THE IMPACT OF INTERNET BANKING ON THE PERFORMANCE OF COMMERCIAL BANKS IN ZIMBABWE FROM 2016-2017. A CASE OF THE COMMERCIAL BANK OF ZIMBABWE. (CBZ)

BY

B1544656

A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR A BACHELOR HONOURS DEGREE IN BANKING AND FINANCE OF BINDURA UNIVERSITY OF SCIENCE EDUCATION, FACULTY OF COMMERCE.

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APPROVAL FORM

Topic: The impact of internet banking on commercial banks

A case of the Commercial Bank of Zimbabwe (CBZ)

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Permanent Address: Hse No 17 Harava Crescent

Ruwa Zimbabwe
DEDICATION
This research project is dedicated to my parents Mr and Mrs Kachikira, who have always been my source of inspiration. I would not have done it without your moral and financial support.
ABSTRACT

The purpose of the study is to assess the impact of internet banking on the performance of commercial banks in Zimbabwe from 2016-2017, a case of CBZ. In pursuit of the study I managed to attain some objectives. These include to determine the challenges which are being encountered by CBZ as a result of internet banking. The other objective of the study is to establish the performance of commercial banks in Zimbabwe, CBZ in particular in terms of profitability, customer growth, market share and operational efficiency. To add on, the other objective was to determine the target customers of internet banking and their accessibility to the internet. During the study, I managed to attain the following findings. Internet banking positively impacts the performance of internet banking in that it increases the profitability, the customer base of commercial banks, increases the operational efficiency and positively affects the market share of CBZ as it attracts more customers. I also had findings on the challenges that commercial banks are facing as a result of internet banking. These include the security concerns, the incompatibility of the system, and the resistance from customers and reduced loyalty. After carrying out the study I recommend the commercial banks to carry out awareness campaigns, to implement power backups and get government support and to also expand their services of internet banking to the rural areas.
ACKNOWLEDGEMENTS

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CHAPTER 1

INTRODUCTION

1.0 Introduction
The surfacing of the multicurrency system in Zimbabwe brought out the challenge of cash crisis in 2009 till to date. Recently the adoption of plastic money, a theme under financial inclusion, has provided a lime light to the financial market faced with uncertainty, cyber phobia and ignorance. The use of plastic money is therefore facilitated by Internet Banking system which is deemed to have some bundle of economic and financial implications specifically looking at commercial banks in Zimbabwe. This chapter provides a background to the study, stating the problem statement, purpose of the study, research questions, and significance of the study, the assumptions of the study, the limitations and delimitations of the study, definition of terms and the chapter summary.

1.2 Statement of the problem
Recent changes within the banking sector are fostering a different view of banks as Internet Banking continues to expand. The completion of banking deregulation, cost reductions in lending applications, innovative use of electronic banking products and a shift in competitive focus beyond geographically isolated financial markets have set the stage for a changing structure of banks. This has increased the challenge that over 80 percent of the bankable populations do not have access to the internet, which raises questions as to whether the investment is worthwhile. This technological shift has definitely had an impact on the performance of banks (Beck and Foster, 2001). While Internet Banking (IB) has grown rapidly, there is not enough evidence of its impact on the performance of banks, particularly within the Zimbabwean banking industry. For internet banking and electronic money, within this rather narrow perspective, there are nevertheless many research works that has addressed some of the
challenges facing them. As a result of the above mismatch between the positive and negative effects of the use of internet banking on the performance of commercial banks, the researcher was motivated to embark on a study of the impact of internet banking on the performance of commercial banks in Zimbabwe using a case study of CBZ.

1.3 Objectives

- To determine the challenges which are being encountered by CBZ as a result of Internet banking.
- To establish the extent to which internet banking impacts on the performance of commercial banks in Zimbabwe, CBZ in particular, in terms of profitability, customer growth, market share and operational efficiency.
- To determine the target customers of internet banking and their accessibility to the internet.

1.4 Research questions

- What are the challenges which are being encountered by CBZ when conducting Internet banking transactions?
- To what extent does internet banking impacts on the performance of commercial banks in Zimbabwe, CBZ in particular, in terms of profitability, customer growth, market share and operational efficiency?
- What are the targeted CBZ customers of internet banking and their accessibility to the internet?

1.5 Significance of the study

To the researcher

- The researcher broadens her understanding of the nexus between Internet banking and performance of commercial banks in Zimbabwe.
- It enables the researcher to gain research skills, and experience to conduct research in the future and to combine academic theories with practical procedures.
- It is also a requirement of Bindura University of Science Education in partial fulfilment of bachelor of commerce Honours Degree in Banking and finance.

To the university (Bindura University of Science Education)
The research will contribute to new body of knowledge and act as a yard stick to researchers who may wish to undertake research in the related field.

1.6 Assumptions

- It was assumed that internet banking use affects commercial banks performance
- It was also assumed that the sample taken was a true representative of the population under study, hence the generalisation.
- It was also assumed that the response rate on the questionnaires was so significant that the researcher obtained complete, accurate and relevant data and thus draws valuable conclusions.
- It was also assumed that the selected commercial bank (CBZ) will respond within a reasonable time to enable the researcher to conclude the research in time.

1.7 Delimitation of the study

The study covered the period 2016-2017, because this was the time when the researcher was part of CBZ staff as an intern. Also, amongst all other commercial banks in Zimbabwe, only CBZ was selected to be the case study in this research and it was selected because the researcher was part of the staff for the period of 2016-2017.

1.8 Limitations

There was lack of financial resources to cover costs associated with carrying out the research and data collection from respondents. The respondents may misinterpret intentions of the study and became reluctant to reveal vital information for the research. The researcher assured privacy of participants and confidentiality of their information by including a non-disclosure clause on the cover letter and also the results from the research cannot generalised to other sectors.

1.9 Definitions of Terms

Internet banking
Is an electronic payment system that enables customers of a financial institution to conduct financial transactions on a website operated by the institution, such as a retail bank, virtual bank, credit union or building society (Panida and Sunsern, 2012).

