2 The effectiveness of e-banking products in managing queues in Centenary Bank

The second objective of the study was to find out how effective e-banking products have been in managing queues in Centenary Bank. The study found out that 5 in 10 customers found the transactions carried out over the counter to be time wasting hence increasing time spent to complete a bank transaction. 5 in 10 of the customers preferred the ATM service which reduced upon the time spent completing a transaction. 7 in 10 customers found the CenteMobile service to be a faster means of making payments. 5 in 10 customers preferred using e-banking because they found it easy to make transactions as compared to using tellers. However, 5 in 10 still queued in the banking halls because they found it more difficult to correct mistakes using the e-banking products than using the bank tellers. The study found that 5 in 10 of the customers agreed that the Western Union Money Transfer is the fastest way of sending money abroad and 6 in 10 of the customers agreed that it is the fastest way of receiving money from abroad.

5.2.3 The effect of e-banking products on customer service in Centenary Bank

The third objective was to establish the effect of e-banking products on the customer service in Centenary Bank and this was studied by rating the performance dimensions of the e-banking products. The study found that 6 in 10 customers said that e-banking products were customized to suite their banking needs, 7 in 10 customers found e-banking products easy to use and also 7 in 10 customers agreed that the banking services that they required were accessible through the e-banking products. 5 in 10 customers reported that as compared to the transactions carried out over the counter with tellers, those carried out using the e-banking products were more reliable. In addition, 7 in 10 customers reported e-banking products to offer the fastest way of completion of the transactions. Similarly 7 in 10 customers reported e-banking products as cheaper than over the counter transactions and hence preferred them to queuing in the banking halls.

5.2.4 The challenges in accessing e-banking products in Centenary Bank and suggested solutions

The fourth objective sought to identify the challenges in accessing e-banking products in Centenary Bank and to suggest solutions to these challenges. The study found out that only 1 in 10 of the customers found the ATM service, CenteMobile and Western Union Money Transfer service to be complicated and hard to use, with 3 in 10 customers reporting that to use the e-banking products, they required a lot of mental ability. 2 in 10 customers found the registration process for e-banking products difficult, whereas 5 in 10 customers reported that they found it difficult to access the e-banking services due to system network problems. 3 in 10 customers were not satisfied with the range of transactions covered by these e-banking products and they attributed low usage of the e-banking products to the fact that they were poorly promoted. Likewise 5 in 10 customers reported that e-banking products were attractive to be used in criminal activities hence were still unsafe.

With specific reference to the challenges faced by the ATM service, the customers reported the challenges to be network problems disrupting the service, a low cash limit of 1,000,000 Ugandan shillings limiting the amount of money one can withdraw, little money in the ATM machines which gets finished, faulty and few ATM machines, complications in using the system especially for transactions that involve coins, security problems and unsuitable service for the illiterate population in Uganda.

In addition, challenges specific to the CenteMobile Service included challenges in making corrections, network problems, low sensitization and promotion, unsuitable service for the illiterate population in Uganda and security issues.

Likewise, the challenges specific to Western Union Money Transfer included security issues, too much documentation during verification, low sensitization amongst the customers, limitations of the service to day time only, long queues which are timewasting due to the fact that it is only one single teller who operates this service in the different bank branches, network problems and the un-uniform exchange rates.

From these challenges, the respondents suggested the possible solutions to challenges faced by customers when using the e-banking products. With specific reference to the ATM service, the solutions included diligence in updating and upgrading the network and systems, appointing a standby team to repair faulty machines promptly, improved sensitization programmes especially in terms of the benefits of the ATM service to customers, putting more money in the ATMs, continuous interaction with customers through regular interviews and customer feedback exercises to find out how to incorporate their needs for better service, improving on service to the illiterates, improving on the ATM cash limit and tightened security measures.

With specific reference to the CenteMobile service, the customers suggested liaisons with the telecommunication companies in order to improve network and improving on the verification process using the system, system upgrades, tightened security measures, sensitization programmes, improving on the service to cater for the illiterates and customer feedback exercises to find out how to incorporate their needs for better service.

