

Customers' Adoption of Electronic Banking and Access to Its Facilities in Maiduguri Metropolis, Borno State, Nigeria: An Empirical Investigation

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Abstract

Electronic system of banking has globally changed the face of commercial banking in recent times. It has helped in bridging geographical, industrial and regulatory gaps and created innovative products and services as well as more market opportunities for both banks and customers. However, its adoption is influenced by a number of variables including customers' awareness, privacy, convenience and accessibility. This study investigated adoption of e-banking and access to its facilities in some selected commercial banks in Maiduguri metropolis. The study used primary data generated through administration of questionnaires on customers of five (5) Commercial banks. Fifty (50) customers from each of the banks making a total of two hundred and fifty (250) were selected as sample. Convenience and simple random sampling methods were used in selecting the banks and customers respectively. Descriptive statistics and correlation test were applied to analyse the data. The results disclosed that there is a significant relationship between adoption of e-banking and access to its facilities. This is confirmed by the r-value of 0.944 (i.e 94.4%) and P-value of 0.023 which are strong, positive and significant at 5% level of significance. Based on this result, it is suggested that commercial banks in Maiduguri metropolis in conjunction with electronic service providers should make conscious efforts in ensuring the availability of, and accessibility to e-banking facilities. In other words, when introducing innovative products or services such as the electronic system of banking, its supporting facilities should be made to be always adequately available or easily accessible. If this measure is considered, customers' or users' accessibility may be improved which might enhance the intention to adopt electronic banking.

Keywords: Customers, Adoption, E-banking, Access, Facilities.

Introduction

Electronic system of banking which is generally termed as e-banking is described as the process by which a bank customer may carry out banking transactions electronically without necessarily having to visit a banking hall (Simon & Thomas, 2016). This suggests that unlike manual or traditional form of banking which requires bank customers and staff to meet on face-to-face basis for any transactions to be carried out, this system allows individuals to perform banking activities without the need to meet with any bank staff. The system is said to have changed the face of commercial banking in recent times by bridging geographical, industrial, inter-personal and regulatory gaps as well as creating innovative products and services, and more market opportunities for both banks and customers (Popoola, 2013). E-banking has also yielded faster, easier, quality and more reliable services and great reduction in the time spent by customers in banking halls.

Although the virtues and importance of e-banking cannot be over-emphasized, Tan and Teo (2000) observed that its adoption by customers is influenced by a number of factors. According to them, factors like customers level of awareness, privacy, accessibility to e-banking facilities and convenience have striking influence on customers' intention to adopt and use e-banking system. Thus, it is against this background that this paper seeks to empirically investigate the relationship between customers adoption of e-banking and access to its facilities in Maiduguri Metropolis, Borno state.

Hypothesis

In order to guide this study, the following hypothesis was formulated and tested at 5% level of significance.

Ho: There is no significant relationship between customers' adoption of e-banking and accessibility to its facilities in Maiduguri Metropolis.

Conceptual Review

The term electronic banking may denote different things to different people due to its technically and intricately complex nature. In other words, the literal meaning of e-banking tends to vary among scholars. It is as a result of this that Jamal (2004) views e-banking as the delivery of banks' information and services to customers via different platforms that can be used with different terminal devices. The devices according to him may include personal computer, mobile phone with browser or desktop software and digital television.

Timothy (2012), describes electronic banking as the use of the internet as a remote delivery channel for providing services such as opening a deposit account, transferring funds among different accounts and paying bills.

This definition implies that through the internet, bank customers can access different forms of banking products and services. In a related dimension, Ovia (2012) opines that e-banking is the use of the internet and telecommunication networks to deliver a wide range of value added products and services to bank customers. Accordingly, customers can access banks' products and services through the use of a system that allows them to perform banking activities at home or from their offices without necessarily visiting banking halls. This concept suggests that customers can access their account information at anytime (day or night) and from anywhere through the use of e-banking.

Ngango, Mbabazize and Shukla (2015) describe e-banking as an umbrella term for the process by which various classes of customers may perform banking business electronically without visiting a brick and mortar institution. By this, it is meant that a customer can perform financial transactions at the comfort of his house, office, or even in transit.

