DEPARTMENT OF BANKING AND FINANCE

TOPIC


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

My parents, who have always been my source of inspiration, are dedicated to this research project. This achievement is an unusual devotion to my late grandmother, your special attention will be loved on an ongoing basis, and you wished me the best and needed it. I wish you were there to witness this achievement, I realize that you would have been pleased with me, that as time passes you will be missing you reliably.
# Acronyms and abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATM</td>
<td>Automated Teller Machine</td>
</tr>
<tr>
<td>APS</td>
<td>Application Service Provider</td>
</tr>
<tr>
<td>CABS</td>
<td>Central Africa Building Society</td>
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<tr>
<td>CBZ</td>
<td>Central Bank Of Zimbabwe</td>
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<tr>
<td>EFT</td>
<td>Electric Funds Transfer</td>
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<td>IB</td>
<td>Internet Banking</td>
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<tr>
<td>IT</td>
<td>Information Technology</td>
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<tr>
<td>OB</td>
<td>Online Banking</td>
</tr>
<tr>
<td>PC</td>
<td>Personal Computer</td>
</tr>
<tr>
<td>ZB</td>
<td>Zimbabwe Bank</td>
</tr>
</tbody>
</table>
# Table of contents

<table>
<thead>
<tr>
<th>Contents</th>
<th>Page Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>RELEASE FORM</td>
<td>ii</td>
</tr>
<tr>
<td>APPROVAL FORM</td>
<td>iii</td>
</tr>
<tr>
<td>DECLARATION FORM</td>
<td>iv</td>
</tr>
<tr>
<td>DEDICATION</td>
<td>v</td>
</tr>
<tr>
<td>Acronyms and abbreviations</td>
<td>vi</td>
</tr>
<tr>
<td>Table of contents</td>
<td>vii</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>xii</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>xii</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>xiii</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>xiv</td>
</tr>
<tr>
<td>CHAPTER 1</td>
<td>16</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td></td>
</tr>
<tr>
<td>1.0 Introduction</td>
<td></td>
</tr>
<tr>
<td>1.1 Background of the study</td>
<td>1</td>
</tr>
<tr>
<td>1.3 Problem statement</td>
<td>2</td>
</tr>
<tr>
<td>1.4 Objectives</td>
<td>3</td>
</tr>
<tr>
<td>1.5 Research questions</td>
<td>3</td>
</tr>
<tr>
<td>1.6 Significance of the study</td>
<td>3</td>
</tr>
<tr>
<td>1.7 Assumptions</td>
<td>4</td>
</tr>
<tr>
<td>1.8 Delimitation of the study</td>
<td>4</td>
</tr>
<tr>
<td>1.9 Limitations</td>
<td>4</td>
</tr>
<tr>
<td>1.10 Definition of terms</td>
<td>5</td>
</tr>
<tr>
<td>1.10.1 Online Banking</td>
<td>5</td>
</tr>
</tbody>
</table>
CHAPTER II ............................................................................................................................. 5
LITERATURE REVIEW ........................................................................................................... 5
2.0 Introduction ..................................................................................................................... 5
2.1 Conceptual framework .................................................................................................. 6
  2.2.1 Online Banking (OB) or Internet banking (IB) ......................................................... 6
  2.2.2 Benefits of online banking ....................................................................................... 6
  2.2.3 The challenges of online banking in commercial Banks ....................................... 9
2.3 History of Online banking ............................................................................................. 11
2.4 Types of Online Banking ............................................................................................. 12
  2.4.1 ATM (Automated Teller Machine) .......................................................................... 12
  2.4.2 Personal Computer Banking .................................................................................... 12
  2.4.3 Phone Banking and Mobile Banking ...................................................................... 12
  2.4.4 Email Banking ......................................................................................................... 13
2.5 Online or internet banking and commercial banks performance ............................. 13
2.6 Theoretical Review ....................................................................................................... 14
  2.6.1 Technology Acceptance Model .............................................................................. 14
  2.6.2 Bank-focused Model ............................................................................................... 14
  2.6.2 Theory of Planned Behavior ................................................................................... 15
  2.6.3 Baumol Tobin theoretical model ............................................................................. 15
  2.6.4 Bank Led Model ..................................................................................................... 17
2.7 Empirical evidence ........................................................................................................ 17
  2.7.1 Malhotra and Singh (2011) .................................................................................... 17
  2.7.2 Uppal (2010) strategies to improve the effectiveness of online banking ........... 18
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.7.3 Özataç and Nwobodo (2010)</td>
<td>20</td>
</tr>
<tr>
<td>2.7.4 Daniel (2015)</td>
<td>19</td>
</tr>
<tr>
<td>2.7.5 Mazo and Choga (2015)</td>
<td>20</td>
</tr>
<tr>
<td>2.7.6 Tiwari et al (2010) 20formance of commercial banks.</td>
<td>21</td>
</tr>
<tr>
<td>2.8 Gap analysis</td>
<td>21</td>
</tr>
<tr>
<td>2.9 Chapter Summary</td>
<td>22</td>
</tr>
<tr>
<td>CHAPTER THREE</td>
<td>23</td>
</tr>
<tr>
<td>RESEARCH METHODOLOGY</td>
<td>23</td>
</tr>
<tr>
<td>3.0 Introduction</td>
<td>23</td>
</tr>
<tr>
<td>3.1 Research Design</td>
<td>23</td>
</tr>
<tr>
<td>3.2 Research population</td>
<td>23</td>
</tr>
<tr>
<td>3.3 Sample size</td>
<td>24</td>
</tr>
<tr>
<td>3.4 Sampling techniques</td>
<td>24</td>
</tr>
<tr>
<td>3.5 Random Sampling</td>
<td>24</td>
</tr>
<tr>
<td>3.6 Purposive Sampling</td>
<td>25</td>
</tr>
<tr>
<td>3.7 Research collection instruments used</td>
<td>25</td>
</tr>
<tr>
<td>3.8 Interviews</td>
<td>25</td>
</tr>
<tr>
<td>3.9 Questionnaires</td>
<td>26</td>
</tr>
<tr>
<td>3.10 Sources of data</td>
<td>26</td>
</tr>
<tr>
<td>3.10.1 Primary data sources</td>
<td>27</td>
</tr>
<tr>
<td>3.10.2 Secondary data sources</td>
<td>27</td>
</tr>
<tr>
<td>3.11 Data Collection Procedure and Administration</td>
<td>27</td>
</tr>
<tr>
<td>3.11.1 Making appointments</td>
<td>27</td>
</tr>
<tr>
<td>3.11.2 Physical distribution</td>
<td>27</td>
</tr>
<tr>
<td>3.11.3 Retrieval of instruments</td>
<td>27</td>
</tr>
<tr>
<td>3.12 Data Presentation and Analysis Plan</td>
<td>27</td>
</tr>
<tr>
<td>3.13 Validity and reliability</td>
<td>28</td>
</tr>
</tbody>
</table>
ABSTRACT

