

CHRISTIAN SERVICE UNIVERSITY COLLEGE



SCHOOL OF BUSINESS

DEPARTMENT OF ACCOUNTING AND FINANCE

IMPACT OF ONLINE BANKING IN GHANA

**(A CASE STUDY OF STANDARD CHARTERED BANK, HARPER ROAD
BRANCH)**

TWUMASI FORSON DENNIS

ADU FOKUO DENNIS

ABABIO AMA KONAMA

AGYAPONG NANA NTERA

OTI-APPIAH STEPHEN JNR

**A PROJECT WORK PRESENTED TO THE CHRISTIAN SERVICE UNIVERSITY
COLLEGE IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE
AWARD OF BACHELOR OF BUSINESS ADMINISTRATION
(BANKING AND FINANCE)**

JUNE, 2015

STATEMENT OF AUTHENTICITY

We have read the university regulations relating to plagiarism and certify that this report is all our own work and does not contain any unacknowledged work from any other source. We also declare that we have been under supervision for this report herein submitted.

Name	Index Number	Signature	Date
Twumasi Forson Dennis	19148503	.....	.....
Adu Fokuo Dennis	10148323	.....	.....
Ababio Ama Konama	10148300	.....	.....
Agyapong Nana Ntera	10148330	.....	.....
Oti-Appiah Stephen Jnr	10148481	.....	.....

Supervisor's Declaration

I hereby declare that the Preparation and Presentation of the Dissertation Were Supervised In Accordance With the Guidelines on Supervision Laid down by Christian Service University College.

Supervisor's Name

Dr. Solomon Arhin

Head of Department's Name

Dr. Solomon Arhin

Dean of Business Department

Kwaku Ahenkroah (Dr.)

ABSTRACT

The purpose of the study was to provide relevant information for effective and efficient decision concerning online banking at Standard Chartered Bank(Harper Road Branch) and the objectives were to identify the banks online banking products and services, benefits and problems/challenges involved. The researchers adopted a case study design which provides manageable study area which is represented of other similar areas. Both quantitative and qualitative methods were used in the study. The population was 100 customers of standard chartered bank who provided relevant information that aided our research. Information was also gathered from the bank. Questionnaires were administered to 100 customers to obtain statistical useful information about the topic. Data from the field was sorted, coded, and entered in Statistical Package for Social Scientist (SPSS) which was used to establish the usage, benefits, problems and prospects of online banking. Key findings of the study revealed that there is a paradigm shift in the banking industry from traditional banking system to the modern banking system thus online banking. This modern online banking system seeks to reduce the difficulties involved in banking transactions prevalent in the traditional system. Online banking was also found to be important in attracting students, business men traders and young professionals to banking due to its convenience, flexibility reliability, security and speed .problems identified by customers interviewed in this study included unstable connections, instability of ATMs, security concerns amongst others. Though it has its own short falls, online banking is seen to be a formidable force that will drive the adoption of technology by many banks in order to keep up with competition. The study further provides recommendations on how to improve on online banking systems at Standard Chartered Bank (Harper Road Branch)

DEDICATION

This dissertation is dedicated to our families, who passed on a love of reading and respect of education. Without their huge support, it would not have been possible. And also to our lovely friends, your inspiration, encouragement and support in diverse forms would always be remembered and cherished.

ACKNOWLEDGEMENT

The Lord has been faithful in granting the strength, wisdom, knowledge and the courage needed throughout this period of study. We thank the Almighty God and Father above, for life and success of the entire group that undertook this study.

We wish to show immense appreciation to our supervisor, Dr. Solomon Arhin who executed his duties of supervising this work in a passionate, and an expeditious manner. Our heartfelt gratitude goes to our parents, siblings and loved ones for their support in diverse forms. Our sincere appreciation goes to our good friends as well as our numerous course mates. Finally, to the board, members staff and customers of Standard Chartered Bank for availing themselves to the success of this study.

GOD BLESS YOU ALL.

TABLE OF CONTENT

Statement of Authenticity.....	ii
Abstract.....	iii
Dedication.....	iv
Acknowledgement.....	v
Table of contents.....	vi
List of Tables.....	ix
List of Figures.....	x

CHAPTER ONE

1.1. Background of study.....	1
1.2. Online banking in Ghana.....	2
1.3. Problem statement.....	5
1.4. Objectives of study.....	6
1.5. Research questions.....	7
1.6. Significance of study.....	7
1.7. Scope of study.....	7
1.8. Limitation of study.....	8

CHAPTER TWO

2.1. Concept of online banking	9
2.2. Definitions of online banking.....	10
2.3. Online banking delivery channels.....	11
2.4. Related studies	11
2.5. Conceptual framework.....	13
2.6. Definition of terms.....	14
2.7. Benefits of electronic banking	18
2.8. Problems of electronic banking	21

2.9. Challenges in implementing online banking.....	22
2.10. Prospects of electronic banking.....	23

CHAPTER THREE

3.1. Introduction.....	25
3.2. Methodology.....	25
3.3. Research design.....	26
3.4. Sources of data.....	26
3.5. Population of study.....	27
3.6. Sampling and Sampling technique.....	27
3.7. Research strategy and instruments.....	28
3.7.1. Questionnaires.....	28
3.8. Data analysis method	29
3.9. Ethical consideration	29

CHAPTER FOUR

4.1. Introduction.....	30
4.2. Data from the bank.....	30
4.2.1. Internet banking.....	30
4.2.2. Mobile banking.....	31
4.2.3. Automated teller machine	31
4.2.4. Telephone banking.....	31
4.3. Patronage of online products and services.....	31
4.4. Benefits of online banking products and service.....	32
4.4.1. Value creation and value enhancements.....	32
4.4.2. Lower cost of doing business.....	32
4.4.3. Improvement in customer relations.....	32

4.4.4. Revenue generation and improvement in productivity.....	32
4.4.5. Increased market share.....	33
4.5. Data from customers.....	33
4.5.1. Personal data.....	33
4.5.2. Online banking usage.....	35
4.5.3. Benefits of online banking products and services.....	37
4.5.4. Problems and solutions to online banking products and services.....	38
CHAPTER FIVE	
5.1. Introduction.....	40
5.2. Summary of findings.....	40
5.2.1. Responses from customers.....	40
5.2.1.1. Awareness of online banking.....	40
5.2.1.2. Benefits of online banking.....	41
5.2.1.3. Problems of online banking.....	41
5.2.1.4. Customer's suggestions and expectation of online banking.....	41
5.2.2. Responses from the bank.....	42
5.2.2.1. Products and services	42
5.2.2.2. Benefits of online banking.....	42
5.2.2.3. Standard chartered banks expectations of online banking.....	42
5.3. Conclusion	42
5.4. Recommendations	43
REFERENCES.....	46
APPENDIX I.....	49
APPENDIX II.....	52

LIST OF TABLES

Table 4.1 Age Distribution of Respondents.....	33
Table 4.2 Gender of Respondents.....	34
Table 4.3 Marital Status of Respondents.....	34
Table 4.4 Educational Background of Respondents.....	34
Table 4.5 Usage of Online Banking per Month.....	35
Table 4.6 Satisfaction of Online Banking Services and Products.....	38
Table 4.7 If No Then What Can Also Be Done To Solve the Above Problems....	39

LIST OF FIGURES

Figure 4.1 Awareness of Online Banking Products and Services.....	35
Figure 4.2 Online Banking Products and Services.....	35
Figure 4.3 Reasons for using online Banking Services and Products.....	36
Figure 4.4 What Online Banking Products and Services Are Used For.....	36
Figure 4.5 Rating the benefits Of Online Banking Services and Products.....	37
Figure 4.6 Problems Associated With the Use of Online Banking Services and Products.....	38
Figure 4.7 Can a Stable Connection, Faster And quick Response, Advanced Security, Cost Efficiency and Educating Clients on Usage Of The Products Help Solve These Problems.....	39

CHAPTER ONE

INTRODUCTION

1.1 Background Of The Study

In western Africa, developments in information and communication technology are radically changing the way business is done. This revolution in the market place has set in motion a revolution in the banking sector for the provision of the payment system that is compatible with the demand of the electronic market place (Balachandher et al, 2001).It seem apparent then that, technological innovations affects not just banking and financial services, but also the direction of an economy and its capacity for continued growth.

According to Yasuhara(2003), implementation of information technology and communication networking has brought revolution in the functioning of the banks and the financial institutions. It is argued that dramatic structural changes are in store for financial service industry as a result of the internet revolution; others see a continuation of trends already under way.

These developments may ultimately change the competitive landscape in the financial service sector. Banks are moving away from the traditional banking system, the brick and mortar system, to information technology based system, the cards and click system, popularly known as electronic banking. Traditional banking is characterized by physical branches and manual based operations, and they offer services such as accepting customer deposits and making loans to individuals and companies.

According to the Basel committee on banking supervision working paper (2001), online banking is the use of electronic delivery channels for banking products and services. Some of these electronic delivery channels may include automated teller machine(ATM),SMS banking, telephone banking, electronic point of sale(EPOS),and internet banking among others(Abor 2004).with the introduction of online banking facilities, customers now have the

opportunity to conduct banking activities at their own expedience. Banks on the other hand are able to perform their operations more efficiently using fewer employee hours hence saving them time and money. Online banking is also known as virtual or electronic banking. (www.bmstevens.com). Online banking by its nature offers more convenience and flexibility to customers coupled with a virtually absolute control over their banking. Service delivery is informational (informing customers on banks products, etc.) and transactional (conducting retail banking services). As an alternative delivery conduit for retail banking, it has all the impact on productivity imputed to telebanking and personal computer banking.

Online banking therefore has an impact on the banking industry as it provides the most cost efficient technological means of yielding higher productivity. Furthermore, it eliminates the barriers of distance or time and provides continual productivity for the bank to unimaginable distant customers.

1.2 Online banking in Ghana

Joshua Abor (2004) in his study on “technological innovations and banking in Ghana” stated that the earliest forms of electronic and communications technologies used in Ghana were mainly office automation devices. Telephones and telex were employed to speed up and make more efficient, the process of servicing clients. For decades, they remained the main information and communication technologies used for transacting bank businesses.

He further stated that in the 1980 s, as competition intensified and the personal computer got proletarian, Ghanaian banks begun to use them in back-office operation and later tellers used them to services clients. Advancements in computer technology saw the banks networking their branches and operations thereby making the one-branch philosophy a reality. Barclays Bank Ghana and Standard Chartered Bank Ghana pioneered this very important electronic novelty, which changed the banking landscape in the country.

