

An Assessment Of The Use Of Online Banking Channels As A Measure Of Quality Service Delivery In South-West Nigeria

SONEYE GBOLADE MICHAEL, PhD

DEPARTMENT OF BUSINESS EDUCATION, TAI SOLARIN UNIVERSITY OF EDUCATION, IJAGUN, Phone no: +2348033515852

E-mail address: gboladesoneye@yahoo.com

Abstract: This study assessed the use of online banking channels for effective service delivery in Nigeria banking sector. Four research questions and four null hypotheses guided the study. Descriptive survey research design was adopted for the study. The study covered 64 microfinance banks in Oyo State, South-West, Nigeria. The population was made up of 1275 staffs from the 64 microfinance banks. The sample size consisted of 28 microfinance banks of which 280 staffs were purposively selected. A 32 item structured questionnaire was used as instrument for data collection. Four experts carried out the face and content validity of the instrument. The reliability was determined using Cronbach's Alpha statistic Reliability Coefficient and reliability coefficient of 0.86 was obtained. The arithmetic mean and standard deviation were used to analyze data, answer research questions and determine the homogeneity or otherwise of the respondents' means while ANOVA was used to test the null hypotheses at 0.05 level of significance. The findings revealed that microfinance banks in Oyo State have not use electronic payment cards and electronic fund transfer as online banking channels. It was recommended among other things, that management of microfinance banks should adopt most of the online banking channel used by commercial banks in order to boost their standard of operation within the banking sector also, microfinance bank management should engage, encourage and sponsor their staff for re-training programmes to update their ICT knowledge, skills and competencies to effectively use the resources for quality customer service delivery.

Keywords: usage, online banking channels, bank employees, quality service delivery

1. Introduction

The emergence of Information and Communication Technology (ICT) as recorded in recent times has brought advancement in different spheres of human endeavour; medicine, government, business and so on. So many technological tools, gadgets and software packages are being discovered on daily basis and the need to develop our human capital towards the acquisition and utilization of this knowledge becomes inevitable. Information and communication technology has become the rave of the moment in global socio-economic affairs. It has become so important that every country, organization or institution no matter how highly or lowly placed want to identify and embrace it. The world presently is knowledge-driven and information age has taken the centre stage in virtually everything. Usage of ICT facilities is therefore a sine qua non for qualitative e-banking service delivery. Information and communication technology is a system that is used in the processing, storage and transfer of information which can be audio, visual or both in the form of numbers, letters and pictures. The advent of Internet, electronic commerce, communication technology and users' response to this technology has opened opportunity for many businesses including the financial institution. Usage of electronic banking service delivery is fast gaining ground in Nigeria. Different online banking channels such as electronic cards, internet banking and mobile banking services have been introduced. Electronic banking delivery offers benefits to both banks and customers. Pikkarainen et al. [1] mentioned two fundamental reasons underlying online banking development and penetration. First, that banks get significant cost savings in their operation through e-banking services. It has been proved that online banking channel is

the cheapest delivery channel for banking products once established. Second, that banks have reduced their branch networks and downsized the number of service staff, which has paved the way to self-service channels as quite many customers felt that branch banking took too much time and effort. On the other hand, customers enjoy self-service, freedom from time and place constraint, and reduced stress of queuing in banking hall. Therefore, time and cost savings and freedom from place have been found the main reasons underlying online banking acceptance. It was indicated that electronic banking services delivery are the cheapest, the most profitable and wealthiest delivery channel for banking products [1]. However, not all banks engage in the use on e-banking services. There are multiple reasons for this. First, bank employees need to have an access to the Internet in order to utilize some e-banking facilities such as Internet and Mobile banking facilities. Furthermore, most new online users need first to learn how to use the service. Second, some bank employees often complain that online banking is incomprehensible, difficult to use and has no social dimension, i.e. the lack of face-to-face situation. Third, some banks are afraid of security issues. Lastly, the issue of job security of which bank employees are afraid of loosening their job. How then can the customers enjoy the benefits of these e-banking facilities in this era of cashless policy? Meaning that some banks may deprive their customers the opportunity of transacting business without the use of electronic banking channels. Where is the quality service delivery then? The need to know the level of usage of online banking channels delivery necessitated this study on the assessment of the use of online banking channels by banks employees as a measure of for quality service delivery in the area.