Performance - the extent to which an investment is profitable (Concise Oxford dictionary, 2004)
Plastic money - a generic term for all types of bank cards, credit cards, debit cards, smart cards, Automated Teller Machine cards and charge cards (Business Dictionary.com)

Profitability - ability of a company to use its resources to generate revenue in excess of its expenses

POS is a retail payment device which; reads a customer's bank's name and account number when a bank card or credit card is swiped (passed through a magnetic stripe reader). It contacts the bank and (if funds are available) transfers or withdraws the customer approved amount and prints a receipt (Beck and Foster, 2001).

Chapter Summary

The chapter highlighted the background to the study, statement of problem, research objectives, and research questions, assumption of the research, significance of the study and definition of terms. Delimitations and limitations of the study were also discussed. The following chapter will focus on work already done by other researchers on the subject of online banking on the performance of commercial banks.
2.0 Introduction
Having reviewed the research problem, purpose of the study and objectives of the study on the previous chapter, this chapter proceeds to discuss the literature review. Literature review focuses on discussing and analysing the authorial, accredited and published facts and opinions related to the study and existing literature that is relevant to the problem being studied. It helps one to find out what others have already researched and reported on. Using theoretical insights, concepts and empirical evidence as well as studies in different religions the researcher was able to identify gaps.

2.1 Conceptual framework
Literature has attracted so much interest from Internet banking. There are many online banking advocates. Those who oppose it emphasize their risk of fraud and lack of personal touch. Proponents favor it at any time because of its speed and availability. This chapter reviews Internet banking literature discussions to form the basis for analyzing and comparing the actual research to be carried out.

Dependent variables
ROE shows how much profit a bank earned compared to the total amount of shareholders’ equity. It is one of the ratios that give information on how strong the bank is, Ovia (2013).

ROA is the second bank performance indicator it also shows the net income divided by total asset. It shows the effective way of bank using total assets that generate net income.
Margin or Net Interest Margin is a third important indicator of a bank’s performance. It is the difference of net interest revenue from bank asset and the expenses by paying its liabilities, Ovia (2013).

**Independent variables**

Loan to asset = loan / asset is the ratio that may change when online banking is adopted. As the study says, the highest risk of credit risk can affect the bank's profitability. Deposit to asset = deposit / asset is another ratio expected to change as a result of online banking, as more independent banks are now trying to adopt new products, Ovia (2013). Overhead ratio is a cost measure for rent, maintenance, etc. This is the ratio that each bank attempts to obtain in lower numbers. In this case, it also serves as a good measure, where this ratio is mostly high in the first and second year of adoption. Market shares a different ratio that banks intend to achieve

Efficiency ratio: Noninterest expense, less the amortization expense of intangible assets, as a percent of the sum of net interest income and noninterest income. This variable is very important as it is assumed that during the adoption of online banking the efficiency ratio would better be lower than higher, Ovia (2013).

2.1.1 Internet banking

Internet banking refers to systems that enable bank customers to get access to their accounts and general information on bank products and services through the use of bank’s website, without the intervention or inconvenience of sending letters, faxes, original signatures and telephone confirmations (Henry, 2000). Apart from this definition, Yibin (2003) also defines internet banking as the provision of retail and small value banking products and services through. It also allows non-customers to visit virtual banks via the public network while Phone banking or PC banking provide only closed networks limited to the existing client.

2.1.2 Advantages of Internet Banking

Internet banking comes along with a number of advantages which tend to bring to both the customers who patronize it and the service providers thus CBZ in this case.
There are many reasons why online banking has emerged as a staple of daily life. It’s fast, safe and convenient. It also means that there is no more need to travel to your nearest bank for basic services any longer (Panida and Sunsern, 2012).

Further Simpson, (2002) states that internet banking offers 24/7 Services, thus banking online means that the banks no longer need to keep their branches open around the clock. That means you can simply login to the website of the bank and get what you are looking for. Self-service is the key here.

Again internet banking just like offline service provides monthly transaction statements to customers: with online banking there is no need to visit the bank, call up the branch, or wait for a financial statement to come in the mail (Panida and Sunsern, 2012). All you have to do is login online and download a copy of your statement. This adds a great deal of convenience for those who are hard pressed for time. Similarly, if you need your statement to prove income when you're looking to rent an apartment or something, you no longer need to wait for the bank to send you a statement. It will always be available online.

It is said by many proponents that internet banking is cost effective (Ovia, 2013). It does away with the need to have too many personnel or clerical staff around in the bank. It also raises efficiency in that many customers can be served all at the same time.

Even in terms of environmental protection, internet banking stands out to be environmentally friendly simply because it is paperless. Internet banking allows all transactions to be done without using paper. This saves tremendous amounts of paper, and thus contributes to significant savings on the bank’s part. Plus it also aids in being environment friendly. All you have to do is login online and download a copy of your statement. This adds a great deal of convenience for those who are hard pressed for time. Similarly, if you need your statement to prove income when you're looking to rent an apartment or something, you no longer need to wait for the bank to send you a statement. It will always be available online.

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All these advantages portray a good picture of why many countries need to adopt internet banking. However, with little usage of internet in developing countries, questions arise as to why commercial banks need to adopt internet banking when usage is small.

Proponents of internet banking go further to state of its geographical convenience. With internet banking, it doesn’t matter where you are located. You could be in any part of the globe and still be able to check on any financial transaction online. But the fact that this facility is not widely promoted in Malawi leaves out many customers especially in semi-urban provinces.

Banking through the internet has made the effective management of all assets possible. Most of today’s banks provide sophisticated tools and mechanisms for one to aggregate accounts, get alerts on market activity, get stock quotes, as well as manage their portfolio of investments. Simpson (2003) states that with internet banking as a customer you can;

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1. **Pay Your Bills Online**
   You can use online banking to pay your bills. This will eliminate the need for stamps and you protect yourself from the check being lost in the mail. Most banks will have a section in which you set up payees. You will need to fill out the information once, and then you can simply choose that profile every time you pay a bill online. If your bank will not pay bills online you may consider paying online through the company. Be careful since some of these companies may charge a convenience fee, Jayawardhena and Foley (2000).