With specific reference to the Western Union Money Transfer service, the customers suggested that the verification process should be shortened efficiently, increasing on the number of tellers in busy branches for this service, system upgrades, tightened security measures, sensitization programmes and customer feedback exercises to find out how to incorporate their needs.

5.3 Conclusions

The conclusions made from this study have been arrived at by taking into account the research questions of the study. The first research question sought to find out the e-banking products accessible in Centenary Bank. From the study, it may be concluded that while Centenary Bank has the following e-banking products ATMs, CenteMobile service, Western Union Money Transfer, e-tax, e-water, PC Banking, POS, and US Visa card Application Payments, the most accessed services by the customers include ATMs, CenteMobile service and e-tax. The least accessed services by customers included e-water, Western Union Money Transfer, PC Banking, POS and US Visa card Application Payments. These findings stem from the fact that the popularly accessed services satisfy customer needs more than the other least accessed products for example the Western Union money transfer and hence customers embraced their use more and demand access. In addition, the bank was still in stages of introduction and promotion of services such as POS and PC Banking. Kumia (2008) also reported similar findings, noting that the developing countries have just started to embrace the concept of e-banking in recent years.

The implication of this is that the bank will need to reach out more to customers using these least accessed e-banking products by customizing them to better suite customer needs and expectations and hence improving their service quality.

The second research question sought to find out how effective the e-banking products have been in managing queues in Centenary Bank. The conclusion from the study suggests that customers found e-banking products to be time saving since they reduced upon the time spent completing a transaction (turn around time). As a result, E-banking products generally reduce on the queuing in the banking halls. These findings were in line with KPMG (2013) and Tukamwesiga (2011) who found ATM banking system gives customers easy access to hard cash money without necessarily accessing banking halls. However, the fact that customers still find it difficult to correct mistakes using the e-banking products resulted into them still accessing bank transactions using bank tellers. The implication of this to Centenary Bank management is to further improve upon the efficiency of verification and correction procedures using e-banking products so as to encourage customers to increase their usage of these products.

The third research question sought to find out the effect the e-banking products have had on customer service in Centenary Bank. The majority of the customers suggested that the e-banking products have resulted to an improvement in the customer service. The effect on customer service measured through the performance dimensions such as customization to banking needs, ease in use, accessibility, safety, reliability, speed and cost effectiveness suggested that e-banking products have had a positive impact on customer service because they meet the performance dimensions and hence satisfy customer expectations as compared to the traditional banking methods. These findings are in line with Cristobal, Flavian & Guinaliu (2007) who identified customer service as fulfillment of the dimensions of service quality through performance indicators such as easy to use, cost effectiveness, efficiency, security/assurance, convenience and reliability.

The fourth research question sought to find out the challenges in accessing e-banking products in Centenary Bank and the solutions. The research concluded the major challenges in e-banking products to be system network problems, safety challenges and poor promotion. The research findings were in line with challenges identified by Mboma (2013) who noted that e-banking still has some service delays resulting from network problems and Moneyval Secretariat (2010) that noted that e-banking is an attractive vehicle for criminal activities.

The research study concluded that they were more challenges to the specific e-banking products. With specific reference to the ATM service, the study concluded that the major challenges were network problems disrupting the service, a low cash limit of 1,000,000 Ugandan shillings limiting the amount of money one can withdraw, little money in the ATM machines which gets finished, faulty and few ATM machines, complications in using the system especially for transactions that involve coins and unsuitable service for the illiterate population in Uganda.

Specific to the CenteMobile Service the study concluded the major challenges to be difficulty in making corrections, low sensitization and promotion, unsuitable service for the illiterate population in Uganda and security issues.

Likewise, the challenges specific to Western Union Money Transfer were concluded as security issues, too much documentation during verification, low sensitization amongst the customers, long queues which are timewasting due to the fact that it is only one single teller who operates this service in the bank branch, network problems and the un-uniform exchange rates.