2. Literature Review

Banking, in its modern form started in Nigeria in the year 1892, when African Banking Corporation (ABC) commenced formal banking business. ABC was later taken over by the Bank of British West Africa known today as First bank PLC [2]. The date of the commencement of modern banking notwithstanding, the first banking legislation in Nigeria was the banking ordinance (Act) of 1952 which was later amended and re-amended in 1958 and 1962 respectively. The act was later repealed and replaced with a new banking act of 1969 which, with a few minor amendments in 1970, 1972 and 1979 has remained the main banking legislation in Nigeria till date. Computerization in the Nigerian banking industry was introduced first in the 1970s by Societal General Bank Limited. Until the mid 1990, few banks that were computerized adopted the Local Area Network (LAN) within the bank branches. The sophisticated ones among the banks then implemented the WAN by linking branches within cities while one or two implemented intercity connectivity using leased lines [3]. The emergence of information and communication technology has created a platform for the use of e-banking as important instruments for improving business strategies and strong catalysts for business growth and development. Banks have not only adopted computerization but advanced from very simple and basic retail operations of deposits and cash withdrawal as well as cheque processing, to the delivery of sophisticated products which came as a result of keen competition in view of unprecedented upsurge in the number of banks and branches as well as advancement in the information technology. There was the need to innovate and modernize banking operation in the face of increased market pressure and customers demand for improved service delivery and increased convenience. The adoption of internet and electronic banking therefore become an imperative [3]. The introduction of e-banking (e-payment) products in Nigeria commenced in 1996 when the CBN granted All States Trust Bank approval to introduce a closed system electronic purse called ESCA. This was followed in February 1997, with the introduction of a similar product called "Paycard", by Diamond Bank. The card based e-money products assumed an open platform with the authorization in February 1998, of Smartcard Nigeria PLC, a company floated by a consortium of 19 banks to produce and manage cards called value card and issued by the member banks. Another consortium of more than 20 banks under the auspices of Gemcard Nigeria Limited obtained CBN approval in November 1999 to introduce the "Smartpay" Scheme [4]. The number of participating banks in each of the two schemes had been rising since then. Furthermore, the CBN additionally granted approval to a number of banks to introduce international money transfer products, telephone banking and on-line banking via the internet, though on a limited scale [4].

2.1 Microfinance Banks in Nigeria

The potential of microfinance in poverty reduction, economic growth and development coupled with the emergence of fast growing Microfinance Institutions

(MFIs), has effectively put the issue of microfinance on the potential agenda of most developing countries including Nigeria. A microfinance bank (MFB), refers to any company licensed by the CBN to carry on the business of providing financial services such as savings and deposits, loans, domestic fund transfer, other financial and non-financial services to microfinance clients. A microfinance bank target client shall include the economically active low-income earners, low income households, the un-banked and under-served people in particular, vulnerable groups such as women, physically challenged, youths, micro-entrepreneurs, information sector operators, subsistence farmers in urban and rural areas. The provision of financial services by microfinance Banks is also targeted as operators of microenterprises. A micro enterprise is a business that operates with overall start-up capital and its management is often built around the sole owner or micro-enterprises typically includes primary production and crafts, value added processing, distributive trades and diverse services. Microfinance Bank loan is granted to the operators of micro-enterprises, such as peasant farmers, artisans, fishermen, youths, women, senior citizens and non-salaried workers in the formal and informal sectors. The loans are usually unsecured, but typically granted on the basis of the applicant's character and the combined cash flow of the business and household. The tenure of microfinance loans is usually within 180 days (6months). Tenures longer than six (6) months would be treated as special cases. There are three (3) types of Microfinance Banks in Nigeria [5];

1. Unit microfinance bank: A unit Microfinance Bank is authorized to operate in one location. It shall be required to have a minimum paid-up capital of N20 million (twenty million naira) and is prohibited from having branches and/or cash centres.
2. State microfinance bank: A State Microfinance Bank is authorized to operate in one state or the Federal Capital Territory (FCT). It shall be required to have a minimum paid up capital of N100 million (one hundred million naira) and is allowed to open branches within the same state or the FCT, subject to prior written approval of the CBN for each new branch or cash centre.
3. National microfinance bank: A National Microfinance Bank is authorized to operate in more than one state including the FCT. It shall be required to have a minimum paid-up capital of N2 billion (two billion naira), and is allowed to open branches in all states of the federation and the FCT, subject to prior written approval of the CBN for each new branch or cash centre.