The research aimed at investigating the economic and financial implications of online banking on the performance of Zimbabwe's commercial banks during 2013-2017. The aims of the examination were to examine the connection between online banking and financial execution, to distinguish the economic and financial implications associated with online banking and the execution of business banks, to determine the size of web-based banking recognition by business banks and to recognize systems that can be used to improve the situation. A distinct research structure was used in the investigation and information was displayed using tables, diagrams and graphs. A 20-member example was drawn from an objective 80-member population from four business banks. It was discovered that Internet counts on the budgetary execution of business banks have a beneficial result. The investigation prescribes that business banks improve their online banking in view of the discoveries, so customers decrease costs for their customers. The examination prescribed an interest in online banking for commercial banks. Business banks should try to teach their customers the advantages of online banking, thus limiting the monetary and money-related ramifications of online business bank execution. Moreso, it stipulates that the use of web-based banking should be expanded to provide simple access to online banking financial exchanges and to the controllers they should focus on improving and developing internet banking administrations and items.

ACKNOWLEDGEMENTS
Above all, I would like to thank the Almighty God for all the beauty, love and guidance through the culmination of this paper, not in my ability, but rather through His effortlessness.

My sincere thanks and unique credit goes to my prompt administrator for their understanding, guidance, consolation and support. It wouldn't have been easy for me to finish this exhibition without her nonstop help and help.

My appreciation and sincere gratitude goes to the 4 Bindura commercial banks that are as one with their staff to allow me the opportunity to do my exploration and arrange expert reactions from surveys and meetings.

**LIST OF TABLES**

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>TAB 4.1</td>
<td>Questionnaire response rate</td>
<td>30</td>
</tr>
<tr>
<td>TAB 4.2</td>
<td>2 Interviews response rate</td>
<td>31</td>
</tr>
</tbody>
</table>
LIST OF FIGURES

FIG 4.1: Gender Distribution ................................................................. 32
FIG 4.2: Level of education ................................................................. 34
FIG 4.3: Working experience ............................................................. 35
FIG 4.4: Ways to improve online banking ............................................. 35
Letter seeking to undertake the research

APPENDIX 1: Questionnaire for banks
CHAPTER 1

INTRODUCTION

1.0 Introduction
This chapter provides an insight into the economic and financial implications of online banking on the performance of Zimbabwe's commercial banks during 2013-2017 by exploring the background of the study and the problem statement. It also discusses the study goal, research goals, research questions, assumptions, study boundaries and limitations, study
1.1 Background of the study

As globalization solidifies, its belongings have influenced many countries, and one of the key drivers is the online technological changes that have influenced the business scene throughout the globe. Mechanical changes other than changes in other ecological elements have driven organizations to move forward to remain profitable, productive and focused.

The online shifts the banking and budget industries as far as the idea of center items or administrations is concerned and how they are bundled, proposed, conveyed and devoured (Sathye, 2012). It is an important and incredible asset that drives progress, supports development, promotes development and improves aggressiveness (Kamel S, 2011). Both banks and various organizations are swinging to Information Technology (IT) to improve productivity, quality of administration and attract new customers (Kombe and Wafula 2015).

In addition to the appropriation channels of banks, mechanical developments have been distinguished and these electronic transmission channels are alluded to as online banking (Gikandi and Bloor, 2010). The advancement of banking innovation was driven by changes in appropriation stations as confirmed by robotized teller machines (ATM), phone-banking, tele-banking, PC-banking and mostly by late online banking (Cracknell D, 2014). In Zimbabwe, the primary notable type of electronic development was the introduction of Standard Chartered Bank and Central African Building Society (CABS) in the mid-1990s. Different types of electronic developments that have discovered their way into Zimbabwean banks are Electronic Funds Transfer Systems (EFT), Telephone Banking, Personal Computer Banking (PC) and Late Web-based Financial that can also be referred to as online Banking. These have discharged banks from time-and land-related imperatives (Goh and Kauffman, 2013) and enabled banks to cut exchange spending, improve their management transmission, and better respond to market demands (Chou and Chou, 2016). Online financial frameworks have been expanding over the years, particularly in created nations where they drive economies closer to cashless society as they expel the need for substantial (money) and physical installment frameworks and supplant them with cards (plastic cash) and on the web or web (advanced cash) (Deyoung R, 2015).

The improvement in changing to online banking, not at all like different nations selecting online banking, was largely due to structure, for Zimbabwe it was due to conditions created by unexpected currency crunch that burdened Zimbabwe's economy. The predominant financial difficulties in liquidity crunch have hampered conventional methods of executing banks using the hard-money standard held in Zimbabwe by commercial banks, inferable from the
computerized cash created by online banking. Online banking has become an essential part of today's business execution technique and has become a well-known installment and acquiring tool in creating and creating nations due to its various favorable circumstances for customers, traders and banks. In the midst of physical banking (manual financial framework), customers were required to accomplish the particular branches face to face for carrying out their financial exchanges, be it money storage, settlement, payment of duties or reimbursement of advances that are now only historical (Garau C, 2012). The creation of robotized teller machines (ATMs) by the pioneers, Standard Chartered Bank Zimbabwe Ltd and the Central African Building Society (CABS) in the mid-1990s marked the beginning of the online banking framework in Zimbabwe and plastic cash (De Souza and Von Wiese, 2015).

Nevertheless, this significant advance was stunted by the economic and financial implications that block business bank execution in the mid-2013-2017 period. The results shown by the financial segment in 2013 to 2017 radiating as an immediate consequence of the poor financial execution were in great pain as it led to the conclusion of 10 indigenous business banks in Zimbabwe. In any case, the financial division bounced back in 2009 when the nation suspended the use of the Zimbabwe dollar and received the US dollar as the official cash to help alleviate further monetary emergency and flimsiness, which had witnessed a swelling of over 60,000 percent (Malhotra and Singah, 2011). The segment suffered one more mishap in 2013 when at least three business banks were placed under curatorship and another was denied permission by the national bank of the nation (Reserve Bank of Zimbabwe, 2013).