The implication of this is that it results into customers being dissatisfied in the service offered by the e-banking products hence if allowed to go on, it will result into a negative impact on customer service and fail to have more customers adopt the e-banking products.

This means that bank management needs to pay close attention to these challenges to bring about improved satisfaction amongst customers.

The study concluded the following were possible solutions to the above challenges faced by the e-banking products namely ATMs, CenteMobile and Western Union Money Transfer; diligent updating and upgrading the network and system, appointing a standby team to repair faulty machines, improved sensitization programmes especially in terms of the benefits of e-banking products to customers, continuous interaction of customers with the bank through interviewing customers regularly through feedback exercises to find out how to incorporate their needs for better service, improving on service to the illiterates and tightened security measures.

In specific to the ATM service, the study concluded that the number of ATMs should be increased and also there should be an increase on the amount of money put in the ATM as well as the cash limit allowed for withdrawal.

With specific reference to the CenteMobile service, the study concluded that liaisons with the telecommunication companies in order to improve network should be emphasized and improvement on the verification process using the system.

With specific reference to the Western Union Money Transfer service, the study concluded that the verification process should be shortened, and yet still serve its purpose efficiently, the number of tellers in busy branches for this service be increased and the banks should stabilize the exchange rates.

5.4 Recommendations

From the findings of the study, it shows that the customers still face challenges with banking products and lack of a clear avenue to express them. There is need for the bank to improve upon its customer service desk. The bank management should actively involved in asking customers what they desire to see in terms of improvement of the e-banking products in order to achieve greater service among the customers.

There is need for the bank to identify general and key areas affecting the-banking products and enact positive change through improving in those areas. General areas include security, network problems and unsuitable service to the illiterates and this can be handled through constant upgrading and updation exercises of the system, tightening security and introduction of more local languages as well as products to suite the illiterates.

Lastly, the bank needs to design more rigorous promotion and awareness programs in order to sensitize customers of the benefits of e-banking products as a more efficient way of banking. This is because awareness of these services is still low and affects the use of these products.

5.5 Suggestions for further research

There is the need to investigate further why the e-banking products namely E-water payments, PC Banking, POS and US Visa Application payment have low usage amongst the population.

Besides the E-banking Products, there is need to investigate areas that can affect customer service. These areas include bank management and ambiance.

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APPENDICES

APPENDIX I: QUESTIONNAIRE FOR CUSTOMERS OF CENTENARY BANK

This questionnaire is designed to generate information on the effect of electronic banking on customer service in Centenary Bank.

Dear respondent,

The research is purely academic. The information obtained will be used strictly for academic purposes, and will be handled with utmost confidentiality.

The researcher therefore is kindly requesting you to fully answer the following questions truthfully with respect to the e-banking products, with specific emphasis to Automated Teller Machines (ATM), CenteMobile and Western Union. Thank you for your time.

PART ONE: Background information

(Please tick where appropriate)

1. Gender.

(i) Female

(ii) Male

2. Age

(i) Below 25 years

(ii) 26-30 years

(iii) 31-35 years

(iv) 36-40 years

(v) 41 and above

3) Education level

(i) O'Level

(ii) A'level

(iii) Diploma Degree

(v) post graduate

4. Duration with Centenary Bank?

(i) below 2years

(ii)2-5 years

(iii) above 5 years

PART TWO: E-banking products offered at Centenary Bank.

Please choose and tick the most appropriate option using the scale

Opinions	Yes	No
1. I have used the e-tax payment as provided in Centenary Bank to pay my taxes.		
2. I have used the Automated Teller Machines (ATM) services/ Centepoint service.		
3. I have used the point of sale service provided by Centenary Bank.		
4. I have used the CenteMobile service.		
5. I have used the Western Union Money Transfer.		
6. I have used the e-water payments to pay my water bills.		
7. I have used the Personal Computer Banking. (PC Banking).		
8. I have used the US Visa application payments.		