Functions of Microfinance Banks

According to CBN [5], Microfinance Banks are allowed to engage in the provision of the following services to its clients;

1. Acceptance of various types of deposits including savings, time, target and demand from individuals, groups and associations; except public sector deposits;
2. Provision of credit to its customers, including formal and informal self-help groups, individuals and associations;

3. Promotion and monitoring of loan usage among its customers by providing ancillary capacity building in areas such as record keeping and small business management;
4. Assurance of redeemable debentures to interested parties to raise funds from members of the public with the prior approval of the CBN;
5. Collection of money or proceeds of banking instruments on behalf of its customers including clearing of cheques through correspondent banks;
6. Act as agent for the provision of mobile banking and micro insurance services to its clients
7. Provision of payment services such as salary, gratuity and pension for employees of the various tiers of government;
8. Provision of loan disbursement services for the delivery of the credit programme of government, agencies, groups and individual for poverty alleviation on non-recourse basis;
9. Provision of ancillary banking services to its customers such as domestic remittance of funds and safe custody;
10. Maintenance and operation of various types of account with other banks in Nigeria;
11. Investment of its surplus funds in suitable instruments including placing such funds with correspondent banks and in Treasury Bills;
12. Pay and receive interests as may be agreed upon between the MFB and its clients in accordance with existing guidelines;
13. Operation of micro leasing facilities, microfinance related hire purchase and arrangement of consortium lending as well as supervision of credit schemes to ensure access of microfinance customers to inputs for their economic activities;
14. Receiving of refinancing or other funds from CBN and other sources, private or public, on terms mutually acceptable to both the provider of the funds and the recipient MFBs;
15. Provision of microfinance related guarantees for its customers to enable them have better access to credit and other resources-;
16. Buying, selling and supplying industrial and agricultural inputs, livestock, machinery and industrial raw materials to low-income persons on credit and to act as agent for any association for the sale of such goods or livestock;
17. Investment in shares or equity of a body corporate, the objective of which is to provide microfinance services to low-income persons;
18. Investment in cottage industries and income generating projects for low-income persons as may be prescribed by the CBN;
19. Provision of services and facilities to customers to hedge various risks relating to microfinance activities;
20. Provision of professional advice to low income persons regarding investment in small businesses; rendering managerial, marketing, technical and administrative advice to customers and assisting them in obtaining services in such fields;
21. Mobilize and provide financial and technical assistance and training to microenterprises;
22. Provision of loans to microfinance clients for home improvement, housing microfinance and consumer credits; and
23. Performance of non-banking functions and relate to microfinance business development services such as co-operatives and group formation activities, rural industrialization and other support services needed by micro enterprises.

2.2 Concept of Electronic Banking

The Internet has brought about the emergence of virtual markets with four primary distinct characteristics, which are real-time, shared, open and global [6]. The growing rate of ICT utilization particularly the Internet has influenced at an exponential rate, online interaction and communication among the generality of the populace. The adoption of e-banking began to occur quite extensively as a channel of distribution for financial service due to rapid advances in information technology and intensive competitive banking markets [7]. Following the globalization trend, e-banking is cognizant in Nigeria so as to put her banking industry on the path of global competitiveness. The concept of e-banking differs amongst scholars. This is due to the fact that e-banking encompasses variety of services provided through electronic devices and over the Internet. It is the most recent delivery channel of banking services which is used for both business-to-business and business-to-customer transactions. According to Burr in Oloyede et al. [8] electronic banking is the electronic connection between the bank and customer in order to prepare, manage and control financial transactions. Salehi and Alipour [7] indicated that e-banking includes the systems that enable financial customers, individuals or business to access accounts transact business, or obtain information on financial products and services through a public or mobile phone. With e-banking, transaction cost would be low when compared to the cost of banking through conventional methods. E-banking has become the key element to strengthen the competitiveness Of the national economy and improving the productivity and efficiency of both private and government banks.

2.3 E-banking Delivery Channels

The various services of e-banking can be achieved through various electronic banking delivery channels which include: online banking, internet marketing and advertising, electronic fund transfer, electronic payment card, automated teller machine, cell phone or mobile banking and online customer contact or communication

2.3.1 On-line banking delivery channel

On-line banking is one of the commonest e-banking delivery systems. It is a system that allows banking customers to access transactions in branches of their bank outside the particular branch where they initially and originally opened an account. Online banking is the system of payment or withdrawal of funds from a bank branch different from the one a customer opened his account at the outset. On-line banking being one of the e-banking delivering channels

equally involves the use of the internet, computers and other networks is use by the electronic payment system. Electronic payment otherwise referred to as e-payment has been defined as a payment system consisting of electronic mechanisms make the exchange of payments possible. Kalkarni in Johnson [9] defined e-payment as payment of monetary transaction made over the internet or network of computers. It involves provision of payment services and transfers through devices such as telephone, computers internet automated teller machines (ATM) and smartcards. Online Banking allows customers to conduct financial transactions on a secure website operated by their retail outlet or at the comfort of one's home, given the overwhelming success of on-line banking.