While writing is flourishing with studies led mostly in the created world, this region is underrepresented in the Zimbabwean setting as there have been no examinations aimed at the best writers learning. It is against this foundation that this investigation attempts to investigate the online banking and budgetary ramifications of putting money into the execution of business banks in Zimbabwe by using a contextual analysis of business banks in Bindura Town in the middle of 2013-2017.

1.3 Problem statement.

The Zimbabwean economy does not have a dynamic online foundation capable of encouraging cashless exchanges, along these lines leaving on the internet banking framework, resulting in poor transmission of administration by business banks that ended up in bank execution related to bedraggled money. This change was of particular concern to business banks that had money based on each of their exchanges and led to the physical use of customary financial framework,
henceforth they needed to embrace online banking that the scientist considers to have monetary and budgetary ramifications on the execution of business banks in Zimbabwe. Online banking has brought its unsafe and embarrassment along these lines, for example, with banks being disconnected and everywhere the vast majority of customers having restricted access to online banking due to poor or lacking online banking frameworks in Zimbabwe that frustrate the productivity and viability of internet putting money on business bank execution. In a journey to discover the ramifications of business banks' reception of online banking, the researcher was persuaded to conduct an exploration of the economic and financial implications of the online banking on the execution of commercial banks in Zimbabwe in an attempt to give details of the financial and budgetary escape clauses that influenced the execution of business banks.

1.4 Objectives

1. To identify the economic and financial challenges being confronted by commercial banks as they provide online banking services.
2. To examine the relationship between online banking and performance of the commercial banks.
3. To determine the level of acceptance of online banking by commercial banks.
4. To determine strategies that can be used to improve the effectiveness of online banking in enhancing its online banking services.

1.5 Research questions

1. What are the economic and financial challenges being confronted by commercial banks on the adoption of online banking?
2. What is the relationship between online banking and performance of the commercial banks?
3. What is the level of acceptance of online banking by commercial banks?
4. What strategies can be used to improve the effectiveness of online banking in enhancing its online banking services.

1.6 Significance of the study

To the researcher

➢ The researcher extends her understanding of the nexus between online banking and commercial bank performance in Zimbabwe
- It enabled the researcher to acquire research skills and experience in conducting future research and combining academic theories with practical methods
- It is also a requirement for Bindura University of Science Education to partially complete a Bachelor of Commerce degree in Banking and Finance.

**To the university (Bindura University of Science Education)**

The research has contributed to a new body of knowledge and serves as a yard stick for researchers who may wish to undertake related field research.

**1.7 Assumptions**

- Online banking use was assumed to affect the performance of commercial banks. The sample taken was also assumed to be a true representative of the population being studied, hence generalization.
- It was assumed that the questionnaire response rate was so significant that the researcher would obtain complete, accurate and relevant data and draw valuable conclusions as a result.
- It was also assumed that the selected commercial banks responded in a reasonable amount of time to allow the researcher to complete the research on time.

**1.8 Delimitation of the study**

The study only covered the 2013-2017 period as it was the utmost time internet banking was used in Zimbabwe during this period. Also, only commercial banks in Bindura were used for the study among various commercial banks in Zimbabwe because it was easy to access all banks with lower transportation costs.

**1.9 Limitations**

There was a shortage of financial resources to cover costs associated with conducting respondents' research and data collection. The respondents may have misinterpreted the study's intentions and become reluctant to disclose vital research information. The researcher ensured participants' privacy and confidentiality of their information by including a non-disclosure clause on the cover letter and the research findings could not be generalized to other sectors. In order to overcome these problems, triangulation was also used. The researcher faced some problems with some respondents because, due to some programs at work, some were busy.
1.10 Definition of terms

1.10.1 Online Banking
Online banking refers to frameworks that empower bank customers to gain access to their records and general information on bank items and administrations using the site of the bank, without the intercession or bother of sending letters, faxes, unique marks and telephone affirmations (Imiefoh, 2012).

1.10.2 Performance- The degree of cost-effectiveness of the investment.

1.10.3 Plastic money- A generic term for all types of bank cards, credit cards, debit cards, smart cards, ATM cards and charging cards.

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

1.11 Summary Chapter
The chapter highlighted the background to the study, problem statement, research goals, and research questions, research assumption, study meaning, and terms definition. The study's limitations and limitations have also been discussed. The following chapter will focus on other researchers' work on online banking on commercial bank performance.

CHAPTER

LITERATURE REVIEW

2.0 Introduction
This chapter will discuss the review of the literature after reviewing the research issue, the purpose of the study, and the objectives of the study on the previous chapter. The literature review focused on discussing and analyzing the facts and opinions related to the study and existing literature relevant to the problem of the study, accredited and published. It helps one find out what was being investigated and reported by others. Using theoretical insights, concepts and empirical evidence as well as studies in various religions, the researcher will be able to identify research gaps.
2.1 Conceptual framework

In this section, the researcher described the basic history of online banking, the type of online banking and the economic and financial implications of online banking on commercial bank performance.

2.2.1 Online Banking (OB) or Internet banking (IB)

As Rogers has indicated, E. M. (2010) online refers to frameworks that enable bank customers to access their own and business accounts on the web whenever and wherever they are. It is further clarified as a framework that works twenty-four hours a day and seven days a week in its entirety. Rogers, M. E. (2013) characterizes Online banking as providing clients with access to their financial balance by means of a website and empowering them to establish certain exchanges on their records, in line with strict security checks. Online banking refers to frameworks that empower bank customers to gain access to their records and general information on bank items and administrations using the bank's website, without the intercession or disturbance of sending letters, faxes, unique marks and telephone affirmations (Gakure and Ngumi, 2013). The larger part of expectations demonstrate that online banking will keep on being the most well-known technique of future electronic monetary changes.

2.2.2 Benefits of online banking

Online banking offers a variety of benefits as well as limitations as shown below. Loonam and O Loughlin (2014) saw that online based investment assumes a greater job when extending exchange acknowledge and business improvement as web based financial facilitates access to back to organizations all over. (Garau C, 2012) demonstrated that online banking financial offers numerous preferences, for example, great security and definitely chopping down the expenses of giving administration to clients. As indicated by the Bank of America (2014), portable financial exercises are ensured online banking financial security certification to guide of any fake on the web and versatile financial exchanges. With online banking records can be gotten to whenever, day or night insofar as there is a web association. (Saeidipour, Ranjbar and Ranjbar, 2013) characterizes online banking as arranging retail and little appreciation of banking items and administrations through electronic channels just as vast appreciation of electronic installments and other electronically transmitted discount banking administrations. (Sullivan R, 2010) see online banking as a development of procedures whereby customers manage their own financial exchanges without visiting bank staff. It also allows non-
customers to visit virtual banks through the open system, while telephone banking or PC banking provides shut-down systems for the current customer.