Abor also stressed that arguably the most revolutionary electronic innovation in this country and the world over has been the automated teller machine (ATM).in Ghana, banks with ATM offerings have them networked and this has increased their utility to customers. The Trust Bank Ghana, in 1995 installed the first ATM. Not long after, most of the major banks began their ATM networks at competitive positions. Ghana Commercial Bank started its ATM offering in 2001 in collaboration with Agricultural Development Bank. The ATM has been the most successful delivery medium for customers banking in this country. Customers consider it as important in their choice of banks and banks that delayed the implementation of their ATM systems, have suffered irreparably. ATM's have been able to entrench the one-branch philosophy in this country by been networked, so people do not necessarily have to go to their branches to do some transactions.

Another technological innovation in Ghanaian banking stated by Abor (2004) is the various electronic cards, which the banks have developed over the years. The first major cash card is a product of Social Security Bank now SoceiteGenerale SSB, introduced in May 1997. Their card 'sika card' is a value card, onto which a cash amount is electronically loaded. In the earlier part of the year 2001 Standard Chartered launched the first ever debit card in this country. Its functions have recently been integrated with the customers ATM cards, which have increased its availability to the public since a separate application process is not needed to access it .A consortium of three(3) banks (Eco bank ,Cal merchant bank and The Trust Bank)introduced a further development in electronic cards in November 2001, called 'e-card'. This card is online in real time, so anytime a client uses the card, or changes occur in their account, their card automatically reflects the change.

Though ATMs have enjoyed great success because of their great utility, it has been recognized that it is possible for banks to improve their competitive stance and profitability by providing their clients with even more convenience. Once again ICT was what saved the

day, making it possible for home and office banking services to become a reality. In Ghana, some banks started to offer pc banking services, mainly to corporate clients. The banks provide the customers with the proprietary software, which they use to access their bank account, sometimes via the World Wide Web (www).this is on a more a more limited scale though, as it has been targeted largely at corporate clients. Ghana Commercial Bank Eco bank Ghana limited Standard Chartered Bank Ghana limited ,Barclays bank Ghana limited and Stanbic bank Ghana are the main banks known to offer pc banking services.

Abor (2004) also revealed in his work that banks have recognized the internet as representing an opportunity to increase and their competitiveness .telephone banking, has also taken a big leap with its convenience and time. Barclays bank Ghana launched its telephone banking services in august 28, 2002. The social security bank (SSB) also launched its “SIKATEL” or “SSB call center” (telephone banking) in September 19, 2002. The services available with this system are ascertaining credible information about the banks products, the customer’s complaints, bank statements and cheque book request and any other complaints and inquiry.

Recent technological innovations have brought about a shift from traditional banking to online banking in many economies worldwide of which Ghana is no exception. Ghanaian banks in recent years have developed new and expeditious ways of providing services. In March 2009, e-tranzact international limited launched the first online real time payments system called e tranzact in Ghana to offer a number of solutions that render electronic transactions more convenient .This system facilitates the payments of goods and services, transfer of funds, payments of bills and ordering of products with minimum stress by corporate and individual account holders(www.ghananewsagency.org).

Furthermore, the e-zwich biometric smart card was introduced in April 2008 by the bank of Ghana in collaboration with the Ghana interbank payment settlement system (GHIPSS) and the various licensed financial institutions in the country (w.w.w.allafrica.com). This

comprehensive facility was introduced to enhance the payment process of goods and services making it more convenient, efficient and secure. In addition, there have been a lot of improvements in the online banking products and services offered by various banks in Ghana. Due to competition and availability of new technology, various banks are launching new electronic banking mediums that will help them stay ahead of competition and offer their customers better value for their money. Standard Chartered Bank recently out-doored a first kind of cardless ATM which is powered on the e-tranzact platform. This innovation is aimed at creating branchless banks in Ghana (www.myjoyonline.com). The Ghana interbank payment and settlement system has also disclosed that it plans to integrate the ATMs of the various commercial banks in the country to enable customers use their ATM cards in any banks ATM machine (www.thebftonline.com). It is expected that more breakthrough technologies will be employed by banks In the near future to provide more value to their customers.

1.3 Problem statement

More attention and practice have been given to online banking in the banking industry in Ghana. This revolution has been prompted as a result of inconveniences as well as other problems which characterized traditional banking system such as storage, delays in accessing information, long queues in the banking hall and funds, and the Hassel of moving from one location to another just to carry on the business of banking .Even though huge capital is required to install, the benefits far outweighs the cost.

Online banking has become increasing prevalent ,employed by many financial institutions to reduce costs associated with having personnel serve customers physically, shorten processing periods ,increase speed ,improve the flexibility of business transactions and provide better service overall.(Shih and Fang, 2004).most banks in Ghana are aware of the immense

benefits banking has brought to their colleague banks abroad. The introduction of online banking has brought banking halls closer to the doorsteps of customers and also opened up new opportunities to the banks. The selected bank namely Standard Chartered Bank Ghana, has huge experience in the electronic banking and has solid information technology infrastructure with a wide range of electronic products and services that it offers to its customers. The bank was named the best global and Africa consumer internet bank in 2012 by global finance. This research is mainly about finding out whether online banking is beneficial and if yes the specific benefits it brings to banks that provide these services. Also, there appears to be an apparent gap between online banking services in the urban centers and the rural areas. What accounts for this gap in the light of the banks face in providing or extending their online banking systems with implications for banks who are yet to provide online banking services. The study is therefore to investigate the online banking system adopted by standard chartered bank, the challenges and the way forward.

1.4 Objectives of the study

The study is to investigate the various aspects of electronic banking at Standard Chartered Bank in Kumasi metropolis.

The study is mainly;

1. To identify the online banking products and services available at Standard Chartered Bank.
2. To identify the usage and benefits of virtual banking product to customers of Standard Chartered Bank.
3. To examine the problems and solutions to the use of online banking systems at Standard Chartered Bank.

1.5 Research questions

1. What are the various virtual banking products and services available at Standard Chartered Bank?
2. How do customers benefit from the use of online banking products and services at standard Chartered Bank?
3. What are problems and challenges are associated with the use of online banking systems at Standard Chartered Bank?

1.6 Significance of the study

The significance of the study is to provide relevant information that will go a long way in the effective and efficient decision making process of the virtual banking systems at Standard Chartered Bank of Ghana and the banking systems in Ghana as whole. This will certainly enhance customer services and banking operations. It further seeks to provide information that will attract both old and new banks in Ghana not providing e-banking to explore its relevance and the opportunities it brings in today's world of computerization. The research findings could also help regulators and other policy makers to enact policies and guidelines to fill gaps in system e banking at Standard Chartered Bank and the banking system in Ghana as a whole. For academic purposes, this study seeks to add existing knowledge on online banking in Ghana.

1.7 Scope of study

The scope of the study is to assess e-banking systems at Standard Chartered Bank Harper Road branch in Kumasi. The choice of Standard Chartered Bank is as a result of tremendous impact e-banking has had on its banking systems, its accessibility and availability of relevant data.

1.8 Limitations of the study

Time and financial constraints were the major factors that hindered the progress of this research. The study involved a lot of financial obligations such as the cost of stationary, printing, photocopying and transportation. Unwillingness on the part of some customers and some staff to give information for this research was also an inhibiting factor. In addition, some banks were unwilling to help. The researchers considering one bank for the case study is not a fair representation of all the banks using electronic banking systems in Adum and Ghana as whole. Moreover, combining fieldwork and lectures to produce a comprehensive research report within the time limit was tiresome. Nevertheless, the quality of this study was not compromised.

CHAPTER TWO

LITERATURE REVIEW

2.1 Concept of online banking

For the past few decades now, the financial sector has shown continuous liberalization and modernization (Ozuru et al, 2010). This is to say, the financial sector has accommodated and adapted present or modern ways and standards of banking practices. It is now obvious that technology has become one of the financial sectors most important issues. One of the most vital revolutions created by the banking sector is the use of new information and communication technologies with the help of the internet. Under the impact of new technologies, new types of banking services have emerged in the financial markets creating more flexibility and efficiency. A new but sound and effective concepts, online banking, has evolved. Information and communications technologies have influenced the way of doing business and satisfying the growing demands of customers for most business. According to Garau (2002), the promise if ICTs in the banking sector has been seen in terms of its potential to increase customer base, reduce transaction cost, improve the quality and timeliness of response, enhance opportunities for advertising and branding, facilitates self-service and service customization, and improve customer communication and relationship.

According to Ming (2002) e banking can be offered in two main ways, first, an existing bank with physical offices can establish an online site and offer e banking services to its customers in addition to the regular channel. Customers are attracted by the convenience of e banking through the internet, and in turn, banks can operate more efficiently when customers perform transactions by themselves rather than going to branch and dealing with a branch representative. Second is e bank, which exists only on the internet, allowing users to work with a “virtual bank”. Without physical branches, a virtual bank can cut operating costs and can potentially offer higher deposit rates to its customers and waive many fees normally

charged by a bank with a large network of physical branches. The challenge for internet-only banks is to provide quality customer services without physical offices but however solves this issue via an agreement with the automated teller machine network thus providing its customers easy accessibility.

One of the main concerns of e banking is security. This includes threat such as invasion of privacy and theft of confidential information. Ming (2002) asserts that banks with e banking services offer high level of security through identification and authentication with the help of a customer's login id and password, encryption to avoid hackers from viewing customers messages and lastly through firewalls, which are software or hardware barriers between the corporate network and the external internet, to protect the servers and bank database from outside intruders.

He further states that the range of e banking services is likely to increase in the future. Boateng (2006) identifies that banks in developed and others in developing parts of the world will be offering e banking services with various levels of sophistication.

2.2 Definitions of online banking

The definition of online banking varies amongst researchers partially because online banking refers to several types of services through which a bank customer can request information and carry out most retail banking services via computer, television or mobile phone (Danile 1999; molls 1998; Sathye 1999)

Online banking is a digital way of conducting financial transactions with the bank, financial institutions or credit unions. Electronic devices used to conduct e banking include cell phones, computers and hand held devices such as personal digital assistants (welch, 2011).

Burr (1996) describes e banking as an electronic connection between the bank and the customer in order to prepare, manage and control financial transactions. E-banking is defined

by the federal financial institutions examination council as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels.