2. **View Your Transactions**
   Online banking allows you to access your account history and transactions from anywhere. This is the quickest way to check and see if a transaction has cleared your account. This can help you to find out the amount of a transaction after you have lost your receipt. It also allows you to find out about unauthorized transactions more quickly. This can help you to resolve the issues more quickly.

3. **Transfer Money between Accounts**
   Online banking also allows you to transfer money between accounts much more quickly. It is more convenient than using the automated phone service, and can save you a trip to the bank.
When you apply or set up your online banking, be sure that all of the accounts you have at the bank are listed. This will make it easier to transfer money and make loan payments online.

4. Protect Yourself Online

It is important to be careful when banking online. You do not want your safety or privacy to be breached. It is important to clear your cookies after each banking session, if you are at a public computer. Additionally, you need to make sure that your password is long enough to prevent it from easily being hacked. Never give your online account information to someone who is not an authorized signer on your account. Check your credit report regularly. These steps should protect your account from identity theft. Although internet banking is credited to have eased way of life for many customers, little is stated of its disadvantages, Jayawardhena and Foley (2000). Many proponents of internet banking have also highlighted disadvantages while acknowledging the advantages outweigh the disadvantages.

2.1.3 Challenges of Internet Banking

According to Akuffo (2011), some customers are hesitant because of problems they see in the industry. He pointed out these disadvantages to internet banking, and added that many of the problems start with the consumers/banks customers.

Technophobia

Technophobia is the fear or dislike of advanced technology or complex devices, especially, computers. There are still quite a few people who do not use internet banking because of their own lack of knowledge, therefore are resistant to technology and feel that it is too difficult to learn (Akuffo, 2011). People who have this problem are usually older because young people are exposed to computers at an early age these days.

High Cost of Internet Services

The high cost of internet services and products is leaving majority of Ghanaians out of the enormous opportunities and benefits that the technology offers in education, governance, commerce and research. The production, packaging and manner of distribution of internet services make the technology expensive.

Security

According to (Howcroft et al., 2002) cited by Emmanuel Akuffo, Customers have been scared of security issues. Security is a problem for many users of internet banking. The user names
and passwords are often complex. This is good, for the most part, because no one else would guess them. However, it can be a problem if the customer cannot remember them. The customer might not be able to access their account when they want to, without going through an intense security procedure.

**Fraud**

Internet banking, like any other business arena, is susceptible to fraud. Phonies abound in every type of business, and Internet banking is no different. One kind of fraud is done on fake bank websites. These are look-alike sites that imitate your internet banking website, Jayawardhena and Foley (2000). They sometimes pop up when there is a slight misspelling of your bank's web address. In global terms the majority of consumers are still not using online banking channel because of fraud.

**Site Disruption**

A technical glitch could cause the banks website to go offline for a period of time, possibly If you are new to online banking, it may take some time to get used to it, taking valuable time out of your work day. Online banking offers a large number of transactions, so frustration may occur while you are learning to navigate the site, Simpson (2002). Banks also update web pages to add new features, requiring additional learning and possibly the need to change account numbers or passwords. If you need help, you might encounter a lengthy wait when using the banks telephone customer service line.

resulting in problems for you and your business. For example, you may need immediate funds after normal banking hours to make a payment or emergency business purchase, Jayawardhena and Foley (2000). Routine site maintenance also occurs, although this normally takes place during off-peak hours.

**Site Navigation**

**Accessibility**

If your business is located in a rural or remote area, your Internet options could be limited. Depending on your type of business, this can make conducting transactions difficult. For example, if you operate a home-based business and you don’t have access to a high-speed cable connection, you may have to use a slower dial-up service. As a result, your business banking may take more time, or you might even experience times where you can’t get online http://small business.chron.com The implications of internet banking do not only apply to individual customers and banks, but can also impact on a financial system of a country as a whole.
2.1.4 Measures to address internet banking issue

Internet banking comes with challenges like any other invention. These challenges amongst them are few that cannot be absolutely solve and improve upon the quality of delivery of services to consumers. Below propose ways that will help to address off these challenges associated with internet banking accounting to Akuffo, (2011).

Training and Education

Training and education is one way that can be used to curtail internet banking challenges in Ghana. Technophobia customers should be given training on how to use electronic gadgets and technology; to assist them to fully utilize internet banking service. As the saying goes “knowledge is power” and so consumers of internet banking must be provided with knowledge, Simpson (2002).

One time passwords

To improve security, some banks use one time passwords also called OTP. Upon activation of the customer's account for online banking, the bank mails a list of OTPs to the customer, Simpson (2002). Each time the customer performs a transaction, he enters one OTP for verification. Once used, the OTP becomes invalid. If the customer runs out of OTPs, he is sent a new list.

Hardware Tokens

The high-tech alternative to paper OTP lists are "hardware tokens". These devices have the form factor of a key chain attachment, featuring a crypto processor and a display, Jayawardhena and Foley (2000). A hardware token displays a new OTP every 60 seconds. Because each OTP is only valid for a limited period of time, they provide significant protection against "over the shoulder looking" and phishing schemes.
2.1.5 Internet Banking and Performance of commercial banks

Simpson (2002) suggests that e-banking is driven largely by the prospects of operating costs minimization and operating revenues maximization. A comparison of internet banking in developed and emerging markets reveal that in developed markets lower costs and higher revenues are more noticeable.

While Sullivan (2000) finds no systematic evidence of a benefit of internet banking in US click and mortar banks, Furst et al. (2002) find that federally chartered US banks had higher ROE by using the click-and-mortar business model. Furst et al (2002) also examine the determinants of internet banking adoption and observe that more profitable banks adopt internet banking after 1998 but yet they are not the first movers. Jayawardena and Foley (2000) show that internet banking results in cost and efficiency gains for banks yet very few banks are using it and only a little more than half a million customers are online in U.K.

DeYoung (2005) analyze the performance of Internet only banks versus the brick and mortars in the US market and find strong evidence of general experience effects available to all start-ups. Yet there is little evidence that technology based learning accelerates the financial performance of Internet only startups. He finds that bank profitability is lower for pure-play (internet-only) banks in the US market. However in a later study DeYoung et al (2007) analyze the US community banks market to investigate the effect of internet banking on bank performance. They compare the brick and mortar banks performance to click and mortar banks which do have transactional websites over a three year period. Their findings suggest that internet banking improved bank profitability, via increase in revenues from deposit service charges.