2.3.2 Electronic Money Transfer Delivery Channel

Electronic money transfer is one of the oldest delivery channels in the e-banking systems. Electronic money has been broadly defined by the European central bank [10] as an electronic store of monetary value on a technical device that may be widely used for making payments to undertakings other than the issuer without necessarily involving bank accounts in the transaction, but acting as a period bearer instrument. It is a paperless system of payment that offers an alternative to the traditional system of payment which involves the provision of payment services and transfers through devices such as telephone, computer, internet, Automated Teller Machines (ATM) and value card. Electronic money transfer brought into banking system the fastest means of transferring funds from any part to the world. The system was initiated by Western Union Telegraph Company, Rochester, New York [11]. This system involves the use of security or secret codes known only to the sender and receiver of the fund. In the use electronic money transfer, the receiver, through the code transmitted to him is made ready to answer question to be asked him by the paying Bank. The ability of the customer to answer correctly the questions that pertain to the sender, the source of the fund, in a situation where he fails to supply the correct answer to the questions asked by the paying bank, he may not be regarded as the owner of such fund.

2.3.3 Automated Teller machine delivery channel

ATM is an acronym for automated teller machine which serves as a cash dispensing machine to banks customers in place of the regular paper and pen system of operation. The ATM being a system that is accessible to customers on a 24 hour bases could equally be drawn from any automated teller machine point closer to the customer which makes adoption a widely spread one [12]. Automated Teller Machine (ATM) is a complex self service station for each withdrawal, account information, credit transfer and cash deposits. ATM and credit card network are linked in such a way to enable card holder of any bank to operate any ATM machine. The ATM machine is managed by inter switch and they acts as settlement agents to all the bank 20 banks that are members. The Automated Teller Machine (ATM) came to the lime light as one of the e-banking delivery channels in the early part of the 1970s. This was made possible when city National Bank of Columbus, Ohio, put

them to use. The automated teller machine, as one of the e-banking delivery channels uses an ATM card. The ATM card is usually coded with a personal Identification Number (PIN) whenever a customer wants to make withdrawal using ATM he must have to supply the PIN number. Where he/she fails to supply the number correctly, the transaction will never be successful. The ATM being a system that remains open must be made available the teller machine thorough coding, before transaction could be through.

2.3.4 Personal Computer and Telephone Banking Delivery Channel

Computer banking is another delivery channel of the e-banking in computer banking a customer through his personal computer can view his account balance, request for fund transfer between accounts and equally settle bills electronically. It is the use of personal computers outside bank branch location to access accounts for transactions by subscribing to and dialing into the banks internet proprietary software system using password [13]. The password authenticates allows customers to gain entry into the internet proprietary software. In Nigeria, PC banking can be classified into 2 types online banking and internet banking such services or facilities that can enjoyed over PC banking include fund transfer, cash withdrawal and deposit, account statement, loan repayment facility, clearing and balance enquire within branches of the same bank account balance enquiry, exchange rate or interest rate inquiry, credit card statement, standing instructions, password change, bank guarantee application and lots more.

2.3.5 Electronic Payment Card Delivery Channel

Value cards form one of the major delivery channels of e-banking in communities where e-banking has been fully adopted by financial institutions [14]. In this system, banks and other financial institutions may issue cards that contain values stored into them electronically. These cards with such stored values could be used for transaction, purchases and settlement of debts. Smart card is operational in Nigeria under the brand name of value card. The Nigeria holding company, acts as settlement agent as well as coordinate hardware and software supply, while participating banks serve as card issuers. But it must be noted that, where these value cards are used for transactions or purchase, such act, must never exceed the value stored in such cards. As value cards are not transferable, their use relieves the banking customer of the stress of always going to queue in the bank for funds and the eventual carrying of cash for credit when granted is either settled in full by the end of a specified period or settled in part with the remaining balance extended to the next billing period. Credit cards are also to use on the Internet, as only the credit card details need to be sent to the beneficiary in order to effect payment.

2.4 Related Empirical Studies

Efughi [15] investigated the extent of utilization of e-banking delivery channels by commercial banks operating in Abia state. It was found that ATM, online Banking has been utilized while electronic fund transfer, payment card and mobile banking have not been fully necessitated the