Electronic banking includes the provision of retail and small value banking products and services through electronic banking channels as well as large value electronic payments and other wholesale banking services delivered electronically(bcbs,2001)

2.3 Online banking delivery channels

Jalan (2003) observed that information technologies has caused a fundamental change in the banking sector. Arguably no industry has been affected by the proliferation of technology as compared to the banking and finance industry. Shetty (2000) therefore believes that e banking or the use of electronic technology in banking as a replacement for traditional systems is here to stay. According to Uppal(2011) the use of technology has several impacts on the banking business. It provides multiple delivery channels for the service industry; it enables management of data that is critical for business design as well as the reporting requirements both internal and external. It has an impact on the efficiency of operations, impacting the cost of doing business.

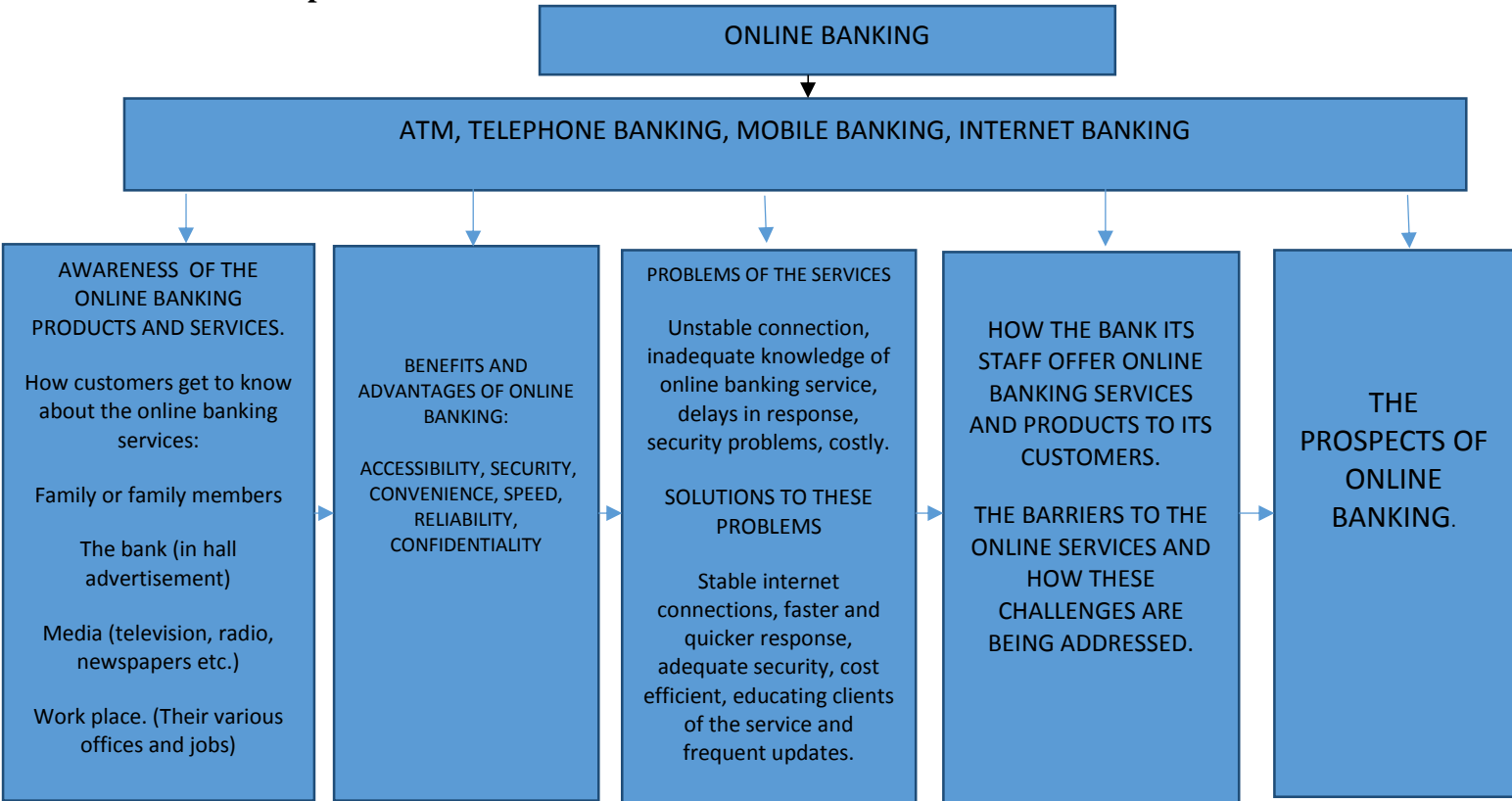
2.4 Related Studies

Research relating to e-banking has been conducted in a multiplicity of contexts. E-banking research has been conducted in Europe (Daniel, 1999; Kardaras and Papathanassiou, 2001; Gurau, 2002; Karjaluo, Mattila and Pentto, 2002; Ibbotson and Moran, 2003; Karjaluo, 2002; Jayawardhena and Foley, 2000), Asia (Laforet and Li, 2005; Hway-Boon and Yu, 2003; Jaruwachirathanakul and Fink, 2005; Lu, Liu, Jing and Huang, 2005; Shih and Fang, 2004), and Australia (Sathye, 1999). Research relating to the adoption of the Internet and

other ICTs in banking has been discussed from the theoretical (Rollason, 1989; Prendergast, 1993; Zekos, 1999; Jayawardhena and Foley, 2000; Krumm, 1998) and empirical (Daniel, 1999; Rexha, Kingshott and Aw, 2003; Kardaras and Papathanassiou, 2001; Wan, Luk and Chaw, 2005; Laforet and Li, 2005; Gurau, 2002; Hway-Boon and Ming Yu, 2003; Sathye, 1999; Mols, Bukh and Nielsen, 1999; Karjaluoto, Mattila and Pento, 2002; Jaruwachirathanakul and Fink, 2005; Ibbotson and Moran, 2003; Bradley and Stewart, 2002; Bradley and Stewart, 2003; Pikkarainen, Pikkarainen, Karjaluoto, and Pahlila, 2004; Karjaluoto, 2002; Shih and Fang, 2004; Mattila, Karjaluoto and Pento, 2003) perspectives.

The focus on Africa, and West Africa for that matter, in relation to electronic banking has been almost non-existent. A notable study by Boateng and Molla (2006) analyzed the use of the Internet in developing e-banking capabilities in Ghanaian banks. However, the study, which was based on an exploratory single case study, particularly focused on the strategies adopted by the bank in developing e-banking capabilities, and relatively failed to generate considerable insight on consumer perceptions and expectations on the bank's e-banking services and products. This paper is therefore positioned as one of the early attempts to fill this research gap, since the performance of banks in a networked economy is clearly an issue that merits scholarly attention, from a developing country context. It is also important to mention that there have been a few studies that have sought to ascertain the impact of the Internet on some industrial sectors in Ghana, but these have mainly focused on the export sector (see Hinson, 2004; Hinson, 2005; Buatsi and Hinson, 2005; Sorensen and Buatsi, 2002; Hinson and Abor, 2005) in Ghana. Internet banking issues in Ghana therefore need to be urgently addressed.

2.5 Conceptual Framework



Some of the services under online banking are ATM, telephone banking, mobile banking, internet banking etc. These services have so many benefits to staff and clients of the bank. Easy accessibility to accounts, speed, reliability convenience and confidentiality are some of the benefits enjoyed. Notwithstanding the problems associated with the online banking services. Staffs of these banks face problems like high cost of operation, security factors and internet related support services etc. while customers are faced with inadequate knowledge of usage, unstable internet connection and security threats on their accounts online. There are some problems faced by the managers of the bank in offering these services but they make an effort to address these issues with the aim of solving these problems. The bank has future prospects for adopting online banking as it aims on expansion and effective banking.

2.6 Definition of terms

2.6.1 Telephone banking

The Collins dictionary, defines telephone banking as a facility enabling customers to make use of banking services, such as oral payments instructions, account movement, raising loans etc. over the telephone rather than by personal visits.

Ahmed and Buttle (2011) explains that banks adopt telephone banking as a supplement or alternative to traditional ways of delivering services. The telephone banking system allows a customer to gain access to his or her bank balance and make necessary transactions. This can be done by dialing the dedicated telephone number of the bank and the customer will be guided through the system and menu to choose from aiding customers access the needed information

Locket and litter (1997) explains that customers adopt telephone banking because of its 24 our availability. Unlike telephone banking, direct banking is complex and has its own security risks. According to how croft et al (2002),the most vital factors that encourage the use of telephone banking are lower fee charges ,error free services, time saving and improved service quality. Chartered institute of bankers (1998) asserts that the cost of running a current account via a telephone is about a third of the cost of running a branch

However a survey by Patricio et al (2003) indicates that telephone banking offers less value with respect to functionality as compared to internet banking. Additionally it lacked personalization, mutual knowledge and relationship continuity necessary to build mutual trust.

2.6.2 Mobile/SMS banking

The term mobile banking is defined as the delivery of financial services through mobile services such as a mobile phone (Tobbin 2012).lee and Chung (2009) define mobile banking

transactions using mobile devices such as cell phones, PDAs (personal digital assistants), smart phones and other devices with the exception of laptops.

The mobile platform offers a convenient additional method for managing money without handling cash (Donner and Tellez, 2008). mobile banking is a subset of electronic banking which underlies not only the determinants of banking business but also the special conditions of mobile commerce (Pousttchi, 2004). in the developed countries, the mobile phone is only used as another channel to an existing bank account (Piteous, 2006). this means that it is an extension of existing banking services to existing customers

Today mobile banking applications are evolving as a new retail channel for banks. Mobile banking is a focal point of growth strategies for both the banking and mobile carrier industries (Goswami and raghavendran, 2009). banks, through mobile applications, provide a combination of payments, banking, real-time two-way data transmission, and ubiquitous access to financial information and services (Jacob, 2007)

Most mobile banking implementations have a banking application installed on users' SIM. Once signed up, an electronic account is created which enables the user to deposit and withdraw funds or transfer money for their account to other users (Tobbin, 2010)

There are currently three mobile banking schemes operating in Ghana, namely MTN mobile money, Airtel money and Tigo cash (Tobbin, 2010)

Typical mobile banking services may include; mini-statements and checking of account history, alerts on account activity or passing of set thresholds, monitoring of term deposits, access to loan statements, access to card statements, manual funds/equity statements, insurance policy management etc. The breeze platform offered by Standard Chartered Bank provides these services.