Movements of deposits from checking accounts to money market deposit accounts, increased use of brokered deposits, and higher average wage rates for bank employees were also observed for click and mortar banks. While no change in loan portfolio mix was found, their findings confirm Hernando and Nieto (2007) that internet banking is seen as a complementary channel.
2.1.6 Ratios
Ratios are one of the most common tools used to analyze financial statements. Ratio is one number expressed in terms of another (Adedeji, 2014). The ratio analysis involves comparison of useful interrelated figures over a number of years to establish a trend. There is no common ratio that can serve the purpose of assessing the financial statement of a company such as banks. As a matter of fact, ratios have been chosen and applied by various banks according to its nature of business and purpose. By the use of ratio analysis techniques, it is possible to facilitate comparison of significant figures, by expressing their relationship in the form of ratios or percentages, thus enabling the accounts of a business to be interpreted by bringing into focus salient features contained in the financial statements.

Analysts use financial ratios because numbers in isolation typically convey little meaning. Thus, ratios are intended to provide meaningful relationship between individual and in the financial statement report numerous individuals’ items, it is possible to produce a vast number of potential ratios, many which will have little value. Ratios also play very important role in assessing the performance of companies using their financial statements.

2.1.7 Essence of ratios
The essence of the financial soundness of a company lies in balancing its goals, commercial strategy, product market choices and resultant financial needs. The company should have financial capability and flexibility to pursue its commercial strategy. Ratio analysis is a very useful analytical technique to raise pertinent questions on a number of managerial issues. While assessing the financial health of a company with the help of ratio analysis, answers to questions relating to the company’s profitability, as sets utilization, liquidity, financing and strategies capabilities may be sought.

2.2 Theoretical Review

2.2.1 Technology Acceptance Model
To comprehend, envisage and explain why people accept or reject information systems; researchers have developed and used various models to understand the acceptance of users of the information systems. According Njogu Joseph Njogu (October 2014), the Technology Acceptance Model (TAM) that was introduced by Davis, Bagozzi, and Warshaw (1989) is one
of the most cited models that researchers used to study underlying factors that motivate users to accept and adopt a new information system (Al Shibly, 2011).

The primary goal of TAM is to provide an explanation of factors affecting computer applications' acceptance in general. In addition, this model helps researchers and practitioners to identify why a particular system is unacceptable (Davis, 1989). Davis suggested that using an information system is directly determined by the behavioural intention to use it, which is in turn influenced by the users' attitudes toward using the system and the perceived usefulness of the system. Attitude and perceived usefulness are also affected by the perceived ease of use. Technology Acceptance Model is used to explain how banks adopt electronic banking.

2.3 Empirical Evidence
The empirical literature presented here are studies conducted in other countries but are however relevant to the study. Apparently, this section focus on the context of the performance of banks in Zimbabwe as far as the banking industry is concerned.

2.4 Gap Analysis
A few empirical studies exist in the literature, which have examined the relative performance of banks offering Internet banking services. These studies vary from analyzing differences in the performance of banks with an internet banking portfolio. Such studies have shown a range in the level of profitability in relation to internet banking. Apart from the above, the above discussed literature has been focusing mainly with the adoption of internet banking leaving out the gap for the need to carry out a study on the impact of internet banking on the performance of commercial banks in Zimbabwe since the literature pertaining to this is few. Also most of the above literature has been researched in Europe and now the current study is being undertaken in Africa, in Zimbabwe.

2.5 Chapter Summary
This chapter looked at what the secondary sources say about internet banking. It as well discussed the gap analysis of the current research problem which was derived from the past literature which was discussed under empirical review section. The next chapter will look at research methodology that will be used in the collection of data from respondents.
CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction.
This chapter is set out to give a description of how the research studies was executed, embracing all the activities and procedures that was undertaken during the study. It gives an insight of the research methodology that was adopted and the rationale for its use including how the information was collected and analyzed. Aspects such as the research design, sample design, data sources and data collection instruments to be used are the focus of this chapter. The chapter also contains the advantages and disadvantages of each method to be used and a justification for the use of each method.

3.1 Research Design
Descriptive research design is both qualitative and quantitative as the research seeks to collect data that permits us to describe the characteristics of the phenomena being studied. As the name infers, the major purpose of descriptive research is to describe characteristics of objects, people, groups, organizations, or environments. In other words, descriptive research tries to “paint a picture” of a given situation by addressing who, what, when, where, and how questions (Babin & Griffin, 2013). This design is cheap and can greatly reduce the financial constraint without negatively affecting the effectiveness of the research. Nonetheless, this design has extensive use of figures that require high levels of accuracy. Descriptive research design was used, the
design was tailor made to describe the ideas to be gathered from different commercial banks. A descriptive survey method answers the questions why, how, when, who and what?

A descriptive survey design is a scientific investigation that is used to study large and small population through selecting and studying large samples chosen from the largest population in order to discover the relative incidents or distribution of variables on a specific topic (Kirlinger, 1973).

3.2 Research population
Population refers to the entire set of objects or people which is the focus of the research and about which the researcher wants to determine some characteristics. By definition, population is the group to which a researcher would like the results of the study to be generalizable. A summative of all cases that conform to some elected set of criteria, as people, events, places, time organizations or things is the population.

Population might cover almost any geographical area, set of all cases of interest and might be virtually any size. Theoretically, researchers could specify an even finer distinction of population called the study population. Population of 500 respondents at CBZ Harare was used.

3.3 Sample size
A sample is a subset of the population being studied, that included the process of selecting a few (samples) from a bigger group (the sampling population) to become the basis for estimating or predicting a fact, situation or outcome regarding the bigger group. Samples should be as large as possible, in general the larger the sample the more representative and the more generalizable the results of the study were likely to be. Minimum, acceptable sample size for descriptive research would be 10% of population (Gay and Diehl, 1992). A sample size of 50 respondents was used taken CBZ employees and management.