utilization of some of the delivery channels. Harrison [16] also conducted a study on the adoption of e-commerce in the Nigeria banking industry with emphasis on the problems and prospects of e-commerce. The findings revealed that banks face some barriers/challenges when they adopt e-commerce. The study recommended among other things that banks should accept e-commerce as a strategy to improve and develop the quality of products and services offered to customers. Ayo et al. [12] also carried out a study on evaluation of recent experiences of Information and Communication Technology (ICT) in banking operations in Nigeria. Three categories of variables that related to the adoption and implementation of ICT devices were used for the study. These include the nature and degree of adoption of identified technologies, degree of utilization of the identified technologies and the impact of the ICT devices adoption on bank operations. The study revealed that the periods 1990 to 2005 was characterized by fundamental changes in the content and quality of banking business in the country. That technology was seen to be the main driving force of competition in the banking industry during the period. That the rates of adoption of e-banking delivery channels appreciate within the period. That the adoption of ICT by banks has improved customers services; facilitated accurate records provided for home enhances faster services. Ayo et al. [17] reviewed the State of e-banking implantation and evaluated the influence of trust on adoption of e-payment in Nigeria. The study revealed that perceived ease of use and perceived usefulness not only precedes the acceptance of e-banking, they are factors to retain customers' patronage for quality service delivery. This study is related to the present study in that it examine how the implementation of e-banking has influence the usage of e-payment in Nigeria. Ahmad Bello [18] investigated the impact of e-banking on customer satisfaction in Nigeria. It was discovered that though customers are aware of the positive developments in information technology and telecommunications, they are not satisfied with the quality and efficiency of e-banking services. The study recommended banks should improve their service delivery and provide adequate security to win customers confidence. This study is related to the present work because it focuses on how e-banking has enhance customers satisfaction in Nigeria but differ in the aspect of coverage. The present study examines the extent of adoption of e-commerce and e-banking delivery channels by microfinance bank.

3. Problem of the Study

Commercial and banking activities from inception were performed traditionally, that is, with the use of paper and physical efforts. This system limited the quality and quantity of transactions carried out by business and banking institutions. Among the problems encountered with this system include; too much of paper work, damages to papers, difficulty branches or location, too frequent human errors as well as poor crowd and database management among others. These problems necessitated the quest for an innovative and effective means of delivering business transactions and banking services through the use of modern technology. The

emergence of information and communication technology has created a platform for the use of e-banking as important instruments for improving business strategies and strong catalysts for business growth and development. E-banking has created electronic markets and provided opportunities for business (Especially banks) to reach customers in a very direct way. Despite the benefit of e-banking delivery channels, as observed by the researcher, some banks especially microfinance might have not fully adopt and use some of the available channels in the course of their operations in Nigeria. Their inability to adopt and use some of these delivery channels could be attributed to poor management, technical knowhow, lack of adequate banking infrastructures, poor policies formulation and decision making and financial strength for policy implementation.. Also, the inability to adopt and use e-banking delivery channels could be traced to the caliber of customers available to this type of bank. Some of their customers might be neither computer literate nor ICT inclined. The lack of required knowledge makes it difficult for them to avail themselves of the opportunities and benefits of using e-banking packages. However, it was discovered that not all banks adopted e-banking services. There are multiple reasons for this. First, bank employees need to have an access to the Internet in order to utilize some e-banking facilities such as Internet and Mobile banking facilities. Furthermore, most new online users need first to learn how to use the service. Second, some bank employees often complain that online banking is incomprehensible, difficult to use and has no social dimension, i.e. the lack of face-to-face situation. Third, some banks are afraid of security issues. Also, the issue of job security, as some of the bank employees may be afraid of loosening their job. How then can the customers enjoy the benefits these e-banking facilities in this era of cashless policy. Meaning that some banks may deprive their customers the opportunity of transacting business with electronic banking channels. Where is the quality service delivery then? The need to know the level of usage of these online banking channels delivery necessitated this study on the assessment of the use of online banking channels by banks for quality service delivery in the area.

4. Purpose of the Study

The study specifically determined the extent to which:

- 4.1 Electronic fund transfer is used by microfinance banks in Oyo state;
- 4.2 Automated Teller Machine is used by microfinance banks in Oyo state;
- 4.3 Electronic payment card is used by microfinance banks in Oyo state;
- 4.4 Mobile banking is used by microfinance banks in Oyo state;

5. Research Questions

The following research questions guided the study;

- 5.1 To what extent do microfinance banks use electronic payment card for quality service delivery in Oyo State?

- 5.2 To what extent do microfinance banks use electronic fund transfer for quality service delivery in Oyo State?
- 5.3 To what extent do microfinance banks use automated teller machine for quality service delivery in Oyo State?
- 5.4 To what extent do microfinance banks use mobile banking or cell phone for quality service delivery in Oyo State?