(Bradley and Stewart, 2013) articulate that the advantage for banks of online banking is cost funds, because it is common sense for clients. Web-based banking benefits include less tedious, faster activity and the ability to perform a day-to-day banking task. For example, in Zimbabwe's Mashonaland Central Province, customers needed to confront long separations and invest time and vitality to attain workplaces in the bank. Online banking ended up being an advantage for customers rather than being available through and through the bank workplaces. Furthermore, faster activities are reflected in making payments, checking balances, paying bills as school expenses or asking for online shopping.

(Aladwani A, 2011) investigates the nature of the administrations robotized by the bank. Where online banking has some key trademark including data accessibility, user-friendly, secure, blunder-free exchanges, attractive website accuracy, website interface, and modern data. The other favorable position for the part of the banks is cost reduction, keeping away from long holding up lines and reducing the number of workers. These qualities happen an accomplishment as opposed to higher cost expenses due to the expansion of IT representatives in previous occasions. However, (Aladwani A, 2011)’s investigation continued that most of the positive effect of online banking would come after a few years of its use.

The other basic stress examination in their paper from (Kariuku 2014) was to show why costumers should feel that online banking is reasonable to use. It was in view of the fact that it increases the livelihoods of the costumers and decreases the cost of serving, as two points have been shown to compensate the costumers. The exam gives this issue a high hugeness; they find that the costumer who uses electronic banking has higher livelihoods according to the definite part. They hope to gradually become aware of the centrality of the online stuff and use it more and the wages get higher, while the cost of serving is lower and they swear off using the branch, and costumers pay for the organization get lower from this time forward banks make their customer base.

The other issue is the claim that the costumer becomes their own director account, but in the past the likelihood of knowing the development of sparing and current record was rare, is definitely no longer a subject. At this point, you have the opportunity to deal with your record and circle your very own cash. Not to overlook that the client is the best commentator when it comes to executing another bank item, it also empowers the improvement and makes it easy to use.
Furthermore, the accommodation of directing every single budgetary exchange from the solace of one office or home is one of the most critical favorable online based financial offers. For individuals who don't have enough energy to visit their neighborhood office, this is an extraordinary headway. Online banking can truly speed up the whole process, particularly with regard to fundamental exchanges such as selecting articulations, asking for another check book or despite exchanging assets. Online banking has made billing less demanding than at any other time.

By simply signing into the online banking interface of the bank, one can pay their charging card, electric, water, telephone, and various bills. A considerable number of banks today offer an administration called the Electronic Clearance Scheme or ECS that allows clients to charge assets from their records for payment of specific bills or ventures. For charging a specific sum from a record, a specific day of the month is set. This naturally occurs consistently over an assigned period or until clients explicitly request this administration to be stopped. Online banking has made life for individuals a lot simpler. It is also extremely simple to achieve more in one day without having to visit a bank to conduct essential budgetary exchanges.

As indicated by (Garau C, 2012), online banking financial offers a wide range of potential benefits to money-related establishments as the use of innovation is becoming increasingly open and easy to understand, as the Internet does not restrict banks to specific physical areas. In this way, online banking empowers banks to work past the neighborhood framework to improve consumer loyalty as it can deliver faster, less demanding, and increasingly reliable administrations through a solitary phase, on the off chance of getting to the site of the bank.

As stated by (Abor J, 2013), online financial offers advantages for both banks using online banking and those equivalent banks customers. Online banking is more affordable to keep up, it picks up client steadfastness, easy record checking, easy execution and quick recognition of misrepresentation.

Online banking offers a phenomenal open door for strategically pitching financial administrations and items, thus upgrading the focused position of the bank, improving buyer requests, creating new channels of circulation, improving the business picture and reducing costs (Laforet S, 2015).

Online banking enables banks to offer creative items and benefits as well as secure new and diverse customers (Goh and Kauffman 2013). (Kamau and Were, 2013) explicitly recognize key components of web banking as achieving market development, decreasing expenditure per banking exchange, expanding item fitting (showcase division), as well as expanding customer lodging (Nthenya P, 2011).
These measurements identify with making customer securing and item expansion doors open for lower cost. Finally, at this point, web banking may bring three noteworthy advantages that should improve the execution of banks; extend the reach of advertising, increase the width of a product offering, and reduce the cost of exchanges. In the neighborhood economy as well as in the global financial condition, web banking has put a few counts on the challenge.

In addition, online banking is beneficial. It allows bank customers to execute exchanges, pay bills and check adjustments 24 hours a day, seven days a week. Because it's as open as your PC or workstation phone, the bank virtually never closes. You can visit your online bank and handle cash matters regardless of where you are in the nation or on the planet. Online banking is quick, efficient and effective once again. Transactions are typically carried out and executed at a faster rate than ATMs through the internet. It banks give you the ability to manage from one site several bank accounts.

2.2.3 The challenges of online banking in commercial Banks
According to Gikandi and Bloor (2010), there are imperatives identified with social and framework issues that need to be considered while assessing the improvement of online banking and they involves lack of communication foundation and low district Internet infiltration. Aladwani (2011) refers online banking as a future test for banks. Because of security and protection issues, the larger part of clients dithers to use online banking administrations (Lee C, 2011). Another test is that national banks only for the time being and at some point, when new instruments are familiar with the market, new difficulties arise that disturb the direct approach to taxation. Additionally, new advances in the money-related framework require new guidelines not to undermine the viability of the financial arrangement (Daniel E, 1999). Budgetary development and change in money-related techniques and control pursue each other, and central banks have to change their apparatus, goals and working methods from time to time to adapt to advancement and ensure the monetary framework's sustainability (Mohammed and Sreekumar, 2010). There is a need to oversee expenses and dangers related to online banking (Okiro and Ndung'u, 2013) innovative headways take a substantial offer of bank assets along these lines.
As stated by (Steven A, 2012), a security challenge arises as a result of "removing the 18 agent, which repeatedly removes the data security that is given between. Another is the extension of
the client network from a small collection of known, verified clients receiving intranet information to a large number of clients receiving information from the internet. Application specialist co-ops (ASP) and trades offer particularly stringent and in some cases opposed preconditions of per customer and per customer security, while allowing secure information sharing between intrigue networks (Aduda and Kingoo, 2012). The preparation and advancement of manpower is another serious issue that relieves the development of the nation's online business. Government needs to make the right IT arrangement by ensuring that computers, communications equipment and other IT frameworks are produced in the nation to an enormous degree with the aim that our kin can provide direct vital skills (Aduda and King'oo, 2012). According to (Nung'u N, 2013) records problems that accompany internet banking as lack of security, lack of customized administration, lack of legitimate enactment administering computerized exchanges, usefulness, dynamic customer needs and advancement.