Barnes and Corbitt (2004) asserts that m-banking provides yet another channel for banking services and in emerging markets and provides some possibility for becoming a primary channel

Today, most banks in Ghana use SMS technology in their services. SMS banking services are operated using both push and pull messages (Mousumi, 2010)

Push messages are those that the bank chooses to send out to a customer's mobile phone, without the customer initiating a request for the information.

Pull messages are those that are initiated by the customer, using a mobile phone, for executing order of transactions of bank accounts.

SMS banking enables customers to pay bills cheaper, manage their accounts, check their balances, perform check request and transmit data in a faster way (Mattila 2003). convenience has also played a major role in influencing customers to adopt SMS banking (Kleijnen et al. 2004). records of all transactions are kept and so a customer could at any time view it.

2.6.3 Automated Teller Machine

An automated teller machine or automatic teller machine (ATM) also known as an automated banking machine (ABM) in Canadian English, and a cash point, cash machine or sometimes a hole in the walling British English and Hiberno-English, is a computerized telecommunications device that provides the clients of a financial institution with access to financial transactions in public space without the need for a cashier, human clerk or bank teller (www.wikipedia.com)

According to Akrani (2011), ATM are electronic machines, which are opened by customer himself to deposit or withdraw cash for bank. For using an ATM, a customer has to obtain an ATM card from his bank. The ATM card is a plastic card, which is magnetically coded and can easily be read by the machine. It is operated by inserting the plastic card with the chip in

the machine. The card possesses a unique password (number) and other security information necessary for identification and authentication.

Akrani (2011) provides some vital benefits ATM offer to the bank and its customers.

According to him ATM offer services 24/7 and allows customers to withdraw up to a certain limit anytime. ATM is mostly sited in public areas such as campuses, commercial areas, etc. which enables customers have access at their own convenience. It is either installed off-site that is away from the bank premises or on site that is installed within the bank's premises. ATM lesson the pressure on bank's staff as it avoids long queues in the bank halls. Unlike humans, ATM provide services without errors.

Akrani (2011) further states that ATMs provides travelers the opportunity to withdraw cash from any city within or outside the country. ATMs also provide customers with brand new or clean notes. Finally, ATMs provide privacy in banking transactions of the customer.

2.6.4 Internet Banking

Internet banking refers to the use of the internet as a remote delivery channels for banking services (Furst, 2000)

The idea of internet banking according to Essinger (1999) is "to give customers access to their bank accounts via a web site and to enable them to enact certain transactions on their account given compliance with stringent security checks". In the Federal Reserve board of Chicago's office of the controller of the currency (OCC) internet banking handbook (2001), internet banking is described as "the provision of traditional (banking) services over the internet.

This means that internet banking or online banking is the act of making bank transactions or paying bills via the internet. Accessing account information banking can be done any time in the day or night, and can be done from anywhere even remote areas. Moody(2002)stated that

internet banking is the fastest growing service that banks can offer in order to gain and retain a sizeable market share, reduce transaction cost and offer better and quicker response to market changes.

Adogbevi (2008) reports that I-banking is an absolutely free, simple, Hassel free and secure internet banking service available to its customers anywhere, anytime.

According to him, customers are able to check their balances and transactions details, transfer money to business partners ,family and friends ,pay utility bills ,enquire o daily forex rates ,request for cheque books and statements etc. from the comfort of their offices or homes without having to visit a brick and mortar branch. Patricio (2003) in a survey stated that internet banking offers banking customers adequate functionalities, vital information, saves time and efficient interaction

2.7 Benefits of Electronic Banking:

Clearly, electronic banking has turned the world of personal finance upside down by completely changing what consumers expect from a bank. Whereas, formerly, banks would distinguish themselves through the quality if their direct interaction with customers, today, providing them with a convenient, safe and fail-proof banking-interface has instead turned out to be the main focus. To celebrate the astounding improvements it has brought about, below are its most incisive advantages to the bank and its customers.

2.7.1 To the customer:

According to Welch (2011), e-banking allows a customer to obtain real time information about his or her bank account. This allows a customer to verify whether a transaction or a check has cleared or whether there are any unauthorized transactions on the account, the customer benefits by having better control protection against identity theft. This is because

the account is available 24/7 therefore the customer has the benefit of accessing and monitoring the account at any time. Paying bills online provides costs savings because clients use less postage stamps and go to the post offices less, thereby also saving fuel money.

According to Rotchanakitumnai and Speece (2003), online banking also allows customers to have easy access to their financial information and to undertake financial transactions. Divya and Padmananbhan (2008) recognize the convenience internet banking brings as it prevents queuing in banks since one can bank anywhere and anytime. Internet banking is convenient, there are no geographical barriers, it offers low cost and isn't bound by operational timings (Jamai's 2006)William(2006) also believes that unlike traditional branch banking electronic banking offers customers convenience and flexibility at lower cost.

O'Brien (2011) stated that with e banking one can manage his or her account form his or her home. One needs not to go to the bank and stand in line. One needs not to keep deposits or withdrawals slips handy. One can save financial activities online, so as to print bank statements when needed instead of handling paper copies. All the customer needs is an internet connection and the online bank will do the rest.

Santos(2003) defines reliability as a the ability to execute the promised service constantly and exactly, including quick reply to consumer enquiries ,rate of updating the website, and accurateness of online paying bill and buying. Reliability is also defined by Parasuraman (1985) as the firm executing the services right the first time and the firm honoring its promises.

According to Divya and Padhmanabhan (2008) e-banking has enormously improved over the past years and will continue to develop as various organizations continue to allow consumers to access critical information online, complete money transfers and pay bills. However consumers are more interested in the reliability and security of the transactions

(Rotchanakitumnuai and Speece 2003) Jun and Cai (2001) believes that reliability is one of the most vital assets or qualities of electronic banking.

Garau (2002) states that electronic banking facilities bring high efficiency in business processes and speeds up cash cycle. For example it allows customers to manage their investments, commercial papers, bonds and equities at all times.

2.7.2 To the bank

The first benefits for banks offering electronic banking services is improved branding and better responsiveness to the market. Banks that offer such services are seen as leaders in the technology implementation amongst her peers. Therefore they would enjoy a better brand image (Iustsik, 2003). According to Tuchila (2000) online banking service accessible all over the world with the use of the internet site to advertise or sell new financial products. Another advantage of utilizing e-banking is the reduction of errors by banking staff. Opting for electronic banking prevents errors due to bad handwriting or wrong information. Electronic banking allows for double checking of vital accounting data which increases the accuracy of financial statements. Tirade et al (2008), makes mention of two ways electronic banking reduces cost: cost of processing transactions is minimized and the number of branches that are required to service an equivalent number of customers are reduced. With all these benefits banks can obtain success on the financial market. For instance, the ATM has the advantage that it does not have to be paid overtime and never sleeps, thus being available for use 24-hour a day (Mishkin 2007).

The main goal every company is to maximize profits for its owners and banks are not any exception. Automated or e-banking services offer a perfect opportunity for maximizing profits (Iustsik, 2003)

2.8 Problems of electronic banking

There are numerous problems or challenges against the successful implementation of electronic banking in developing countries. These problems mentioned below tend to limit its purpose.

2.8.1 Internet connection

Feingberg and Kadam (2002) suggest that the quality of internet connection can be assessed by the speed of the service provider. They further stated that the quality must be good enough to complete the transaction. Unstable internet tends to defeat the purpose of e-banking which is to provide customers with banking services wherever they may be convenient.

2.8.2 Technical knowledge

Conducting a successful electronic banking transaction, like paying bills electronically, requires a basic level of computer skills (Heeks 2002). In most developing countries, computer illiteracy is common especially the elderly generation who might not have had access to computers during infancy.

2.8.3 Delayed statements:

When performing electronic banking there is not a standard at which payments made will show up in a customer's electronic bank statements; they might show up two or three days later, depending upon the bank. This creates some sort of uncertainty in customers mind as to whether they have done the right thing or not (Chandramita 2012).however when banking in peso, one can generally receive within a short time, the exact status of his or bank account.

2.8.4 Security concerns:

Information security is the primary concern of both businesses and consumers (Ernst and young, 1999).with the prevalence of key loggers, phishing emails, Trojans and other online threats, it is natural for people to be concerned with the security of their identity, funds and electronic banking transactions. Customers are mindful of their privacy especially issues concerning transparency, collection, use and disclosure of personal information (Hutchinson and warren, 2003).using antivirus, firewall and similar programs is not error free. These concerns still prevail despite the enhancement of security measures by banks nowadays.

2.8.5 Loss of human touch:

Patricio et al (2003) observed that human contact in itself is an advantage as it is associated with the ability to provide answers to many questions and solve many problems. Moquillaza et al (2002) suggest that intangible and physical separation between customer and institution is a major obstacle preventing the adoption of electronic banking.

2.8.6 Limited stop payment

When transferring funds electronically, it is not easy to stop payment once the payment command is sent. Reversing electronic payment transactions is made more difficult due to the various levels of processing one command goes through before it is finally completed(www.consumer.ftc.gov)

2.9 Challenges in implementing online banking

Banks in different parts of the world identified different types of challenges they face in implementing online banking. Below are some of them

1. Infrastructural barriers, knowledge barriers, legal and security issues, social and cultural barriers, economic factors management and banking issues (Karimzadeh, 2012). Cultural elements, financial elements (the cost of the internet and commissions) and management obstacles (Rasoulilian and safari, 2011)
2. Khorsid and Ghnaeh (2009) observed in their article on ranking the challenges of online banking identified for managers of banks includes customers' privacy, security and customers' trust. For customers; reputation of bank, regulations and laws, and easy accessibility were seen as the main challenge for the development of e-banking.
3. Low response rate from customers and the implementation of security and data protection mechanisms (Angelakopoulos and Mihiotis 2011)

2.10 Prospects of electronic banking

Without shear of doubt technological inventions has contributed immensely to the survival and growth of the finance industry in Ghana and the world at large. Advance technology has been the introduction of electronic banking. According to shih and Fang (2004), online banking is increasing being adopted by financial organizations to reduce cost involved I employing personnel to attend to customers, reduce processing periods, improve flexibility in doing business, increase speed and provide quality services.

However the survival and growth of e-banking in developing countries like Ghana is highly difficult .characterized by limited infrastructure facilities, limited skill power, low level computer literacy, infant information technology etc. The prospect of automated banking leaves nothing to be desired. The government therefore has to initiate root level development in literacy in the country.