6. Hypotheses

The following null hypotheses were tested at 0.05 level of significance;

- 6.1 There is no significant difference in the mean responses of microfinance banks employees on the usage of electronic fund transfer base on their status in the bank.
- 6.2 There is no significant difference in the mean responses of microfinance banks employees on the usage of automated teller machine base on location of their banks
- 6.3 There is no significant difference in the mean responses of microfinance banks employees on the usage of electronic payment card base on location of their banks

- 6.4 There is no significant difference in the mean responses of unit and state microfinance bank employees on the usage of cell phone or mobile banking

7. Method

The study design adopted for this study was descriptive survey. The study covered 64 microfinance banks in Oyo State, South-West, Nigeria. The population was made up of 1275 staffs from the 64 microfinance banks. The sample size consisted of 28 microfinance banks of which 280 staffs were purposively selected. Data were collected with structured questionnaire. Four experts carried out the face and content validity of the instrument. The reliability was determined by administering the questionnaire on forty staff of microfinance banks in Osun State who were not part of the study population. Data collected were analyzed using Cronbach's Alpha statistic Reliability Coefficient and reliability coefficient of 0.86 was obtained. The researcher personally administered the instrument to the respondents with the help of three research assistants. The arithmetic mean and standard deviation were used to analyze data, answer research questions and determine the homogeneity or otherwise of the respondents' means. ANOVA was used to test the null hypotheses at 0.05 level of significance.

8. Results

Research Question 1.

To what extent do microfinance banks use electronic fund transfer for quality service delivery in Oyo State?

Table 2: Descriptive statistics on the usage of electronic fund transfer by Microfinance Banks

S/N	STATEMENTS	\bar{X}	SD	REMARK
1	Local cash transfer	3.40	0.88	Agreed
2	Pre-authorized payment of recurring bills	1.84	0.83	Disagreed
3	Fund transfer between governments controlled account	1.14	0.34	Disagreed
4	Inter-bank payment	3.12	1.20	Agreed
5	Payment of salaries	2.65	0.70	Agreed
6	Electronic check	1.61	0.65	Disagreed
7	Settlement of debts	1.83	0.93	Disagreed
8	Fund transfer through ATM	1.70	0.83	Disagreed
9	Fund transfer on mobile phones	1.29	0.63	Disagreed

Data in Table 2 showed that items 1, 4 and 5 had mean scores of 3.4, 3.12 and 2.65 respectively which are greater than the cut-off point 2.50. This means that electronic fund of transfer channel is utilized by microfinance banks in the area of local fund transfer, inter-bank payment and payment of salaries. Items 2, 3, 6, 7, 8 and 9 had mean score between 1.14 and 1.84 which are below the mean cutoff point of 2.50. This therefore means that electronic fund transfer channel is not utilized for pre-authorized payment of recurring bills, fund transfer between government controlled account, electronic check, settlement of debt, fund transfer through ATM and fund transfer on mobile phone.

Research Question 2

To what extent do microfinance banks use automated teller machine for quality service delivery in Oyo State?

Table 2: Descriptive statistics on the usage of automated teller machine by microfinance banks

S/N	STATEMENTS The use of ATM	\bar{X}	SD	REMARK
10	By your bank branches in the state	2.77	1.35	Agreed
11	By customers	2.59	1.27	Agreed
12	For cash withdrawal	2.90	1.29	Agreed
13	Inter-bank payment	3.12	1.20	Agreed
14	Transfer of funds within Nigeria	3.03	1.27	Agreed
15	For opening of new accounts	2.62	1.23	Agreed
16	For making enquires	2.56	0.78	Agreed
17	For buying airtime	2.79	1.13	Agreed

Data in Table 2 showed that all the items on the use of Automated teller machine by microfinance Banks had their mean score between 2.59 and 3.03 which are above the mean cutoff point of 2.50. This means that microfinance banks in Oyo State Use Automated Teller Machine for quality service delivery.

Research Question 3

To what extent do microfinance banks use electronic payment card for quality service delivery in Oyo State?

Table 3: Descriptive statistics on the utilization of electronic payment card by microfinance banks

S/N	STATEMENT The use of ATM	\bar{X}	SD	REMARK
18	Use of credit cards	1.43	1.05	Disagreed
19	Use of debits cards	1.66	1.04	Disagreed
20	Use of single purpose cards	2.15	0.88	Disagreed
21	Card to make purchase online	1.43	1.05	Disagreed
22	Make purchase through phones	1.19	0.66	Disagreed
23	Error adjustment	1.22	0.42	Disagreed
24	Card for Credit facilities	1.59	0.49	Disagreed
25	Use of e-purse and micro	1.14	0.46	Disagreed

Data in Table 3 show that all the items on the use of electronic payment card by microfinance banks had their mean score between 1.14 and 2.15 which are below the mean cut off point of 2.50. This means that microfinance banks in Oyo State has not utilized electronic payment card as e-banking delivery channels in their operation in Oyo State for quality service delivery.