Where (Ndung'u N, 2011) brings up four other intriguing disadvantages of online banking, a banking relationship that, irrespective of the efficiency of using online banking, there is still a need for the customer, which gives little chance of obtaining as a result of credit, at that point also taking care of the question of the charge improving administration, than the exchange is unique in that costumers get chafed at some point, the charge from one bank to the next bank in different nation is high, and subsequently this is another short one that maybe by meeting eye to eye they will get some relief from this expense or maybe lower expense. The issue of administration also has an incredible appreciation, as banks typically offer some exceptional administrations to favored customers, such as sparing record rates and fewer charges for certain items. The last one is safety, which is a noteworthy concern for customers, even though laws and guidelines still exist is flighty innovation, and there are customers who have turned into a casualty of undesirable movement that threatens their records.

(Saeidipour, Ranjbar, & Ranjbar, 2013), notes that computer analphabetism remains substantially high among the majority of the population, particularly in Africa. Additionally, poor and/or lack of technological infrastructure and reliable power supply, lack of proper e-transaction legislation, preference for paper money, as opposed to "virtual" cash in transactions are other online banking challenges. A further concern for virtual banking is the reduction of cross-selling opportunities (Wright A, 2012). In a branch, through face-to-face interaction, tellers and bank staff can cross-sell other services to customers. Customers can now carry out transactions on their own with the introduction of virtual banking. As a result, bank staff does not interact with customers, thereby reducing the likelihood of cross-selling. Users can now
also freely choose the service providers if their requirements are not met, as switching costs are becoming lower due to the online banking service offering. As such, dealing with bank 19 providers immediately is really a challenge, otherwise the original customers would be lost. (Gurau C, 2012) cited a number of challenges that impede the implementation of IT in the banking sector in developing countries. This includes (but not limited to) lack of legislative stability, weak financial sector, poor technological infrastructure, and relatively small internet and computer penetration (Acharya and Kagan, 2014) claims that low ICT penetration in many developing countries is hampering efforts to harness development technologies.

Mechanical, administrative and business related issues could be delegated to online banking (Magutu P, 2013). Mechanical difficulties are identified when the vital equipment and programming are secured, established and supported. Security concerns and the composition of the web regarding usability are various issues (Kamel S, 2011). In addition, the online framework requires incredible financial use for the provision of equipment and programming, both introductory and maintenance (Rogers E, 2013). Administrative difficulties involve individuals and issues of authority. Individuals in the association may oppose the selection of another innovation because they may fear change or cause job losses (Magutu P 2013). Web-based banking may also require the association to be rebuilt, and this could be a test in itself (Feeny, 2010). He further states that there is also a lack of senior administration assistance which implies that the framework does not have the important assets and is therefore bound to fail. The bank will lose the customized administration it offered to its customers on business challenges. Thereafter, customer reliability could be reduced or completely lost (Lee, 2011). Furthermore, customers may adhere to the old habits and refuse to adapt to the new technology that makes it underused (Shwartz, 2014). The organization may also face new types of legislation that the governing bodies continually enact (de Souza & Von Wiese, 2015).

2.3 History of Online banking

Online based financial had previously appeared in 1980 when it was understood as a terminal, console and television to use a telephone line to reach the financial framework. Pursue Manhattan, Chemical, Citibank, and Hanover Manufacturers were the four major banks that provided a videotext framework for home financial administration (Akpan P, 2013)). Despite the fact that, in view of Videotext's business disappointment, it didn't take long to embrace this framework, this went off. In France, the telecom supplier provided the use of Videotext or (Minitel), though in the UK, with the use of the Prestel framework. Be that as it may, Bank of Scotland updated the main home administration internet banking for Nottingham Building
Society (NBS) clients in 1983. They used UK Prestel's indistinguishable framework with a PC, such as the BBC Micro console (TANDATA Td1 400), which linked the framework called "HOMELINK" to a telephone framework and TV. Customers were allowed to investigate their advertisements, bank exchanges and bill installments. It's just a concise story where everything started, and not to overlook it was three decades before, and now Online Banking has turned out to be mainstream, critical and, for the most part, a substitute for regular day-to-day customers.

2.4 Types of Online Banking

Types of online banking have advanced from the outset. The most frequently used types of online banking are: ATM, PC Banking, Phone Banking, and Email Banking.

2.4.1 ATM (Automated Teller Machine)

The essential type of non-branch bank is the ATM (Automated Teller Machine), a kind of banking where customers can access and check their parity with their card and stick, pull back cash, and make installments. This kind of banking is a small machine that can be found in banks, depending on the usage rate, around the city (Al-Khatib A. 2013).

2.4.2 Personal Computer Banking

After Phone Banking on the planet and also in Zimbabwe, PC Banking is the second most used one. With the growing number of PC and PC customers, web-based banking speaks to a simple method of accessing by passwords and customer names (Omari and Bataineh, 2012). Distinctive structures are met, changing from nation to nation with a permit record based on which the customer transfers to the PC and ensuring that he enters the bank page with a customer name and secret word. The other route is to have a so-called Token, a little gadget forced into a USB with six-digit numbers that change every moment and the customer can use the token numbers as a secret key tokens are still not there in Zimbabwe. The other structure is from the banks page by placing the name of the client and the secret key to carry out the tasks.

2.4.3 Phone Banking and Mobile Banking

Ordered as two unique types, telephone banking and versatile banking have a place with the telephone's art work and current progress (Omari and Bataineh, 2012.). The main type of banking was telephone banking, customers used to call the banks and with some fundamental
inquiry to make sure that the guest was the owner of the record, they could ask for the present parity, make installment and exchange. While the cell phone is a gradually viable one these days, since it is the customer who does the activities. Wherever these days it becomes completely usable and relevant; likewise, customers with this kind seem to feel progressively safe. It's like PC Banking on a smaller machine, just as it's a day-to-day task that allows the customer to pay, exchange and check adjustments without fail.

2.4.4 Email Banking

It speaks to a kind of banking that by sending and receiving messages works with customers. The customer educates about the activities he might want to embrace by sending email to the bank, although the bank responds to questions (Aduda and Kingoo, 2012). The last part is closed by email between the gatherings affirming installments and other determined activities. Email banking could include the use of the customer's PC or Mobile, where an affirmation accompanies the completion of the task in both cases.