With e-banking facilities, customers can access their balances and transactions on their accounts and also perform other banking services like funds transfer from one account to the other, carry out transactions with customers of other banks without necessarily having to meet on one-on-one (Mohammed, Siba & Sreekumar, 2009).

From the foregoing, the literal meaning of electronic banking borders on how banks and their customers may conduct their respective business transactions through different forms of electronic facilities, the concept of customer accessibility borders on the extent to which a customer or user can obtain a product or service at the time it is needed. Availability or access to the internet is an essential pre-requisite for the adoption of electronic banking. That is, the more widespread the access to facilities like computers, connecting networks and internet, the greater is the possibility of adopting e-banking. Accessibility is the ability of the user to access information and services from the web which depends on factors such as content format, user's hardware, internet connections, environmental conditions, user's abilities and disabilities (Hackett & Parmanto, 2009). This is to say that customers can access e-banking services only when the service is available or accessible.

Accessibility to e-banking has to do with the ease with which customers have access to financial tools, their accounts, ease of making payments from their accounts and access to money available in their accounts using various digital channels such as ATMs, POS terminals, mobile phones etc (Villers, 2012). In other words, accessibility defines how the various digital channels may make a meaningful experience to the customers in terms of access to their funds, access to banking facilities and services as well as feedback.

Empirical Review

Ramavhone and Mokwena (2016) studied factors influencing internet banking adoption in South African rural areas. The study used 400 retail bank customers, and utilized correlation as well as regression models in analyzing the data. It was reported that majority of the retail bank customers in South African rural areas do not use internet banking because of the limited access or lack of facilities such as computers with internet access. The study also discovered that perceived compatibility, reliability and external factors such as awareness and security were found to have significant influence in the adoption of internet banking in South African rural areas.

In an investigation of the adoption of internet banking in Nigeria, Chiemeka, Ewwiekpaefe and Chete (2006) revealed that the main factors that inhibit the adoption of internet banking are security and inadequate operational facilities including telecommunications, power, as well as lack of customer education. They suggested that further improvements on those inhibiting factors should be considered in order to satisfy customers' requirements and increase the rate of internet banking adoption in Nigeria.

Similarly, Makosana (2014) examined customers' adoption of electronic banking in the commercial banking industry in Zimbabwe where he used a target population of 200 customers of 16 commercial banks. He employed factor analysis and reported that a significant number of the customers indicated that they have no access to the services of e-banking, some do not have debit cards and have no access to internet or networks that provide either Personal Computer (P.C.) banking or internet banking. In other words, a positive relationship between customers' adoption of e-banking and access to facilities was established.

Research findings of an exploratory study on factors that influence consumers' adoption of e-banking in Nigeria by Aliyu, Sayf and Rosmaini (2014) who used a sample of 125 respondents showed six factors have significant influence on consumers' intention to adopt and use e-banking. These factors are awareness, ease of use, security, cost, reluctance to change and accessibility to e-banking facilities.

Research Methodology

The study utilized customers of some five (5) selected commercial banks in Maiduguri Metropolis. The banks are Guarantee Trust Bank (GTB), United Bank for Africa (UBA), Access Bank, First Bank of Nigeria (FBN) and Zenith Bank. A total number of twenty-three thousand, one hundred and twenty-nine (23,129) customers of the banks under study served as the population for the study. However, fifty (50) customers from each of the banks making a total of two hundred and fifty (250) were selected to serve as the sample size.

The study adopted convenience and simple random sampling methods in selecting the banks as well as the customers respectively. While the convenience technique was used for its convenience, the simple random sampling method was employed in order to give customers equal chance of being selected. A survey method of data collection was used through which questionnaires were administered to the respondents from the respective banks.

In situations where the respondents were discovered to be not much able to read and understand the items in the questionnaire, the questions were read and interpreted to them by some research assistants while their responses were noted thereby transforming the exercise into personal interview. The data collected were analysed using descriptive statistics and Pearson Product Moment Correlation. That is while descriptive statistics was used to analyse the data on population and sample frame, as well as customers' rating of access to e-banking facilities, correlation was employed to test the hypothesis.