Research Question 4

To what extent do microfinance banks adopted and utilized cell phone or mobile banking in their operation in Oyo State?

Table 4: descriptive statistics on the utilization of mobile banking by microfinance banks

S/N	STATEMENTS	X	SD	REMARK
26	Fund Transfer on mobile phone	1.00	0.00	Disagreed
27	Checking account balance on mobile phone	1.09	0.29	Disagreed
28	Making Enquiry via mobile phone	2.08	0.74	Disagreed
29	Sending account details by text message	3.59	0.94	Agreed
30	Opening account via mobile phone	1.33	0.88	Disagreed
31	Sending statement of account via mobile phone	3.33	1.21	Agreed
32	Purchasing airtime with balance in bank account on mobile phone	1.56	0.85	Disagreed

Data in Table 4 show that item 29 and 31 had their mean scores of 3.59 and 3.33 respectively which is above the cutoff point of 2.50 this means that microfinance banks only used mobile phone banking channel for sending statement of

account and account details. They have not been using mobile phone banking for purchasing airtime, opening of account, making enquiry, checking balance and fund transfer.

Hypothesis 1

There is no significant difference in the mean responses of microfinance banks employees on the usage of electronic fund transfer base on their status in the bank.

Table 5: analysis of variance base on the status of microfinance banks employees on the adoption of electronic fund transfer

	Sum of Square	Df	Mean Square	F	Sig.
Between Groups	19.04	2	9.52		0.39 0.68
Within Groups	6710.95	277	24.23		
Total	6729.99	279			

Data in Table 5 show F value is 0.39 and a significance value of 0.68. The calculated significance value is greater than the alpha significance of 0.05 at which it is being tested. This means that there is no significance difference in the mean ratings of microfinance banks employees on the usage of electronic fund transfer base on their status in the bank. The null hypothesis was upheld

Hypothesis 2

There is no significant difference in the mean responses of microfinance banks employees on the usage of automated teller machine

Table 6. analysis of variance on base on the status of microfinance banks employees on usage of automated Teller Machine.

	Sum of Square	Df	Mean Square	F	Sig.
Between Groups	52.91	1	26.46		0.34 0.71
Within Groups	217113.65	277	78.39		
Total	21766.57	279			

Data in Table 6 show F value of 0.34 and a significance value of 0.71. The calculated significance value is greater than the alpha significance of 0.05 at which it is being tested. This means that there is no significant difference in the mean responses of microfinance banks employees on the usage of automated teller machine base on their status in the bank. The null hypothesis was upheld.

Hypothesis 3

There is no significant difference in the mean responses of microfinance banks employees on the usage of electronic payment card base on their status in the bank

Table 7: Analysis of variance base on the status of microfinance banks employees' on the usage of electronic payment card

	Sum of Square	Df	Mean Square	F	Sig.
Between Groups	0.75	2	0.38		0.03 0.98
Within Groups	4120.83	277	14.88		
Total	4121.59	279			

Data in Table 7 show F value of 0.03 and a significance value of 0.98. The calculated significance value is greater than the alpha significance of 0.05 at which it is being tested. This means that there is no significant difference in the mean responses of microfinance bank employees on the adoption of electronic payment card base on their status in the banks. The null hypothesis was upheld.

Hypothesis 4

There is no significance difference in the mean responses of unit and state microfinance bank employees on the usage of cell phone or mobile banking

Table 8: Analysis of variance of unit and state microfinance banks staff on the adoption of mobile banking delivery channel

	Sum of Square	Df	Mean Square	F	Sig.
Between Groups	0.18	1	0.18		0.09
Within Groups	552.74	278	1.99		0.7
Total	552.91	279			

Data in Table 8 show F value of 0.09 and significance value of 0.77. The calculated significance value is greater than the alpha significance of 0.05 at which it is being tested. This means that there is no significant difference in the mean responses of unit and state microfinance bank employees on the usage of cell phone or mobile banking. The null hypothesis was upheld.