According to Anamuah-Mensah et al (2009),the benefits of online banking to the banks are obvious and therefore provide a strong basis for adoption by many other banks .Banks are

therefore developing various electronically based products to conform to new trends in the industry and compete favorably in the market.

Ming (2002) writes that online banking services are expected to increase in the future. He further states that some banks are planning to introduce electronic checks and electronic money. According to him electronic check will look similar to paper cheques, but they can be sent from buyers to sellers over the internet, electronically endorsed by the seller, and forwarded to the seller's bank for electronic collection from the buyer's bank. Electronic money on the other hand can be stored on computers or smart cards allowing customers to buy small value items over the internet.

With the help of technological innovations banks are expected to offer varieties of products and services such as mortgages, asset management, insurance, brokerage etc. That are electronically based. This will seek to provide value to consumers and increase the revenues and growth of the bank. Various delivery channels are expected to be upgraded in the future to increase its level of output.

Leow (1999) believes that online banking will emerge as a competitive tool and as a money saver rather than a revenue earner. Philip (1996) also asserts that ATMs will evolve into virtual branches providing a broader range of remote transactions where customers could interact with bank personnel through video conferencing.

Suld (2002) predict that in future, more attention will be focused on mobile phone-based services, such as account balance inquiries by SMS, and payments via mobile phone.

Especially in developing countries, technology is taking places but this pace is quite slow in banking industry particularly in public sector banks. The future outlook requires heavy investment in the information technology.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Methodology refers to the philosophical basis on which the research is founded. The methodology is therefore used to achieve the objective of the study. It provides a detailed account of the process, methods and design with which the research was conducted. In addition are sources of data, the population, sampling techniques, the data collection instruments, the data analysis techniques and the profile of Standard Chartered Bank which provide the guidelines with which the research was conducted

3.2 Methodology

The methodology will introduce an analysis of the research methods and justification for the choice used for the research. Under this, the main procedure and techniques to be used in collecting relevant data, how data is to be gathered and the methods of analysis to be used are outlined.

Procedures and techniques to be included, is the use of questionnaire which is a primary source of data. Under this, ideas are generated directly from the micro enterprises and some respective micro financial institutions to help answer our research questions, and also help attain the research objective. Secondary source of data shall also be resorted to. These data are data to be collected from related literature sources on the topic.

Through all the above, both quantitative and qualitative data will be analyzed with the use of Microsoft Excel and Statistical Package of Social Science (SPSS) and will be aided with graphs, tables, and charts.

3.3 Research Design

Research design refers to the overall strategy that is chosen to integrate the different components of the study in a coherent and logical way thereby ensuring effective addressing of the research problem. It constitutes the blueprint for the collection, measurement and analysis of the data. The research problem determines the design that is required not the other way round. This study was conducted at Harper Road Branch of standard chartered bank. The researchers in this study used the survey or descriptive approach in conducting the research. The survey or descriptive approach attempts to describe conditions of the present by using many subjects and questionnaires to fully describe a phenomenon. It was used here because of accessibility and low cost of obtaining information. This enabled the researchers to assess opinions and trends concerning the state of e banking from both customers and management at the selected bank

Questionnaires were employed to obtain data form customers .a total of hundred questionnaires were administered to respondents. Respondents were asked close ended questions about e banking services at standard chartered bank In addition to completing a five point likert scale indication the benefits of the banks electronic banking products and services.

Simple random sampling technique was used to sample customers because of its ease of obtaining the required information from the respondents. Data was also obtained from the bank through the branch manager.

3.4 Source Of Data

Primary data and Secondary data were used in this research.

3.4.1 Primary data

Primary data was collected specifically for the research being undertaken and it's observed or collected directly from first-hand experience. The data was collected through survey questionnaires as the main research instrument and personal interview representing the responses from the respondent.

3.4.2 Secondary data

Secondary data is a data that has been collected from sources other than the original source. Data was obtained from relevant published reports written on outsourcing logistics activities operation and related material. They include information from libraries, internet and academics journals and previous academic research reports.

3.5 Population of the Study

Population is used in a more general sense in research to mean 'a complete group that shares the same characteristics'. According to Saunder et al (2007), population is the complete set of cases or group members. For this study, the population is all the customers and staff at standard chartered bank Kumasi Harper Road. The exact number of our target population is not readily available as it is practically impossible to get all the customers and staff at the exact time to aid our research. Since the target population for this study is too large, we used customers in the banking hall and some at Adum Harper Road for the research and the results were generalized not only to the area under study but to the entire customers of the bank.

3.6 Sampling and Sampling Technique

Under the sampling and sampling technique, the population under study was sampled to save time and money because it would be unfeasible for us to survey the entire population. Sample

sizes of hundred (100) customers were selected from both the banking hall and Adum ,Harper Road whilst the branch manager was selected to aid our research. A purposive sampling technique was employed to ensure that assertions or statements are valid and directly generalized without any inference to the entire population. This sampling technique was used to sample the hundred (100) customers and the branch manager at the bank.

3.7 Research Strategy and Instruments

The main research strategy adopted in this study is a case study. Webster (2013) defines a case study as an intensive analysis of a unit that is person or a community, stressing developmental factors in relation to environment .according to Johnson (1994) a case study is an enquiry which uses multiple sources of data. Gilham (2000) defines a case study as the one which investigates an individual, a group, an institution or a community to answer specific research question(s) and which seek different kinds of evidence, which is there in the case setting and which has to be abstracted and collated to get the best possible answers to research questions. According to Remenyi et al (1998) a case study provides flexibility in the research process and the opportunity to have detailed interaction of the subject area

The data collection instrument employed for this study is survey questionnaires

3.7.1 Questionnaires

A questionnaire is a series of written questions a researcher supplies to subjects, requesting their response (Alby 2006) a questionnaire is a list of written questions that can be completed in the presence or absence of the researcher .With questionnaires respondents are required to respond to the same set of questions in a predetermined order (Saunders et al 2003).questionnaires are chosen because they are to administer and are less expensive. Using questioners reduces biasing error caused by the characteristics of the interviewer and the

variability in interviewers' skills (Phellas ,Bloch and Seale, 2011).interview administered questionnaires were employed in this study to allow for participation of all and also clear ambiguity. The questionnaires were administered to customers and the manager of the bank

3.8 Data Analysis Method

Both qualitative and quantitative techniques was used in analyzing the data obtained. Denzin (1994) explains qualitative research as a study of natural settings and an attempt to make sense or interpret phenomena in relation to peoples' understanding. Quantitative research refers to the systematic empirical investigation of social phenomena via statistical, mathematical and computational techniques.

Quantitative and qualitative data were collected using the questionnaire we administered. These data were analyzed with the statistical package for social sciences (SPSS) as was deemed most appropriate given the versatility and considering the nature of data collected. The analysis of the data was undertaken with the aid of tables and charts. Some Qualitative explanations were made of quantitative data to give meaning to them as well as to elaborate on their implication.

3.9 Ethical Consideration

We were able to gather some information for our research at Standard Chartered Bank. Some managers of the bank on the other hand were hesitant to give us information due to a section of the bank's policy which prevents managers from giving out vital information to its clients. All in all we were satisfied with the information we got and it helped us in our research

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter gives a thorough discussion and analysis of findings of the study. This was based on the responses received in a survey conducted on customers and information obtained from the bank. It depicts the responses received, findings of the study, tables and figures as well as other related charts that are useful to the study. It is a discussion of the various online banking products and services offered by standard chartered bank Harper Road branch, the benefits it offers its consumers and challenges associated with the use of the online banking as well as prospects of electronic banking in Ghana.

4.2 Data from the bank

Standard chartered bank's online banking products and services

The bank understands the need for customers to have their money on the go. That is why it has designed a suite of convenient and secure virtual and mobile banking products. These include

4.2.1 Internet banking

Internet banking services allows customers to conduct financial transactions via the World Wide Web from the comfort of their homes, offices or on the move. It offers accounting services; funds transfers, cheque book maintenance, bills payments services, salary payment services and customizable options. It is available 24/7 and is secure and compatible with major web browsers.

4.2.2 Mobile banking

It is a new and modern service based on exchange of SMS messages between customers and the bank. This products allows customers to check their balances, access recent transactions, order a statement, transfer money between accounts, transfer money to any mobile phone in real time, top-up mobile phone etc. its fast convenient and simple. It also allows customers to receive SMS notifications on their mobile phones or through their e-mail addresses or both, as and when the transactions occur on their accounts.

4.2.3 Automate teller machines

With an ATM card and a visa card, customers are allowed to obtain 24 hour access to their moneys in both their current and savings accounts through ATM cash machines. It is convenient, available 24/7 and easily accessible.

4.2.4 Telephone banking

With this service introduced to standard chartered bank, customers are allowed to make use of banking services, such as oral payments instructions, account movements, raising loans etc. over the telephone rather than personal visits to the bank.

4.3 Patronage of the online banking products and services.

According to the branch manager 50% of their total customers patronize ATM services, between 25% of their total customers patronize mobile banking 15% also patronize internet banking services and the remaining 10% patronize telephone banking services.

4.4 Benefits of online banking products and services

Information obtained from the bank concerning benefits the bank derives from providing online banking services are as follows;

4.4.1 Value creation and value enhancements

Through the use of online banking delivery channels, standard chartered bank has been able to provide rich products and services that are highly rated by their customers and have led to high customer satisfaction.

4.4.2 Lower cost of doing business

Application of online banking technology has helped to reduce the cost of banking at standard chartered bank. Costs in terms of time saved by the bank staff in long paper work has been cut down as well as the cost associated with purchase and printing of various forms and papers.

4.4.3 Improvement in customer relations

The adoption of online banking by the bank has provided the bank with the opportunity to interact with customer even after banking hours. The interactive nature of some of the products and services has improved customer relations allowing to request and receive information from the bank.

4.4.4 Revenue generation and improvement in productivity

Online banking has also increased the revenue base of standard chartered since its adoption. It has aided in quicker delivery services allowing the bank to serve a higher number of customers within its workings hours. Provision of electronic banking products and services

also comes with its own charges which customers are required to pay even as they enjoy the benefits.

4.4.5 Increased market share

Online banking has attracted more customers to the bank due to the convenience of utilizing the services. This is evident in the fact that majority of the total customers patronize ATM and mobile banking service provided by the bank.

4.5 Data from the customers.

A total of 100 questionnaires were administered to customers of Standard Chartered Bank Harper Road Branch.