3.4 Sampling techniques
Random sampling techniques were used to select respondents from the above-mentioned sample size of 50 respondents and to ensure that the population is a true representative of all employees in CBZ bank. The random sampling technique involves choosing the bank employees at random basis without following any pattern or system. This technique gives each element within each institution, an equal probability of being selected.
Random Sampling

Wegner (1995) defines random sampling as arranging of conditions in such a manner that every item of the whole universe from the sample shall have same chances of being selected. It was used when the population members are similar to each other. This method is justified in the sense that it has high representative in the case that all respondents participate and it also gives everyone the chance to be selected.

Random sampling provides highly representative of all subjects from cars users and Bindura residents since the selection criteria provides equal opportunity for every member to be selected during the research and it gives everyone a chance of being selected to participate in the research as people were selected randomly. However, drawing a simple random sample led to misappropriation of number of participants given questionnaires since there was limitation of participants from CBZ bank employees. Random sampling was used on bank employees.

3.5 Data collection methods instruments.

This study was conducted using primary sources of data and secondary data sources. Shiu et al (2009) defines secondary data as historical data structures of variables previously collected and assembled for some research problem or opportunity situation other than the current situation. Secondary data is a viable alternative source of information which provides comparative and contextual information that can result in other discoveries.

Primary data is original data gathered from the field of interest of the research, gathered to satisfy the purpose of the research objectives and question. Questionnaires and interviews were administered to solicit information from management, employees and key contract subscribers. Data obtained would be first hand obtained from the period of the sales promotion.

3.5.1 Interviews

Semi-structured and unstructured in-depth interviews was carried out with the commercial banks that have online banking system. Questions to be asked during the interviews was pre-set and these enable similar questions was asked from all the respondents. Interviewing the right people who was knowledgeable about the topic will result in great value for the research. Primary data was collected using two separate sets of interview schedules developed after a pilot study. The interview schedule developed for collecting data from cardholders will finalized after a pilot study
The researcher finds the following advantages of in-depth interview, includes the following: the researcher will have great deal of flexibility and use his ingenuity to stimulate merchants to outline their challenges and prospects since the inception of the online banking system. The interviewer was using probing to get information especially on complex and emotional questions.

This method has got the following disadvantages: Respondent feels uneasy and intimidated by the in-depth interview this leads to the collection of biased data. Respondent may hold back some important information if they feel that it would not be in their best interest should it be known that they disseminated the information.

3.5.2 Questionnaires
A questionnaire is going to be used as a data collection instrument because questionnaires are extremely flexible and could be used to gather information from a large or small number of people (Moore, 1987). The questionnaire was the main research instrument in this study, with the objective to elicit as much related information as possible from the respondents. It would contain enough questions to be able to meet survey objectives but not so many as to be off-putting to respondents.

Bisht Nair, Dubey and Hajela (2015) argued that it suffices to have a draft questionnaire prepared and administered to 20 people as part of pilot study.

These following demerits of using questionnaire are possibly to been countered which are namely: Questionnaires might be unclear or vague to respondents thus feedback can be wrong.

Some questions could be left unanswered and this reduces the sample size and thus introduces sample bias.

The researcher might use the following remedies to the above-mentioned problems

3.6 Sources of data
There are two main identified data sources which are primary and secondary data sources.

3.6.1 Primary data sources
This is first-hand information collected by the researcher about the organization under study, Wegner (1995). The data was collected through interviews and questionnaires. Primary data collection method was used because it resulted in the accumulation of current and relevant data that is sound for conclusion and recommendations to the topic under study.
3.6.2 Secondary data sources
Secondary data was used to compliment primary data. The sources comprised of information that already existed and had been collected for other purposes other than the current research. The data was solicited from journals, thesis and different studies and reports on online banking.

3.7 Validity and reliability
Validity refers to the degree to which a study accurately reflects or assesses the specific concept that the researcher is attempting to measure. While reliability is concerned with the accuracy of the actual measuring instrument or procedure, validity is concerned with the study's success at measuring what the researchers set out to measure.

Reliability refers to the degree of consistency or accuracy with which an instrument measures the attribute it is designed to measure. If a study and its results are reliable, it means that the same results would be obtained if the study were to be replicated by other researchers using the same method. Cronbach alpha was used to ensure that the data is reliable.

3.8 Ethical Considerations
According to Polit and Hungler (2006), ethics are systems of moral values that are concerned with the degree to which research procedures adhere to professional, legal and social obligations. In this research, permission was sought from the CBZ Management and from the respondents. The participants’ voluntary freedom to participate or withdraw from the exercise was clarified. All study participants were treated with respect, fairness and dignity. Anonymity, confidentiality and privacy of study participants were afforded by explaining to the participants that their personal data were not going to be used to link results to them. The questionnaire was designed to exclude personal identification data.

3.9 Chapter Summary
The chapter provided the background on how the research is to be conducted. The instruments employed in the study were analysed and the concepts of validity and reliability of research instruments were discussed in detail. It explained the data collection procedures in terms of sampling the respondents, distribution and collection of questionnaires, the strengths and weaknesses of research instruments as practical approaches to data gathering. Lastly the chapter explained the data analysis and presentation procedure, which is expected to add new dimensions to the body of knowledge on the topic of interest in the next chapter.
CHAPTER IV

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction
In this chapter data findings are analysed, presented and interpreted as they relate to the theory that underlies the study of internet banking. The previous chapters have enlightened the problem of the study, literature review and research methodology in order to provide a theoretical foundation for the correct analysis of the results obtained during data gathering pertaining to the impact of internet banking on the performance of commercial banks in Zimbabwe from (2016 – 2017) using CBZ Harare as a case study. Data is analysed from the findings obtained through the use of questionnaires. For the analysis, tables, bar charts, pie charts and simple percentage was used to present data. Furthermore, in order to reduce the bulkiness of data, the data presented and analysed was those that are considered relevant to the problems and objectives and of this research study. Findings was analysed to come up with a reasonable conclusion on firstly, the challenges which are being encountered by CBZ as a result of Internet Banking, secondly, the extent to which internet banking impacts on the performance of commercial banks in Zimbabwe, CBZ Harare Branch in particular, interms of profitability, customer growth, market share and operational efficiency and lastly on the target customers of internet banking and their accessibility to the internet.