2.5 Online or internet banking and commercial banks performance

Simpson (2002) recommends that web-based banking be largely driven by the possibilities of minimizing labor costs and boosting labor income. A online banking correlation in created and developing markets reveals that lower costs and higher incomes are increasingly discernible in created markets. While Sullivan (2010) finds no orderly evidence of online banking advantage in U.S. snap and mortar banks where DeYoung, R. (2015) find that U.S. banks contracted by the government had higher ROEs by using the snap and mortar action plan. (Gakure and Ngumi, 2013), likewise analyze the determinants of the selection of online banking and see that more and more profitable banks receive web banking after 1998 but are not the main movers. (Joseph, Sekhon, Stone and Tinson, 2015) show that web banking results in banks expenditure and proficiency gains, yet not many banks use it and just over a large portion of a million customers are online in Zimbabwe. DeYoung (2015) examines the execution of Internet-just banks versus blocks and mortars on the U.S. market and finds solid evidence of the impacts of general experience available to all new companies. Web-based banking and its monetary and budgetary ramifications on the performance of commercial banks in Zimbabwe speed up money-related execution of web-based banking just new businesses. Anyway in a later report DeYoung et al (2015) break down the market of US people group banks to examine the impact of web betting on the execution of banks. They look at the execution of physical banks to snap and mortar banks that over a multi-year period have value-based sites. Their discoveries suggest that web banking improved the productivity of the bank by increasing
revenue from the administration fees of the store. Additionally, developments in stores from financial records to currency advertising store accounts, expanded use of expedited stores, and higher normal compensation rates for bank workers for snap and mortar banks were observed. While no adjustment has been discovered in the credit portfolio blend, their findings state that online banking is viewed as an integral channel (Kombe and Wafula, 2015).

2.6 Theoretical Review
A hypothesis can be characterized as a lot of presumptions, suggestions, or acknowledged realities that attempt to provide conceivable or objective clarification of circumstances and logical outcomes or causal connections among a collection of watched wonders (Wright A, 2012). This examination attempts to establish the online banking on economic and financial implications of business bank execution in Zimbabwe. The examination depended on the accompanying speculations of the innovation acknowledgement display, the arranged behavior hypothesis, the hypothesis of Baumol Tobin, the bank-centric model.

2.6.1 Technology Acceptance Model
To understand, anticipate and clarify why data frameworks are recognized or dismissed by individuals; analysts have created and used different models to understand data frameworks customer recognition. The innovation acknowledgement display (TAM) presented by (Cracknell D,2014) is one of the most widely referred models used by specialists to consider basic factors that prompt customers to recognize and receive another data framework (Abaenewe, Ogbulu and Ndugbu,2013). TAM's essential objective is to clarify components that influence the acceptance of PC applications as a rule. Moreover, this model encourages analysts and experts to see why a particular framework is unsatisfactory. Davis recommended that the use of a data framework be directly dictated by the expectation of conduct to use it, which is therefore affected by the mentalities of the clients towards the use of the framework and its apparent value. In addition, frame of mind and handiness seen are influenced by the apparent usability. Innovation recognition display is used to clarify the monetary and money-related web-based ramifications based on the execution of business banks in Zimbabwe as well as the web-based banking recognition dimension by business banks.

2.6.2 Bank-focused Model
The hypothesis is derived from the way conventional banks use non-usual minimal effort conveyance channels to provide their current customers with money-related administrations.
An authorized monetary foundation such as corporate banks, microfinance organizations and markdown houses can send this model. The channel of conveyance ranges from ATMs, web-based banking to portable finance providing clients with money-related administrations of their various needs. Typically, these lead initiators use ICT advances such as cell phones to transmit banking and related administrations (Al-Sukkar and Hasan, 2015). With the initiation and development of responsibility for telephones in the populace world over, it has turned into an open door for suppliers of monetary administrations by making it possible for their esteemed customers to hurry to get to money-related administrations. This model is added substance in nature, especially in upgrading the spread of monetary administrations over the objective population using the channels of conveyance mentioned above. Well-being leaders have extended their responsiveness and adherence to adequate estimates of hazard alleviation resulting from the sending and use of versatile installment arrangements (Abor J, 2013). This model is related to the study as it facilitates customers' access to financial services through online banking technology and shows the relationship between online banking and commercial bank performance as services are provided.

2.6.2 Theory of Planned Behavior

The arranged behaviour hypothesis (TPB) suggested that human behavior is dictated by expectations of playing out the behavior that is influenced together by a willingness to behave, emotional standard, and social control (Acharya and Kagan, 2014). Mentality (ATT) is the general feeling of individuals about a particular behavior's attractive quality or nuisance. Emotional standard (SN) communicates an individual's apparent hierarchical or social weight that means playing a particular behaviour. Seen Social Control (PBC) mirrors the impression an individual has of the simplicity or difficulty of actualizing a particular behavior. It illustrates TBP's ability to provide a useful hypothetical structure for understanding and anticipating the recognition of new data frameworks (Aladwani A, 2011). In a meta-examination ponder, Armitage and investigated past tests using TBP. The significant end was support for the TPB's viability and the suggestion that more work on new factors should be expected to build the model's consistency. In this investigation, the hypothesis of arranged behavior is used to clarify how electronic banking is received.

2.6.3 Baumol Tobin theoretical model

The Baumol Tobin display is a monetary model of cash exchange interest as William Baumol James Tobin (2010) developed independently. The hypothesis depends on the trade-off
between holding cash (the ability to exchange) and the premium sworn off by holding one's benefits as a cash-bearing non-enthusiasm. The key factors of interest on cash are then the ostensible loan fee, the size of genuine pay related to the amount of desired exchanges, and the fixed exchange costs of exchanging one's wealth between fluid cash and enthusiasm-bearing resources. Their argument for this model places family units holding money to make exchanges and settle on the amount of money held by limiting the entire cost of exchanges and the cost of holding money open door. Exchange costs include the time cost of making exchanges, which increases with the recurrence of withdrawal and decreases with the measure of money pulled back in each visit to the bank. The cost of the open door is estimated by the sworn off premium that would have been earned if the money had remained as a resource bearing enthusiasm; in a bank account, for example. To be specific, computerized cash, they also proposed an elective medium to money to make an exchange. By shortening the exchange time, the use of advanced cash in the light of online banking can further reduce the exchange cost.
2.6.4 Bank Led Model

This model involves the transmission of money-related administrations through a retail operator by an authorized budgetary foundation, particularly conventional banks. It creates various money-related items and administrations that are transmitted through the specialist arrangement that has a sole obligation to deal directly with the client of a bank. The hypothesis is that the bank will undoubtedly keep records with the vital bank as the sole supplier of monetary administrations and customers (Al-Sukkar and Hasan, 2015). Operators use the recommended methods to perform the record opening job and even distinguish and manage advance clients. Accessible electronic correspondence frameworks are influenced to encourage constant synchronization between the bank and a specialist of money-related data. For example, innovations such as cell phones or electronic point-of-sale (POS) terminals are used to appreciate money-related online banking guidelines. In contrast to customary branch-based banking, the Bank-drove show offers an unmistakable option where customers through the operator channel can conduct budget exchanges of a whole range without visiting banks for all purposes. This model is vital for the examination as it decides on the techniques for improving the adequacy of internet counts on performance, for example, improving access to monetary administration and billing and improving the exchange rate of cash from one record to one record to the next.