4.5.1 Personal Data

Table 4.1 Age Distribution of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
18-27	30	30.0	30.0	30.0
28-37	36	36.0	36.0	66.0
38-57	26	26.0	26.0	92.0
Valid 58 and Above	8	8.0	8.0	100.0
Total	100	100.0	100.0	

Source: Field Survey, May 2015

36% of the clients who use online banking fall within the ages of 28-37, 30% also fall within the ages of 18-27, 26% are also within 38-57 and the remaining 8% are 58 and above.

Table 4.2 Gender of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	38	38.0	38.0	38.0
Valid Female	62	62.0	62.0	100.0
Total	100	100.0	100.0	

Source: Field Survey, May 2015

After the survey it was revealed that 62% of the population who use the online banking services are females whilst the remaining 38% are males.

Table 4.3 MARITAL STATUS OF RESPONDENTS

	Frequency	Percent	Valid Percent	Cumulative Percent
Single	32	32.0	32.0	32.0
Married	46	46.0	46.0	78.0
Valid Divorced	22	22.0	22.0	100.0
Total	100	100.0	100.0	

Source: Field Survey, May 2015

It was revealed after the survey that 46% of the respondents who use the services are married, 32% are also single and the remaining 22% are divorced

Table 4.4 Educational Background of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Basic	14	14.0	14.0	14.0
Valid Secondary	27	27.0	27.0	41.0
Tertiary	59	59.0	59.0	100.0
Total	100	100.0	100.0	

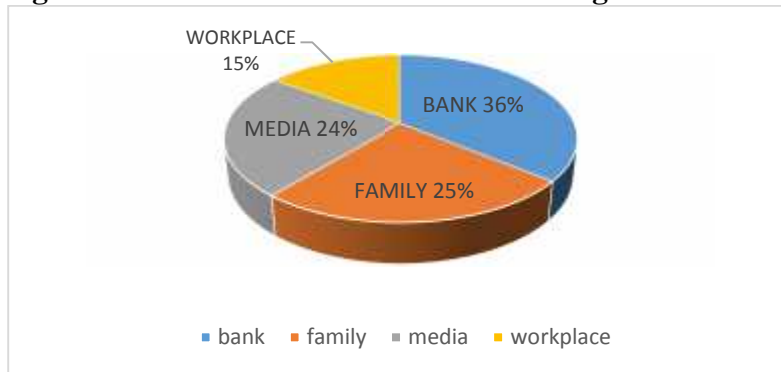
Source: Field Survey, May 2015

Majority of the respondents that is 59% that utilize the online banking services had tertiary education, 27% had secondary education and the remaining 14% had basic education

Also after the survey it was realized that majority of the customers (70%) that utilize the online banking products and services are students and traders/business men and women whilst the remaining 30% represented other occupations.

4.5.2 Online Banking Usage

Figure 4.1 Awareness of the Online Banking Products and Services



Source: Field Survey, May 2015

After the survey it was revealed that 36% of the respondents got to know about the services in the banking and this is through the in hall advertisements in the bank and the customer services at the bank. 25% also heard through their various families, 24% through the media and the remaining 15% got to know at their various workplaces.

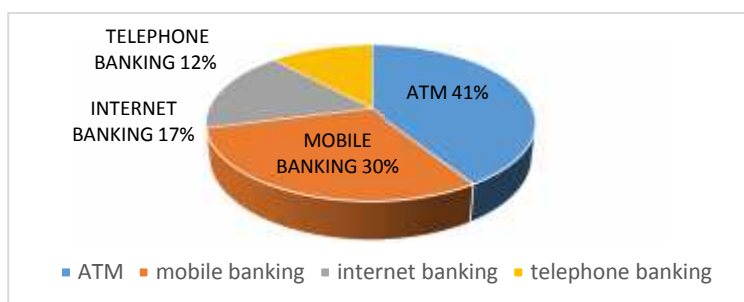
Table 4.5 Usage of Online Banking Services Per Month

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-3 times	21	21.0	21.0
	3-8 times	40	40.0	61.0
	8-12 times	20	20.0	81.0
	over 12 times	19	19.0	100.0
	Total	100	100.0	100.0

Source: Field Survey, May 2015

Majority of the respondents that is 40% use online banking services 3-8 times per month, 21% also use the services 1-3 times per month, 20% use the services 8-12 times per month and the remaining 19% use the services over 12 times per month.

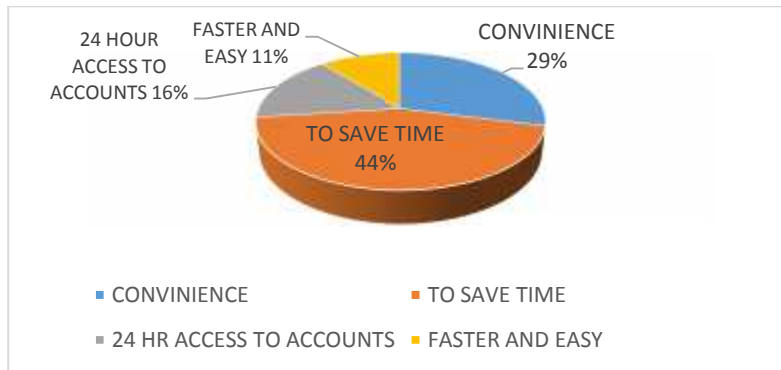
Figure 4.2 Online Banking Products and Services



Source: Field Survey, May 2015

After the survey, it was revealed that 41% of the respondents use ATM service, 30% use mobile banking, 17% use internet banking and the remaining 12% use telephone banking.

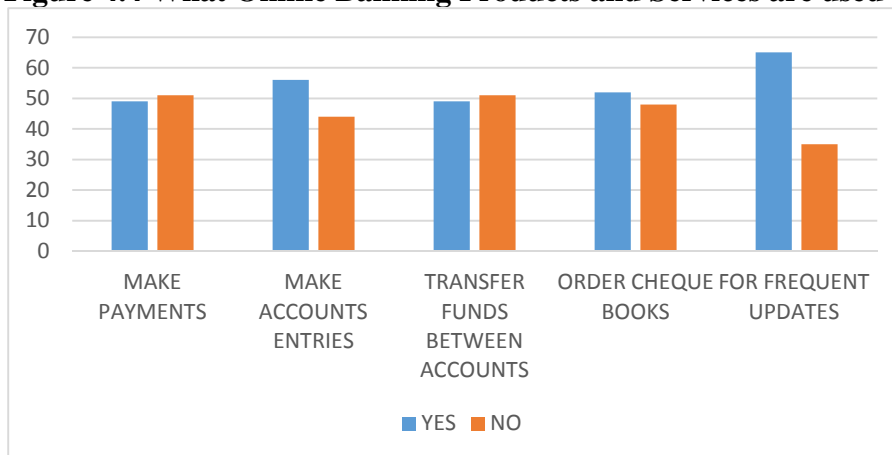
Figure 4.3 Reasons for Using Online Banking Services and Products



Source: Field Survey, May 2015

44% of the respondents said they use these services to save time, 29% also thought it was convenient to use the online banking services and products, 16% also said it gives a 24 hour access to their accounts and the remaining 11% said it was faster and easy to use.

Figure 4.4 What Online Banking Products and Services are used for

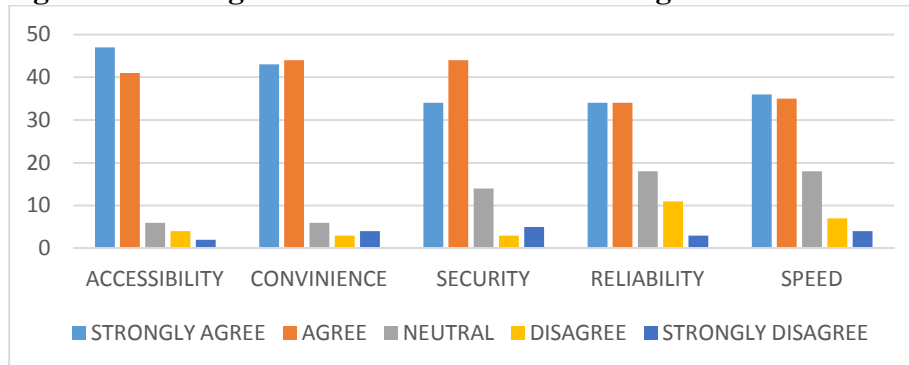


Source: Field Survey, May 2015

After the survey, 51% said NO and 49% said YES meaning most of the respondents do not use the services to make payments. Also 56% said they use the services to make account entries whilst the remaining 44% responded NO. Also 51% of the clients do not use the services to transfer funds whilst the remaining 49% use the services to transfer funds. Moreover 52% of the respondents said they use the services to order cheques whilst the remaining 48% don't use it for that purpose. Majority of the respondents (65%) also use the services for frequents updates of the banks policies whilst the remaining 35% .do not.

4.5.3 Benefits of Online Banking Products and Services

Figure 4.5 Rating the Benefits of Online Banking Services and Products



Source: Field Survey, May 2015

Accessibility

During our survey the respondents were asked to rate the benefits of online banking 47% strongly agreed that online banking is accessible, 41% also agreed that its accessible, 6% went with neutral, 4% disagreed that it's not accessible and 2% strongly disagreed that it's accessible.

Convenience

The respondents were also asked to rate the benefits of online banking according to convenience. 43% strongly agreed that online banking is convenient, 44% also agreed that its convenient, 6% went with neutral, 3% disagreed that it's not convenient and 4% strongly disagreed and said it's not convenient.

Security

They were asked again to rate the benefits of online banking according to security 34% strongly agreed that online banking is secured, 44% also agreed that it's secured, 14% went with neutral, 3% disagreed because it lacked security and 5% strongly disagreed on it been secured.

Reliability

They were asked if it's reliable and they responded as follows; 34% strongly agreed that online banking is reliable, 34% also agreed that its reliable, 18% went with neutral, 11% disagreed and 3% strongly disagreed.

Speed

Lastly, the respondents were asked if it's fast to use the online banking products and services 36% strongly agreed that online banking is fast, 35% also agreed that its fast, 18% went with neutral, 7% disagreed on it been fast and 4% totally disagreed on its speed and felt it was slow.