9. Discussion of Findings

The findings of this study showed that microfinance banks in Oyo State use electronic fund transfer for local fund transfer, inter-bank payment and payment of salaries of corporate clients. But not used in pre-authorized payment of recurring bills, fund transfer between government controlled account, electronic check, settlement of debt, fund transfer through ATM and fund transfer on mobile phone. This corroborates the findings of Ayo et al. [17] which stated that perceived ease of use and perceived usefulness not only precedes the acceptance of e-banking, they are factors to retain customers patronage on quality service delivery. This study is related to the present study in that it examine how the implementation of e-banking has influence the usage of e-payment in Nigeria. The findings also agree with the report of Harrison [16] on the adoption of e-commerce in the Nigerian banking industry, where it was discovered that banks face a lot of challenges in adopting e-banking to improve and develop quality of products and services offered to customers. The study also revealed that Microfinance Banks in Oyo State has not utilized electronic payment card as e-banking delivery channels in their operation in Oyo state. This shows that the customer cannot enjoy the benefit of quality e-banking service delivery that characterized the cashless policy. The finding is in consonance with that of Ahmad Bello [18] which stated that customers are aware of the positive developments in information technology and telecommunications; they are not satisfied with the quality and efficiency of e-banking services. The study recommended banks should improve their service delivery and provide adequate security to win customers confidence. This finding buttressed the assertion of Okeke [19] that although all financial institution has been using e-banking as part of their service delivery channels to customers, many customers appear not to reap the potential of e-banking. The findings of the study further showed that microfinance banks in Oyo state utilize Automated Teller Machine in delivery of services to customers in Oyo State.

These findings are in consonance with the study of Efughi [15], on investigation of the extent of utilization of e-banking delivery channel by commercial banks operating in Abia State, where it was found that ATM, online banking, has been utilized while electronic fund transfer, payment card and mobile banking have not been fully utilized. Findings also indicates that microfinance banks only used mobile phone banking channel for sending statement of account and account details and they have not been using mobile phone banking for customers airtime purchase, opening of account, making enquiry, checking balance and fund transfer. This can also be supported by Efughi [15] which found out that mobile banking have not been fully utilized. Besides, Ayansi and Otubu [20] showed that mobile banking offers a way to lower the cost of moving money and paving a way to bring more users in contact with the formal financial system. Ahmad Bello [18] investigated the impact of e-banking on customer satisfaction in Nigeria. It was discovered that though customers are aware of the positive developments in information technology and telecommunications, they are not satisfied with the quality and efficiency of e-banking services. The study recommended banks should improve their service delivery and provide adequate security to win customers confidence. This finding is at variance with the study of Agboola [12] on evaluation of recent experiences of information and Communication Technology (ICT) in banking operations in Nigeria. It reveals that adoption by banks have improved customer services, facilitated accurate records, provided for home and office banking services, ensure convenience business hours, prompt and fair attention, and enhances faster services. The test result also revealed that, microfinance banks employees irrespective of status or category of bank they belong were not significantly differ in four hypotheses.

10. Conclusion

Based on the findings of the study, it was concluded that microfinance banks in Nigeria utilize some e-commerce delivery channels such as Automated Teller Machine in their service delivery. They have not utilized other e-banking delivery channels such as electronic payment card and electronic fund transfer due to financial strength, caliber of customers and level of computer literacy, poor management, lack of technical know-how, lack of adequate banking infrastructures, poor policies formulation and

decision making process. The researcher is of the opinion that the market size and level of operation of microfinance banks will be enhanced if some of the e-commerce delivery channels indicated in the study are judiciously utilized. It will also boost customers' patronage by assuring them of efficient quality services delivery.

11. Recommendations

Based on the findings and conclusion of the study, it was recommended that;

1. Management of microfinance banks should adopt most of the e-commerce delivery channel used by commercial banks in order to boost their standard of operation within the banking sector.
2. Management of microfinance banks should improve network connectivity for a hitch-free transaction via electronic means.
3. Microfinance bank management should engage, encourage and sponsor their staff for re-training programmes to update their ICT knowledge, skills and competencies to effectively utilize the resources for quality customer services.
4. Central Bank of Nigeria should make it mandatory for all microfinance banks in Nigeria to utilize some common e-commerce delivery channel such as ATM, Mobile banking, internet banking and online communication channel to enable them compete with other banks and also boost their patronage and reduce the congestions at the commercial banks
5. Government through the CBN should also strengthen the regulatory framework of microfinance banks to ensure security of transactions that will take place via e-commerce platform.

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AUTHOR



Gbolade, M. Soneye holds a B.Sc(Ed) Accounting, M.Ed. and PhD degree in Business Education (Accounting). He has a diverse profile with almost 22 years experience in teaching as well as academic coordination. Dr.Gbolade is professional consultant and human development trainer in the field of Accounting and Business. His

research interests include: e-business, auditing and investigation, managerial accounting, taxation, public sector accounting and entrepreneurship. He is a member of the Nigerian Accounting Teacher Association (NATA), Teachers Registration Council of Nigeria (TRCN) and Association of Business Educators of Nigeria (ABEN). He has several research papers nationally and internationally and published books in the field of Accounting and Business Management. He has attended conferences, seminars and workshops both home and abroad. He is happily married with children. Opportunities. International