Results

Table 1: Population and Sample Frame

S/No.	Bank	Population	Sample
1.	Guarantee Trust Bank (GT Bank)	5,300	50
2.	United Bank for Africa (UBA)	3,241	50
3.	Access Bank	3,400	50
4.	First Bank of Nigeria (FBN)	7,200	50
5.	Zenith Bank	3,988	50
	Total	23,129	250

Note: All the 250 questionnaires distributed were properly filled and retrieved.

Table 2: Respondents Distribution on Rating of Access to E-banking Facilities

Response	Frequency	Percentage
Easily Accessible	101	40.4
Not Easily Accessible	149	59.6
Total	250	100

Table 2 shows respondents distribution on their rating of access to e-banking facilities. The result of the analysis indicates that majority of them, accounting for 59.6% are of the view that accessibility to e-banking facilities is not that easy, while only 40.4% of them affirmed that it is easily accessible.

Testing of Hypothesis

Ho: There is no significant relationship between customers' adoption of e-banking and access to its facilities in Maiduguri Metropolis.

Table 3: Pearson Correlation Test

Variables	Statistical Parameters	Use of e-banking System	Accessibility to facilities
Use of electronic banking system	Pearson correlation	1	0.944*
	sig. (2-tailed)		0.023
	Number of valid cases	250	250
Accessibility to e-banking facilities	Pearson correlation	0.944	1
	sig. (2-tailed)	0.023	
	Number of valid cases	250	250

Table 3 sought to determine whether or not there is significant relationship between customers' adoption of e-banking system and access to its facilities. The results revealed that there is strong, positive and significant relationship between customers' adoption of e-banking and access to its facilities. This is confirmed by the r-value of 0.944 (i.e. 94.4%) and P-value of 0.023, which is significant at 5% level of significance.

Discussion of Results

The study investigated customers' adoption of electronic banking and access to its facilities in Maiduguri Metropolis, Borno state, Nigeria. The results established that there is a strong, positive and significant relationship between customers' intention to adopt e-banking and access to e-banking facilities. This corresponds with the position of Ramavhone and Mokwena (2016) who studied factors influencing internet banking adoption in South African rural areas. They reported that most of the retail bank customers in South African rural areas do not use internet banking because of the limited access or lack of adequate facilities such as computers with network access.

Similarly, the findings of this study conform the results of Makosana (2014) who examined customers' adoption of electronic banking in the commercial banking industry in Zimbabwe. He discovered that a significant

number of the respondents indicated that they have no access to the services of e-banking. Some of them stressed that they do not have debit cards and have no access to internet or networks that provide P.C. banking or internet banking.

The results also support the findings of Chiemeka et al (2006) who investigated the adoption of internet banking in Nigeria. It was revealed that the main factors that inhibit the adoption of internet banking are security and inadequate operational facilities including telecommunications, power and lack of customer education. Therefore, since an inadequate operational facility was found to have significant influence on adoption of internet banking as reported by their study, the results might be said to be supportive of one another.

Finally, the results corroborate the findings of Aliyu et al (2014) who conducted an exploratory study on factors that influence consumers' adoption of e-banking in Nigeria. They discovered that accessibility to e-banking facilities is one of the six factors that influence consumers' intention to adopt and use e-banking in Nigeria. The other factors are awareness, ease of use, security, cost and reluctance to change.

Conclusion/Suggestion

It is established that significant relationship exists between customers' adoption of e-banking and access to its facilities in Maiduguri Metropolis, Borno state. This implies that customers may adopt e-banking services only when the services or supporting facilities are adequately available or easily accessible. The paper therefore, suggests that when introducing innovative product or service such as the electronic banking system, commercial banks in conjunction with electronic service providers should make conscious effort in ensuring that adequate and easily accessible facilities are always provided. These facilities may include ATMs, POS terminals, debit cards etc. If this measure is taken into consideration, customers or users can easily access and obtain them at anytime of need which might enhance their intention to adopt and use electronic banking system.

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