4.1 Data Presentation Process
Having put in place all accomplished questionnaires and carried out all proposed interviews, the researcher went through all questionnaires to analyze the responses from differences
respondents to draw up conclusions. Data was presented on the material and information obtained by the researcher throughout the research. A sample size of 25 was chosen. Analysis of data presented was made using SPSS version 20 and descriptive statistics analysis.

4.2 Response Rate Status

4.2.1 Questionnaire response rate
Saunders et al (2003) stated that, a response rate is a proportion of subjects in a statistical study who responded to the researcher's questionnaire. The researcher collected the completed questionnaires from the targeted respondents at CBZ Harare Branch. From the findings, the researcher noted a questionnaire response rate as depicted on the table 4.1 below:

Table 4.1 Questionnaire response rate

<table>
<thead>
<tr>
<th>RESPONDENTS</th>
<th>SENT</th>
<th>RECEIVED</th>
<th>% RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Tellers</td>
<td>10</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>Bank office employees</td>
<td>5</td>
<td>5</td>
<td>100</td>
</tr>
<tr>
<td>Junior management</td>
<td>6</td>
<td>4</td>
<td>67</td>
</tr>
<tr>
<td>Senior management</td>
<td>4</td>
<td>3</td>
<td>75</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25</strong></td>
<td><strong>22</strong></td>
<td><strong>88</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data

The table 4.1 showed the target number of questionnaires distributed targeted respondents at CBZ Harare. Successful questionnaires were 22 out of the 25 distributed. The lowest response rate (67%) was achieved from the junior management as they were too busy and occupied they were not free to complete my questionnaires. The highest response rate (100%) came from Bank tellers as well as back office employees as in most cases they were readily available at work and they were not occupied. An average response rate was calculated and a favorable average response rate of 86% was obtained.

Response rate = (100% +100% + 67% + 75%)/4= 86%

Jackson (2011) suggested that a response rate of 70% and above is very good if the survey is administered through questionnaire. A true representative of the target population was achieved due to a high response rate. Surveys must have good response rates in order to produce accurate and useful results. The average response rate was 86% which falls in the bracket of excellence, according to Jackson (2011).
4.2.2 Interview response rate
Interviews were conducted with three CBZ managers. From the selected individuals, the interviews were successfully conducted on same day and this gave a favourable interview response rate of 100%. According to Jackson (2011), a response rate of 80 to 85% is rated good provided the interviews are administered through face to face. Therefore from the 100% obtained, it shows a good response rate.

4.3 General Information of respondents
4.3.1 Gender of respondents

Figure 4.1 Gender of respondent

<table>
<thead>
<tr>
<th>Gender of respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>68%</td>
</tr>
<tr>
<td>Female</td>
<td>32%</td>
</tr>
</tbody>
</table>

Source: Primary Data
The figure 4.1 above showed the gender of the respondents on the targeted population at CBZ. The research indicated that 68% of the respondents were males whilst the remaining 32% were females.

4.3.2 Age of the respondents
The respondents from CBZ were asked to give their age during the research and the graph below depict the age distribution of the respondents.
Source: Primary Data

On the above graph it can be noted that the majority of the respondents were in the age group range of 32 – 40 years with 54% of the total respondents this means that the majority of Bank workers are very youthfull. This majority age group was followed by the range 21 – 30 years which has obtained 20% of the respondents and 12% of the respondents were 41- 40 years and lastly the least age group of the respondents were those who were above 50 years who just 4% of the respondents.
Table 4.2 level of qualification of respondents

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificate</td>
<td>3</td>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Diploma</td>
<td>10</td>
<td>45</td>
<td>45</td>
<td>59</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>6</td>
<td>27</td>
<td>27</td>
<td>86</td>
</tr>
<tr>
<td>Post graduate</td>
<td>3</td>
<td>14</td>
<td>14</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary Data

From the respondents’ results shown on the Table 4.2 above, it indicated that the majority of the respondents were holders of Diploma (45%). 27% were holders of Undergraduate Degree, then those who have the level of education up to Certificates and Post graduate had both 14%. These findings were supported by Chiu (2003) who advocated that higher level of educational encouraged workers to be more fully consider alternative perspective or extenuating circumstances rather than judging complex issues in narrow terms. Swaidan, Vitell and Rawwas (2003) also stated that level of qualification also affected one’s ability to complete questionnaire thus in this research given the high literate respondents who were asked to fill in the questionnaires, the researcher can be said to be valid and reliable.
4.3.3 Working Experience  
Figure 4.3 work experience of the respondents

![Period working in Banking Industry](image)

Source: Primary Data

On the figure 4.3 above, it showed that the most respondents had between 6 to 10 years’ experience in business (54%), followed by those who were with 1 – 5 years experience in business (20%). Those who have worked in the banking industry for 11 to 15 years were 12% and they were the least percentage.

4.4 Instrument reliability test  
Table 4.3 Instrument reliability test

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.974</td>
<td>25</td>
</tr>
</tbody>
</table>

The above Table 4.3 showed an instrumental reliability test and a Cronbach Alpha value of 0.974 was obtained after instrument reliability was tested for all items on the questionnaire. Cronbach’s alphas of 0.974 exceeded the recommended threshold level of 0.70 for acceptable reliability. The alpha coefficient ranges from 0 to 1, and it is common practice to take 0.60 as the minimum acceptable alpha value. Bernardo, and Smith 2011) argued that a
reliability coefficient in the order of 0.60 is acceptable whilst Bryman (2011) suggested a minimum alpha value of 0.70 is good enough.

4.5 The challenges of online banking services in commercial banks.
The table below shows the response rate concerning the benefits of online banking services in commercial banks.