2.7 Empirical evidence

Several studies on the economic and financial implications of online banking and commercial bank performance have been conducted.

2.7.1 Malhotra and Singh (2011) financial implications of online banking on banks’ performance and risk in India

The examination analyzed a far-reaching set of 10 proportions of execution related to money that made it possible for creators to basically investigate the execution of banks. By building a deeper understanding of these marvels, analysts drew increasingly clever assumptions about the online banking implications of betting on business methodologies, forms of generation, and budget execution. The investigation’s after-effects revealed that, overall, online banks are more beneficial than non-online banking, and when contrasted with non-online banks, they work with lower costs along these lines, talking about online banks’ effectiveness. Malhotra (2011) completed a review on the monetary and budgetary ramifications of internet putting money on bank performance and hazard The Indian experience in particular tries to examine the web-
based effect depending on the execution and hazard of banks. Using data from the review of the sites of 85-booked business banks in the mid-June 2007 period, the results show that approximately 57% of Indian business banks provide value-based online banking administrations. In contrast to non-online banking, the univariate investigation shows that online banking is larger banks and has better working ratios and gainfulness. Banks rely more strongly on subsidizing center stores than non-online banks do. Despite this, the various relapse results reveal that online banking's profitability and offering has no noteworthy relationship, then again, online banking has a critical and negative relationship with banks' hazard profile.

2.7.2 Uppal (2010) strategies to improve the effectiveness of online banking.

Uppal (2010) completed this exploration in northern India's Punjab state with the goal of developing online banking upgrade techniques, knowing the degree of online financial utilization of clients in various banks, and investigating the degree of online banking across different e-channels. The scientist embraced an illustrative research structure that barred banks of RRBs and co-agents on 82 banks in the Indian financial industry. Then these banks were divided into five meetings consisting of SBI and partner banks (8), other national banks (20), old private area banks (17), new private division banks (8) and remote banks (29). The examination built up that rapid improvement in transportation and correspondence, and then again individuals and administrations constantly constrained the financial enterprise to incorporate e-directs into the administrative arrangement, thus requiring a deliberate upgrade of the web-based financial stage. E-channels empower an extraordinary banking system and their customers subsequently expand customer reliability and most extreme fulfillment as the administrations are customized to be more comfortable. Because of these issues, the exam provided answers to these issues, such as expanding awareness through demo-charges, arranging operational learning through SMS, publications, data on their counters, and notices of better places. Expanding the scope of internet banking by including other financial offices, such as expanding currency exchange limits, etc. Simplicity should be enhanced through complete honesty by data banks with regard to support fees, charges, penalties assuming any, premiums and so on, which are a panacea to the certainty of winning clients (R.K. Uppal, 2010).
2.7.3 Özataç and Nwobodo (2010) Relationship between online banking and commercial banks.

Ozatac and Nwobodo (2010) examine in a board of 22 retail banking information on the relationship between online banking and commercial internet banking in Northern Cyprus during the period 2010-2011. They also used ROE and ROA as factors of need. For this situation, the CA ratio of all out credit to add up resources and the CD ratio of absolute credit to add up to stores used to test the connection between web-based banking and business bank execution were incorporated into two different proportions. The model developed with a low connection between the variable and the multicollinearity nonattendance between the variable. The fundamental purpose was that both the proportions of CA and CD occurred with negative relationships while using the web. Despite the fact that online banking expands the execution in different parts, the creators argue that if an occurrence of these two proportions occurred, they were not used wisely or legally.

2.7.4 Daniel (2015) Relationship between online banking and performance of commercial banks.

According to Daniel (2015), this research was conducted with the aim of establishing the relationship between online banking and commercial banks’ performance. To build a profile on the relationship between the two, the study adopted a descriptive research design. Secondary data was on the number of those registered online banking, the number of online banking agents was collected. Furthermore, data was collected from the central bank of Kenya on the number of banks with online banking services and the number of online transactions. The study found that there was a very strong positive relationship between online banking services and commercial bank performance. This is due to the positive impact that there are synergies between the performance of commercial banks and online banking services. The study also found that the introduction of online banking services facilitated the increasing number of subscribers and the rate of penetration, a key milestone in strengthening the service and its acceptance by the financially excluded population, mainly in the marginalized setups. Factors such as convenience, reliability and service flexibility towards vast acceptable points and accessibility structure without a case for banks and other financial service providers having no registration complexity. This was considered a facilitating point of acceptance and use of online banking services among different levels of age, gender, education, and income that predominantly define patterns of use in Kenya (Daniel, 2015).
According to Daniel (2015) led this review to establish a link between online banking and commercial banks performance. The investigation embraced a configuration of expressive research to assemble a profile on the connection between the two. Optional information was about the quantity of people enrolled in online banking, the quantity of online financial operators was collected, information about the quantity of savings with web-based financial administrations, and the quantity of online exchanges was collected from Kenya's national bank. The investigation found that there was a strong positive relationship between online banking administrations and business bank performance. This is a direct result of the positive effect that there are correspondingly cooperative energies between business bank performance and internet banking administrations. The exam also found that the presentation of online banking administrations encouraged the growing number of supporters and infiltration rates, which is a key achievement in strengthening the administration and its worthiness by the monetarily banned population primarily in the minimized setups. For example, factors such as comfort, unavering quality and administrative adaptability to enormous satisfactory focus and open-minded structure with no multifaceted nature of enlisting a case for banks and other monetary specialist cooperatives. This was regarded as a purpose of helping the web-based financial administrations agree and use between different age, sexual orientation, instructive and salary levels that dominate Kenya's use designs (Daniel, 2015).