Table 4.6 Satisfaction of the online banking services and products

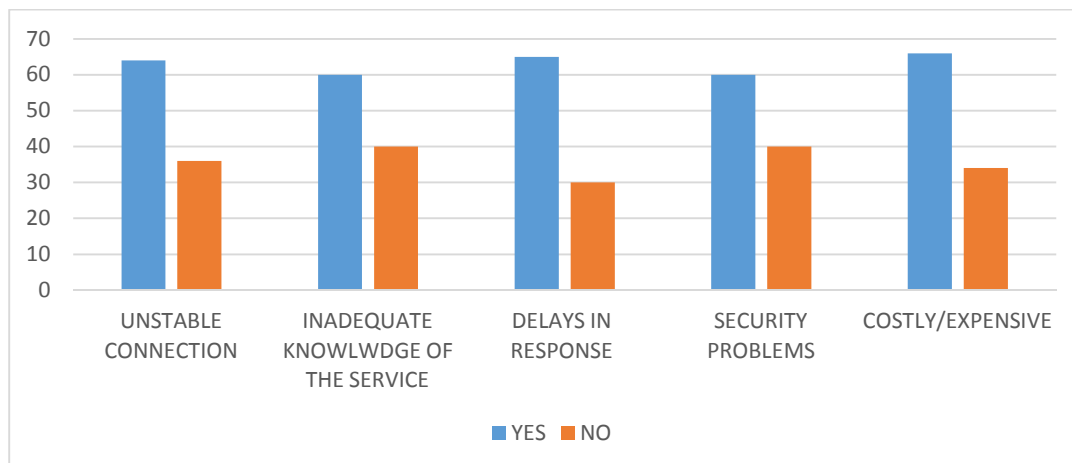
	Frequency	Percent	Valid Percent	Cumulative Percent
Very satisfied	36	36.0	36.0	36.0
Satisfied	38	38.0	38.0	74.0
Neutral	14	14.0	14.0	88.0
Valid unsatisfied	7	7.0	7.0	95.0
very unsatisfied	5	5.0	5.0	100.0
Total	100	100.0	100.0	

Source: Field Survey, May 2015

During the survey respondents were asked how satisfied they are about the online banking services at the bank and 36% said they were very satisfied with it, 38% said they were just satisfied with it, 14% went with neutral, 7% said they were unsatisfied with it and the remaining 5% were very unsatisfied with the online banking services offered at the bank and felt that it need some small adjustments.

4.5.4 Problems and solutions to online banking products and services

Figure 4.6 Problems associated with the use of online banking services and products



Source: Field Survey, May 2015

64% responded yes and said they encounter unstable connection during usage of online banking products and services whilst the remaining 36% said they encounter that. Also 60% said inadequate knowledge of the services was a problem to them whilst the remaining 40% responded no. Moreover when asked if there are delays in responses to using online banking services, 65% said yes and the remaining 35% responded no. They were also asked if they encountered security problems, 60% responded yes whilst 40% responded no. lastly, when

asked if the online banking products and services offered at the banking are expensive, 66% said yes whilst the remaining 34% responded no.

Figure 4.7 Can a stable connection, faster and quick response, advanced security, cost efficiency and educating clients on usage of the products help solve these problems?



Source: Field Survey, May 2015

When asked if the above factors can help resolve some of the problems associated with use of online banking services, majority of the respondents(85%) said yes whilst the remaining 15% said no.

Table 4.7 If NO then what can also be done to solve the above problems

	Frequency	Percent	Valid Percent	Cumulative Percent
	85	85.0	85.0	85.0
advertisement	4	4.0	4.0	89.0
Advertisement	3	3.0	3.0	92.0
by making promotions	2	2.0	2.0	94.0
Valid consistent education for customers	3	3.0	3.0	97.0
frequent updates of services	3	3.0	3.0	100.0
Total	100	100.0	100.0	

Source: Field Survey, May 2015

Some of the respondents on the other hand said NO because they thought that the above factors were not the only factors that will help resolve the problems associated with the use of the online banking services. They also made suggestions as to some factors that might help solve these problems. 89% strongly went with advertisement of the products and services because if more people aren't advertised enough about the usage of the services, it might slow its progress. 2% also said that by making promotions it might also help solve some of its problems. 3% also suggested consistent education since this might help solve some of its problems and the remaining 3% felt that frequent updates of the services can also help.

CHAPTER FIVE

SUMMARY CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter presents a summary of the major findings of the study with respect to the benefits and challenges of online banking in Ghana. It also makes suggestions and recommendations to enhance the development and use of online banking to achieve greater efficiency of banking operations.

This study attempted to look at the extent of online banking at standard chartered bank harper road branch by identifying the products and services available at the branch. The demographic characteristics of users and their attitudes towards online banking adoption, benefits and problems/challenges to both the bank and customers.

5.2 Summary Of Findings

5.2.1 Responses from the customers

5.2.1.1 Awareness of online banking

The research findings showed that 71% of respondents patronized ATM and mobile banking representing the highest share of the total respondents. The remaining 19% of the respondents patronize the other online banking products and services. Offered by the bank including other universal online banking products. The study revealed that most customers patronize more than one online products and services and that the use of one product does not prohibit them from using other products and services. This implies that the bank should give the same level of attention to each product or service and develop them together rather than focusing on the ones with high patronage.

The research indicated that the bank is doing very well in being the highest performer in terms of creating awareness for the online banking products and services. The media

contributed their bit in publicizing the products and services. Family friends and colleagues at the work place of the respondents by word of mouth helped in the campaign.

5.2.1.2 Benefits of online banking

Majority of the respondents from the survey agreed to the fact that online banking products and services offered by Standard Chartered Bank provide them with benefits that aid in their banking transactions. The customers asserted that the most vital factor they look out for is the level of convenience accessibility, reliability and speed the products and services offered. Customers are therefore generally satisfied with the status quo though they still believe there is room for improvement.

5.2.1.3 Problems/challenges of online banking.

The respondents indicated several problems they had encountered in accessing the various products and services on offer. Problems such as unstable connection, ATM machines and disability unfriendliness of the various ATM machines were the major complaints of the customers. Delayed responses, inadequate knowledge of products and services, costly amongst others were identified in addition to the ones stated above.

5.2.1.4 Customer's suggestions and expectation of online banking

Some customers suggested some ways of solving these key problems. The future according to the respondents looks bright with respect to online banking. There has been a paradigm shift from traditional banking toward online banking which will propel the country to become a cashless economy.

5.2.2 Responses from the bank

5.2.2.1 Products and services

Information from the bank indicated that 60%-80% of the total customers of Standard Chartered Bank use at least one product or services. The bank in addition to the already existing products and services is making effort to introduce and position new products.

5.2.2.2 Benefits of online banking

From the bank, online banking provides enormous benefits in their operations. It helps them lower their cost of doing business, improve in both internal and external communications, increase in market share as well as expand their geographical reach. This confirms what authors on online banking such as Tuchila (2000), Titrade et al (2008) and (Lustsik, 2003) found out.

5.2.2.3 Standard Chartered Bank's expectations of online banking

According to the bank, they intend to ease and ensure unrestricted access to transactions on accounts for their customers. The bank furthermore believes online banking will provide them with a reliable source of commission and fees and improve on Turn Around Time(TAT) in the future .in effect, the bank regards the prospects of online banking to be very high in their organization.

5.3 Conclusion

The banking industry in the world is undergoing a lot of changes of which Ghana is not left out especially in the face of rapid global technological developments. The introduction of online banking is one of such developments in the banking industry

Currently standard chartered bank offers a wide variety of online banking products ranging from ATM, internet banking, mobile banking telephone banking. The online banking products and services have contributed immensely to improved banking operations with regards to; lower cost of doing business, improvement in customer relations, revenue generation, value creation and value enhancement and convenience, increased market share on the part of the bank. Customers have also experienced increased convenience accessibility, security, speed and reliability leading to a more vibrant banking industry.

With the various delivery channels, mobile banking has been introduced into the banking industry for a while now but it is still in the early phase and it is being used for quick checkups of the banking transactions and balances. ATM is the key factors to customer retention and banks cannot afford not to ignore the benefits it brings .the usage of ATM is becoming more of a necessity than a luxury at present. The emergence if internet banking has altered the nature of personal customer banking relationships and has many advantages over traditional banking delivery channels. This includes an increased customer base, cost savings, mass customization and product innovation, marketing and communications and the offering of services regardless of geographic area and time. Internet banking just like SMS banking is expected to become a widely adopted method for disseminating information and exchanges in the near future.

Like any other technological innovation, online banking is beset with its own drawbacks. The major problems associated with online banking in Ghana are unstable connection, inadequate knowledge, frequent power outages, security and trust concerns ,low maintenance of online banking facilities especially ATM ,loss of human touch etc.

Electronic banking has high prospects in Ghana as many forecast a continued migration from current distribution channels to electronic channels. Innovations in financial services products are very important for survival and it is easier now for organizations to achieve that through

online banking. Financial institutions can only maintain competitive advantage through online banking. This implies that more radical developments and improvements are necessary. The technology now exists to allow a largely cashless society with all the resulting implications for efficient distribution of financial services.

5.4 Recommendations

-) With regards to the findings made from our research, the following recommendations have been proposed to address the identified problems associated with online banking and also to increase the usage online banking and services products and services offered by banks in Ghana.
-) The bank should add new and innovative features to the already existing products and services to attract more customers to the bank
-) The bank should not neglect the other category of customers who do not patronize the various online banking products and services. They are mostly aged and the less educated customers. They avoid such products and services due to their low level of education, lack of interest or ignorance. The bank should therefore reduce the level of complexities involved in using them
-) The bank is performing creditably well in terms of creating awareness about the online banking to their customers as this study has proven. However this implies that other powerful marketing tools such as media which could be used to reach several people at a go is not being highly exploited. The radio, television and print media advertising by the bank should be intensified in this regard using the local dialects of their target markets in order to attract more people with low educational background.

-) The cost of usage should be affordable and transparent to the customers. Charges involved in using their various services be made known to customers and if there are any changes, they should be communicated on time.
-) The bank must invest money to increase ATM sites to vantage points in the metropolis. This will attract more customers to the bank. In the long run the bank must be looking at expanding the rural communities through their online delivery channels. Customer complaints about the ATMs should be tackled expeditiously while security at the ATM points should be looked at.
-) A functional mobile application that is downloadable unto any mobile device at a low fee should be created and made available to customers of the bank. The application should be interactive afford customers the luxury to communicate and transact with the bank at ago. Websites of the bank should also be developed such that it can process a large number of customers accessing it at the same time. The bank can increase the bandwidth of its website to accommodate more traffic on the site.

Other Recommendations

-) Also the researchers recommend that fellow researchers interested in conducting similar research should consider a large sample size.
-) We also recommend that more than one branch should be used as a case study but not one.
-) The country as a whole should be used as a search area since we believe Adum Harper Road branch was quite a small and limited area for the research.