Table 4.4 challenges of online banking services in commercial banks

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Statistic</td>
<td>Std. Error</td>
</tr>
<tr>
<td>Security concerns</td>
<td>22</td>
<td>5.000</td>
<td>.00000</td>
</tr>
<tr>
<td>Incompatibility of the system</td>
<td>22</td>
<td>4.2727</td>
<td>.29558</td>
</tr>
<tr>
<td>with the existing one</td>
<td></td>
<td></td>
<td>1.38639</td>
</tr>
<tr>
<td>Resistance from customers</td>
<td>22</td>
<td>3.5455</td>
<td>.39874</td>
</tr>
<tr>
<td>Reduced customer loyalty</td>
<td>22</td>
<td>3.0909</td>
<td>.32172</td>
</tr>
<tr>
<td>Low internet or ICT penetration</td>
<td>22</td>
<td>2.9091</td>
<td>.40510</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>22</td>
<td></td>
<td>1.90010</td>
</tr>
</tbody>
</table>

Source: Primary Data

From the Table above, the research findings showed that security concerns with mean value of 5.0 and standard deviation of 0.0 (SE=±0.00) was rated as the most challenge which is being faced by commercial banks using internet banking. On the second place was incompatibility of the system with the existing ones (mean=4.3; SD=0.3; SE=±1.4) followed by resistance from customers with mean value of 3.5 and standard deviation of 1.9 (SE=±0.4). Reduced customer loyalty (mean=3.1; SD=1.5; SE=±0.32). Lastly on the bottom of the list was low internet or ICT penetration (mean=2.9; SD=1.9; SE=±1.9).

However the results are in sharp contrast with the view of Mupfiga et al (2013) who averred that low internet or ICT penetration is the main challenge of online banking in commercial
banks. The researcher concluded that low internet as well as resistance from customers are the main challenges that are being faced by commercial banks in Zimbabwe and CBZ in particular.

4.5 The extent to which internet banking impacts on the performance of commercial banks in Zimbabwe, CBZ in particular, in terms of profitability, customer growth, market share and operational efficiency.

Table 4.5 Descriptive statistics

<table>
<thead>
<tr>
<th>Internet banking affects profitability positively</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>22</td>
<td>2.6818</td>
<td>.27435</td>
</tr>
<tr>
<td>Internet banking resulted in the growth of market share</td>
<td>22</td>
<td>2.3636</td>
<td>.38108</td>
</tr>
<tr>
<td>Internet banking increased operational efficiency</td>
<td>22</td>
<td>1.5909</td>
<td>.14202</td>
</tr>
<tr>
<td>Customer growth is increasing due to internet banking</td>
<td>22</td>
<td>1.4091</td>
<td>.14202</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>22</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary Data

The research probed the level of internet banking is impacting on the performance of commercial banks in Zimbabwe, CBZ in particular, in terms of profitability, customer growth, market share and operational efficiency. The respondents indicated that at the highest level performance which was brought in by the adoption of internet banking is profitability (mean=2.7; SD=1.3). It was also indicated that internet banking impacts market share of a
commercial bank thus internet banking increases market share of a bank (mean = 2.4; SD = 1.8) and it was rated on the second position. The respondents also showed that internet enhances and improves operational efficiency of commercial banks in Zimbabwe, with mean value of 1.5 and standard deviation of 0.6 was rated on the third place. On the last was growth of customers as a result of the use of internet banking in commercial banks with a mean of (mean = 1.4; SD = 0.7; SE = ±0.14).

The findings of were in tandem with Ngango, (2015) who indicated that electronic banking increases bank efficiency, assets, revenue and reduces cost of operations. The study concluded that electronic banking contributes positively to the performance of banks in spite of a few challenges like network failures.

4.6 The target customers of internet banking and their accessibility to the internet.

Fig 4.4 Customer and their accessibility to the bank

Source: Primary Data

On the above fig 4.4, the graph shows CBZ customer against their chances of being able to use internet banking. Firstly, Lecturers were ranked on top of every one by the respondents as the category of CBZ clients who are happy with the initiative of internet banking with 33% of responding agreeing to the fact that lecturers use internet banking more than any other clients in the CBZ bank. From lecturers, it will be then followed by private sector works those who
work in the private sector such as Telone and Nyaradzo employees were ranked second with 28 percent of the respondents, this was followed by civil servants, SMEs, students, farmers and mine works with (12%, 10%, 9%, 5% and 3%) respectively, with mine workers being reported by the respondents as the least category of customer who are currently using internet banking they still believe in the brick and motar banking system yet we are moving technologically in all sectors in the country.

4.7 Chapter Summary
In this chapter data findings was analysed, presented and interpreted as they relate to the theory that underlies the study. The research finding showed that overall there was a statistically significant linkage between internet banking and operational efficiency as well as improve financial and non financial performance of the Bank. The next chapter will cover conclusion and recommendations.
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction
The study aimed at exploring the Impact of internet banking on the performance of commercial banks in Zimbabwe during 2016-2017. In view of this, CBZ Harare was selected as a case study. This chapter gives conclusions and recommendations on the researcher topic based on a critical analysis of the research findings. Therefore, in line with research objectives of this study we conclude and suggest recommendations based on the findings presented and the literature review.

5.1 Organization of the study
Chapter 1 of this research presented the introduction of the study under review, the statement of the problem, objectives of the study and the significance of the study.
Chapter 2 focused on the literature review as a way of testifying the importance of the area of study. From the study it emerged that internet banking has positive effects on the performance of Zimbabwean commercial banks.
Chapter 3 mainly focused on research methodology and research design. The research used descriptive research design and the case study approach.
Chapter 4 focused on the data presentation, analysis and discussion of findings. From the results obtained, it was clear that security concerns and lower internet or ICT penetration are the major challenges which are being confronted by commercial banks as the use internet banking.
Chapter 5 mainly dealt with summary, conclusions, recommendations and areas for further research.

5.2 Summary

The general objective of the study was to determine the extent to which internet banking impacts on the performance of commercial banks in Zimbabwe, CBZ in particular, in terms of profitability, customer growth, market share and operational efficiency. The study through the use of 5 point likert scale with 1 – strongly agree and 5 – strongly agree find out that internet banking positively impacts all those factors that is internet banking increases profitability, internet banking increases customer base of commercial banks, internet banking increases operational efficiency and lastly internet banking was said by the respondents as a factor that positively affects market share of CBZ. The reviewed literature reviewed that internet banking has more benefits that outweigh drawbacks thus internet banking can be concluded that it promotes performance of commercial banks in Zimbabwe.