PART THREE: Effectiveness of e-banking products in managing queues in banks

Please choose and tick the most appropriate option with emphasis to Automated Teller Machines (ATM), CenteMobile and Western Union.

Use the scale; 1=strongly disagree, 2 =disagree, 3=Not sure, 4= agree and 5=strongly agree.

Opinions	1	2	3	4	5
1. Over the counter transactions normally delay and are time wasting.					
2. Using the Automated Teller Machines (ATM)) has reduced on the time spent completing a bank transaction.					
3 Bank transactions can be accessed using the Automated Teller Machines (ATM)) and so it is not necessary to come to the banking hall.					
4. CenteMobile is a faster system of making payments.					
5. It is easier to make transactions using e-banking services over those made with the help of bank tellers.					
6. It is easier to correct the mistakes made when making transactions using e-banking products compared to those with human tellers.					
7. Using western union money transfer is the fastest way of sending money abroad.					
8. Using western union money transfer is the fastest way of receiving money from abroad.					

PART FOUR: Effectiveness of e-banking products on customer service.

Please choose and tick the most appropriate option with emphasis to Automated Teller Machines (ATM), CenteMobile and Western Union.

Use the scale; 1=strongly disagree, 2 =disagree, 3=Not sure, 4= agree and 5=strongly agree.

Opinions	1	2	3	4	5
1. E-Banking products are customised to suite banking needs.					
2. E-banking products are easy to use.					
3. Banking is accessible through e-banking products.					
4. E-banking products offers a safe means for bank transactions.					
5. Using e-banking products is more reliable than over the counter transactions.					
6. . E-banking products offer the fastest way of making transactions in banks.					
7. Using e-banking products is cheaper than over the counter transactions.					

PART FIVE: The challenges in accessing e-banking products.

Please choose and tick the most appropriate option.

Use the scale; 1=strongly disagree, 2 =disagree, 3=Not sure, 4= agree and 5=strongly agree.

Opinions	1	2	3	4	5
1. The Automated Teller Machines (ATM)) service is complicated and hard to use.					
2. Centemobile service is complicated and hard to use					
3. Western Union Money Transfer is complicated and hard to use.					
4. Using e-banking products requires a lot of mental ability.					
5. The registration process for e-banking products in Centenary Bank is a difficult process.					
6. System network problems make e-products inaccessible.					

7. The range of transactions for which e-banking products covers is narrow.					
8. Poor promotion of e-banking products is the reason they have a low area coverage.					
9. E-banking products are attractive to be used in criminal activities.					

10. What challenges when using Automated Teller Machines (ATM) Services?

.....

11. What challenges when using Centemobile Services?

.....

12. What challenges when using Western Union Money transfer Services?

.....

13. What are the possible solutions to the challenges faced by e-banking products?

Solution for Automated Teller Machines (ATM) services

.....

Solution for Centemobile services

.....

Solution for Western Union Money transfer services

.....

Thank you for your time and support.

APPENDIX II: LETTER OF INTRODUCTION FOR ASSISTANCE FOR RESEARCH

Uganda
Martyrs
University



making a difference

**Office of the Dean
Faculty of Business Administration and Management**

Your ref.:
Our ref.:

Nkozi, 22nd January, 2015

To Whom it may Concern

Dear Sir/Madam,

Re: Assistance for Research:

Greetings and best wishes from Uganda Martyrs University.

This is to introduce to you MS. OWACH ATIM ANGELLA who is a student of Uganda Martyrs University. As part of the requirements for the award of the Degree of Bachelor of Business Administration and Management of the University, the student is required to submit a dissertation which involves a field research on a selected case study such as a firm, governmental or non governmental organization, financial or other institutions.

The purpose of this letter is to request you permit and facilitate the student in this survey. Your support will be greatly appreciated.

Thank you in advance.

Yours Sincerely,

Moses Kibrai
Dean