REFERENCES

- Joshua Abor (2009). *Technological innovations and banking in Ghana. An evaluation of customers Perceptions.*
- Amin, H (2007). Extending TAM to SMS Banking: Analyzing the gender gap among students. *International journal of business and society*, 8, 1, 24-45 Retrieved from www.ijbs.unimas.my/
- Amin, H,Baba, R. AND Muhammad, M.Z (2007). An analysis of mobile banking acceptance by Malaysian customers, *Sunway academic journal*, 4, 1-12. Retrieved from sunway.edu.my > Home > Publications
- Angelakopoulos, G and Mihiotis, A. (2001). E-Banking challenges and opportunities in Greekbanking sector. *Electronic Commerce Research Journal*. Retrieved from www.springer.com > ... > Business Information Systems
- Asli, Y.M., Ingilizce I. Bolumu and Anadolu H.Y.B. (2011). Customer's perceptive and Risk Issues on E-Banking in turkey; should we still be online? *Journal of internet Banking and commerce*. April 2011, vol. 16, no.1
- Boateng, R. (2006). Developing E-Banking capabilities in a Ghanaian Bank: Preliminary Lessons. *Journal of internet banking and commerce*, August 2006, vol. 11
- Balachander, K. G., Santha, V., Norhazlin, I., nad Rajendra, P. (2001). 'Electronic Banking in Malaysia: A note on Evolution of services and consumer Reactions. *Journal of Internet Banking and Commerce*, 5:1
- Chan, S.C and Lu, M.T. (2004). Understanding internet banking adoption and use behavior: a Hong Kong perspective. *Journal of Global Information Management*, Vol. 12 No. 3, pp. 21-43 Retrieved from www.tandfonline.com/loi/ugit20
- Feinberg, R. and Kadam, R. (2002). E-CRM web service attributes as determinants of customer satisfaction with retail web sites. *International Journal Of services Industry Management*, Vol. 13 No. 5, pp. 432-51
- Filotto, U., Tanzi, P.M. and Saita, F. (1997). Customers' needs and front-office technology adoption. *International Journal of Banking Marketing*, Vol. 1, No.3, January 2010
- Goswami, D. and Raghavendran, S. (2009). Mobile banking: can elephants and hippos tango? *Journal of Business Strategy*, Vol. 30 No. 1, pp. 14-20
- Garau, C. (2002). Consumer attitude and the usage and adoption of home-based banking in the United Kingdom. *International journal of Bank marketing* 20/3/2002, 111-121.
- Jacob, K. (2007). Are mobile payments the smart cards of the aughts? Chaciga Fed Letter No. 240 (2007), Federal Reserve Bank of Chicago, Chicago.

- Jalan, B. (2003). *Strengthening Indian Banking and Finance: Progress and Prospects*. IBA Bulletin, Vol. XXV, No. 3 (March), PP. 5-Retrieved from search.proquest.com
- Joseph, M. (1999). Service quality in the banking sector: *the impact of technology on service delivery*.
- Lewis, B.R. (1991) Service quality: an international comparison of bank customer, expectations and perception. *Journal of Marketing Management*, Vol. 7, p.60 Retrieved from www.tandfonline.com > List of Issues
- Furst, et al (2000). Internet Banking: Developments and Prospects, Economics and Policy. Analysis Working paper 2000-9, September 2000
- Kleijnen, M., Wetzels, M. and de Ruyter, K. (2004). Consumer Acceptance of Wireless Finance. *Journal of Financial Services Marketing*, 8, 206-217 Retrieved from www.palgrave-journals.com/fsm/
- Khorshid, S. and Ghane, H. (2009). Ranking the challenges of e-banking with the help of AHP model. *Journal of Modiriyate sanati azad University of Sanandaj*. Retrieved from www.arabianjbm.com/pdfs/KD_VOL_2_12/9.pdf
- Marti, J. and Zeilinger, A. (1982). *Micro and Money: New Technology in Banking and Shopping*. Policy Studies Institute.
- Majid, K. (2012). Electronic banking challenges in India: an empirical Investigation. *Interdisciplinary journal of contemporary research in business*, June 2012 vol 4, no 2
- Mohamad, et al. (2007). A Comparative Analysis of Internet Banking In Malaysia and Thailand.
- Porteous. D. (2006). The enabling environment for mobile banking in Africa. *Report for the UK Department for international Development, London*.
- Phellas, C.N., Bloch, A. and Seale, C. (2011). Structured methods: interviews, questionnaires and observation. Shetty, V.P. (2000). "E-Banking", IBA Bulletin, Vol. XXI, No.3 (March Special Issue), pp. 31-34
- Suld, R. (2002). Head of e-banking in Sampo Bank. Personal interview. September 6, 2002.
- Sharman, L. (2006). Understanding consumer adoption of internet banking: An interpretive study in the Australian banking context. *Journal of Electronic Commerce Research*, VOL 7, NO.2. Retrieved from www.jecr.org/
- Tobbin, P. (2010). Modeling Adoption of Mobile Money Transfer: A consumer Behavior Analysis, Mobile 4 Development, Kampala.
- Yasuharu, U. (2003), the Effects of Information System Investment in Banking Industry. Banks begin integration. The B&FT, Published On: August 29, 2012.

www.business.myjoyonline.com published on August 5th 2012

Standard Chartered Bank Ghana excels at Banking Awards.

www.sc.com/gh/ways-to-bank/online-banking.html

www.online-banking.standardchartered.com

www.wikipedia.com. Standard chartered bank

www.citifmonline.com

APPENDIX I

**QUESTIONNAIRE FOR DATA COLLECTION FROM STAFF ON THE TOPIC,
IMPACT OF ONLINE BANKING IN GHANA, A CASE STUDY OF STANDARD
CHARTERED BANK.**

We would be very grateful if you could spend some time to respond to these questions for us.
You are assured that any information provided would be used for academic purposes only
and it will be held strictly confidential.

Instruction: please tick the appropriate box or complete the blank space where applicable

Electronic products and service

1. Tick the percentage of your customers that patronize the online banking products and service below

	1-20	20-40	40-60	60-80	80-100
ATM	[]	[]	[]	[]	[]
Mobile banking	[]	[]	[]	[]	[]
Telephone banking	[]	[]	[]	[]	[]
Internet banking	[]	[]	[]	[]	[]

Others

.....
.....

2. How can patronage of these products and services be improved?

ATM:

.....
.....

Mobile banking:

.....
.....

Telephone banking:

.....
.....

Internet banking:

.....
.....

Others:

.....
.....

Benefits from online banking provision

3. What benefits does your bank derive from online banking?

- Value creation and value enhancement []
- Lower cost of doing business []
- Improvement in the internal and external communication []
- Improvement in customer relations []
- Improved in productivity []
- Cost savings []
- Revenue generation []
- Increased market share []
- Speed and efficiency []
- Expand geographical reach []
- Facilitates the development of new products []
- Others, please specify

.....
.....

4. How can the benefits derived from electronic banking be sustained?

ATM:

.....
.....

Mobile banking:

.....
.....

Telephone banking:

.....
.....

Internet banking:

.....
.....

Others:

.....
.....

Barriers to the provision of online banking

5. What are some of the challenges faced in the provision of online banking?

- High cost of operations []
- Security and trust factors []
- ICT competences within the bank []
- Availability and cost of appropriate interoperable system []
- Network infrastructure and internet related support services []
- Cross country legal and regulatory differences []

6. How these are identified challenges being addressed?

ATM:

.....
.....

Mobile banking:

.....
.....

Telephone banking:

.....
.....

Internet banking:

.....
.....

Others:

.....
.....

Prospects of online banking

7. How do you plan on increasing the usage of online banking in your institution?

.....
.....

8. Comment on the prospects of online banking in your institution.

.....
.....

APPENDIX II

QUESTIONNAIRE FOR DATA COLLECTION FROM CUSTOMERS ON THE TOPIC, IMPACT OF ONLINE BANKING IN GHANA, A CASE STUDY OF STANDARD CHARTERED BANK.

We would be very grateful if you could spend some time to respond to these questions for us. You are assured that any information provided would be used for academic purposes only and it will be held strictly confidential.

Instruction: Please tick the appropriate box or complete the blank space where applicable

Section A

Personal data

1. Age: 18-27[] 28-37[] 38-57[] 58 and Above []
2. Gender: Male [] Female []
3. Marital Status: Single [] Married [] Divorced []
4. Educational Background: Basic [] Secondary [] Tertiary []
5. Occupation.....

Section B

Online Banking Usage

6. How did you get to know about the online banking services?
Family [] the Bank [] Media [] Workplace []
7. How often do you use online banking services per month?
1-3 times [] 3-8 times [] 8-12 times [] over 12 times []
8. Which online banking service do you normally use?
ATM [] Mobile Banking [] Internet Banking [] Telephone Banking []
9. Why do you use the online banking services?
10. Convenience [] To Save Time [] 24 Hour Access to Accounts [] Faster and Easy []
11. Do you use online banking service(s) to make payments?

Yes [] No []

12. Do you use the service(s) to make account entries?

Yes [] No []

13. Do you use the online banking service(s) to transfer funds between accounts?

Yes [] No []

14. Do you use the online banking service(s) to order cheque books?

Yes [] No []

15. Do you also use the services to get frequent updates on information and banks policies?

Yes [] No []

Section C

Benefits of Online Banking

16. How do you rate the benefits derived from the usage of online banking services

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Accessibility	[]	[]	[]	[]	[]
Convenience	[]	[]	[]	[]	[]
Security	[]	[]	[]	[]	[]
Reliability	[]	[]	[]	[]	[]
Speed	[]	[]	[]	[]	[]

17. How satisfied are you about the online banking services?

Very satisfied [] satisfied [] neutral [] unsatisfied [] very unsatisfied []

Section D

Problems and Solutions to Online Banking Services.

18. Do you encounter unstable connection when using the online banking services?

Yes [] No []

19. Is inadequate knowledge of online banking product(s) and service(s) a problem to you?

Yes [] No []

20. Are there delays in response to using online banking services?

Yes [] No []

21. Do you encounter security problems when using these services?

Yes [] No []

22. Is it costly to use online banking services?

Yes [] No []

23. Can a stable connection, faster and quick response, advanced security, cost efficiency and educating clients on usage of the products help solve these problems?

Yes [] No []

If No then state below what can also help solve these problems

.....
.....