The research also indicated that challenges which are being faced by commercial banks as a result of internet banking are security concerns, incompatibility of the system with the existing ones, resistance from customers, reduced loyalty and low internet or ICT penetration. With regards to low internet or ICT penetration, it can be noted that most CBZ clients does not have gadgets and adequate internet that facilitates internet banking thus the issue of poor internet is holding back the success of internet banking in commercial banks in Zimbabwe.

Lastly, the research found out that lecturers, mine workers, civil servants, private sector employees, farmers, students are the target customers of internet banking by CBZ. Lecturers were selected by the respondents as the major target group of internet banking that is managing to use it when embarking on their banking transactions.
5.3 Conclusion

Finally, it was concluded that internet has been positively impacted the performance of commercial banks in Zimbabwe, in general and in CBZ Harare in particular. With internet banking there is reduced queues and as a result of that there will be increased efficiency by bank employees. However, the researcher noted that the commercial banks are not yet enjoying the full package of the internet banking phenomenon since their are challenges which are hindering its use for instance the major one which was found out by this research being poor network infrastructure in Zimbabwe.

In short, all banks should engage in educating their customers on how to use internet banking whenever they wish to transact as well as spelling out to them the advantages of using internet banking for instance issue of time saving and being at a risk free from restraining from moving around with a lot of cash which can be robbed from the client.

5.4 Recommendations.

1. **Awareness campaigns**: The bank should increase its awareness campaigns to increase the usage rate of mobile and internet banking by its customers since they will be more aware of the service and its benefits.

2. **Power backups and government support**: In terms of power shortages the banks should provide with reliable backup power like generators, on all branches nationwide. This will allow customers to use internet banking service even though there will be no electricity. Government should also understand banks that are pushing for an e-revolution and give them some tax holidays during the periods they are incurring setup costs of e-banking services.
3. **Expand service to rural areas**: Banks should seek to expand the mobile and internet facilities to remote areas such as rural areas and growth points where there is a significant number of customers who lack access and knowledge about the services.

**5.5 Area of further study**

Studies must be carried out in other organizations similar to CBZ on the Impact of internet banking on the performance of commercial banks in Zimbabwe and compare results with this study.

Data should be collected from different sources. This would include further case studies, interviews or face to face communication; this would enrich and improve the current study.
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Theory of Planned Behavior and Technology Acceptance Model. Journal of applied social psychology, Volume 40. 1172-120
Dear Sir/Madam

RE: REQUEST FOR PERMISSION TO CONDUCT RESEARCH

My name is Tanyaradzwa Kachikira. I am an undergraduate student at Bindura University of Science Education pursuing a Bachelor of Commerce Honors Degree in Banking and Finance. I am required to carry out a research project in partial fulfillment of the requirements for the degree. As such the student is carrying out a research on “The Impact of internet banking on the performance of commercial banks in Zimbabwe during 2016-2017. A case of the Commercial Bank of Zimbabwe.” The researcher is kindly asking for your assistance as respondents to the research understudy by filling in the questionnaire. The responses you will provide will be treated with utmost confidentiality and will be used solely for academic purposes. Your cooperation will be greatly appreciated.
Yours Sincerely

Tanyaradzwa Kachikira

**General Instructions**

[1] Answer by putting a tick in the box where options are provided or give details where necessary.

[2] Please kindly complete the questionnaire on your own.

**[NB]:** Names of participants will not by any means be disclosed to the on the questionnaire.

Information collected shall remain private and confidential and will be used for the purpose of this study only.
SECTION A  Demographic questions

1. Gender

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
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<td></td>
</tr>
<tr>
<td>Female</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

2. Age

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
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<th>4</th>
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</thead>
<tbody>
<tr>
<td>21 – 30</td>
<td></td>
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<tr>
<td>31 – 40</td>
<td>2</td>
<td></td>
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<td></td>
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<tr>
<td>41 -50</td>
<td></td>
<td>3</td>
<td></td>
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</tr>
<tr>
<td>Above 50</td>
<td></td>
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<td>4</td>
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</tbody>
</table>

3. Level of Education

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diploma</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Degreed</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post Graduate</td>
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</tr>
</tbody>
</table>
4. For how long have you been working in the Banking Industry?

<table>
<thead>
<tr>
<th>Duration</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 5 years</td>
<td>1</td>
</tr>
<tr>
<td>6 – 10 years</td>
<td>2</td>
</tr>
<tr>
<td>11 – 15 years</td>
<td>3</td>
</tr>
</tbody>
</table>

5. Do you offer online banking in your institution?

<table>
<thead>
<tr>
<th>Option</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
</tbody>
</table>
Section B [Analysis of the impact of online banking on commercial banks]

For each of the following statements, place a tick in the box that corresponds to how you feel: please indicate your feelings on the scale with the following clarification, strongly agree, (sa) agree (a), neutral, (n) strongly disagree (sd), disagree (d).

<table>
<thead>
<tr>
<th>Statement</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What are the benefits of online banking services in commercial Banks in Zimbabwe?</strong></td>
<td></td>
<td></td>
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<tr>
<td>7. Online Banking ensures cost reduction</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>8. Online Banking result in higher revenue generation</td>
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<tr>
<td>9. Online Banking increases banks market share.</td>
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<tr>
<td><strong>What are the challenges of online banking in commercial banks in Zimbabwe?</strong></td>
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</tr>
<tr>
<td>10. Security Concerns</td>
<td></td>
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<tr>
<td>11. Incompatibility of the system with the existing ones</td>
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<tr>
<td>12. Resistance from customers</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>13. Reduced Customer Loyalty</td>
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<tr>
<td>14. Low Internet/ICT penetration</td>
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</tr>
</tbody>
</table>
15. In what ways has online banking affected the performance of your institution financially?

1. 
2. 
3. 
4. 

16. In your own opinion, are there any possible solutions to deal with the emerging challenges of online banking on the performance of commercial Banks?

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..............................................................................................................................