2.7.5 Mazo and Choga (2015) impact of online electronic technologies on commercial banks.

The investigation sought to determine the effect on business banks of web-based financial advances. Over the years, as in the creation of nations, online financial innovation has risen in Zimbabwe. Twenty customers from the bank and 30 representatives were used as members of exploration. As research tools, polls, meetings, documentation and perceptions were used. A subjective approach to research has been used. The investigation showed that while essential web-based financial innovation information existed, utilization among financial clients that favored restricted items or conventional financial strategies remained generally underutilized. This investigation suggested organizing client instruction and staff preparation and enhancing the use of online financial innovation with satisfactory capital.
2.7.6 Tiwari et al (2010) economic and financial implications of online banking on the performance of commercial banks.

This exact examination was carried out in Germany to evaluate client acknowledgement of web-based financial administrations and their willingness to pay for them (Tiwari, Buse and Hersatt, 2010). Perceptions revealed that most customers did not know about administrations related to internet banking money and examined customers, only 12 percent actually used the administrations, especially those male customers who serve in government jobs. The investigation also found that 24-hour online budgetary administration comfort was viewed as the most vital reason given by customers to receive portable banking pursued by time-out banking, which was viewed as fast. Be that as it may, the purposes behind non-appropriation of web-based financial administrations among non-clients were frailty, exchanges of expenses and burdens in the use of online financial administrations.

2.8 Gap analysis

From the literature and studies that have been done in the past, it is clear that financial institutions are in the process of significant transformation, particularly in the adoption and use of technology. Despite this transformation, although there is a wealth of information about the nature and scope of online banking activities, there is little evidence of the economic and financial implications of online banking on commercial bank performance. Most previous studies considered the economic and financial implications of electronic banking on the bank's profitability or performance, but not online banking's economic and financial implications. Furthermore, electronic banking is widespread because it takes into account all other electronic channels such as ATMs, mobile banking and transfers of electronic funds (EFTs). Therefore, online banking's economic and financial implications on how it affects the performance of commercial banks had to be considered in detail. Review of the literature cited above shows that most studies relate to determinants of credit card and debit card usage patterns, economics of card usage, attitude towards online banking, mobile banking, comparative studies of old and modern instruments, customer acceptance and usage patterns, general view of mobile and online banking to mention just a few. Most of the studies were carried out outside Zimbabwe, particularly countries with unique macroeconomic conditions and starting rates of technological advances higher than our country's. Moreover, in these countries, the rate of technological acceptance is much faster than in Zimbabwe. This study in particular is relatively new in that no other Zimbabwe researcher has done more justice to this area of study on the economic and financial implications of online banking on commercial bank performance. In
addition, most of the above-mentioned studies are international and few local examples, making it imperative to narrow the discourse down to a Zimbabwean perspective. Studies on the economic and financial implications of online banking on the performance of commercial banks are very few in number and hence the current study to examine the economic and financial implications of online banking on the performance of commercial banks in Zimbabwe in 2013-2017 in Bindura Town.

2.9 Chapter Summary

This chapter explained the study-related literature. It examines the conceptual framework, theoretical framework as well as the study-related empirical evidence. Gap analysis was also established in this chapter after the explanation of all this, which shows how the researcher's study differs from past studies. The researcher discusses research methodologies in the following chapter.
CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction.
This chapter is set out to give a description of how the research study 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 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
The Research design are plans and the procedure for research that span the decision from broad assumptions to detailed method of data collection and analysis (Imiefoh P, 2012). The researcher used descriptive research design. 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 to discover the relative incidents or distribution of variables on a specific topic (Kariuki, 2014). 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 (Gakure and Ngumi 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 will be used, the design will be tailor made to describe the ideas to be gathered from different commercial banks.

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. In this research the study population was commercial banks in Bindura. There are a total of 8 Commercial Banks in Bindura which formed the target population for this study.

3.3 Sample size
According to (Bradley and Stewart, 2013), a sample is a subset of cases selected from a larger population. 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. (Gurau C, 2012.) out of 8 commercial banks in Bindura 4 commercial banks in Bindura was taken as sample size which was made up of 4 employees and a manager from each bank, thus a sample size was made up of 20 commercial bank employees from 4 different commercial banks in Bindura.

3.4 Sampling techniques
Purposive and random sampling techniques was used to select respondents from the above-mentioned sample size of 4 commercial banks and to ensure that the population is a true representative of all commercial banks in Bindura. 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.

3.5 Random Sampling
Wright, A. (2012), 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 commercial banks employees in Bindura. Random sampling was used on bank employees.

3.6 Purposive Sampling

(Steven A, 2012) present that purposive sampling is one that enables researcher to use own judgment to select cases that will best enable him/her to answer the research questions and to meet the objectives. Participants were selected basing on the rational of the study. (Wright A, 2012) supports this by stressing that purposive sampling is typically used when focusing on a limited number of informants whom one select strategically so that in-depth information will give optimal insight into an issue about which little is known. Thus purposive sampling was used to interview bank managers only. However, Purposive sampling does not produce a sample that is representative of a larger population. People are judgmentally selected thus other general employees of the commercial banks was not be equally represented in the research.

3.7 Research collection instruments used

A research instrument is a way or method that is used by the researcher in collecting data for the topic under study. The tools used by the researcher in the study are questionnaires and interviews to collect primary data.

3.8 Interviews

Semi-structured and unstructured in-depth interviews was carried out with the commercial bank managers in Bindura that have online banking system. Questions asked during the interviews was pre-set and these enable similar questions being asked from all the respondents. Interviewing the right people who was knowledgeable about the topic resulted in great value for the research. Primary data was collected using two separate sets of interview schedules developed after a pilot study.

The researcher finds the following advantages of in-depth interview, includes the following: the researcher enjoyed 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 used 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 hold back some important information since they feel that it would not be in their best interest should it be
known that they disseminated the information. Triangulation was used to overcome this challenge.

3.9 Questionnaires

A questionnaire presents information in writing to the respondents and requires a written down response targeting information as per the research question. The researcher has to take care in the wording and ordering of questions to ensure that they are simple, direct and unbiased. The researcher should physically distribute the questionnaires to research participants using the non-probability sampling technique. A questionnaire was 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 (Rotchanakitumunai and Speece, 2013). The questionnaire was the main research instrument in this study, with the objective to elicit as much related information as possible from the respondents.

A questionnaire saves time and is an inexpensive way of surveying a large cross-section of people. A questionnaire allows the researcher to guide participants along lines of thought with the regard to the investigation of the effectiveness of strategies employed by commercial banks to improve service delivery. Self-administered questionnaire offered respondents the flexibility of filling in the questionnaires at their own convenient times and have enough time to think about their responses. Meaning and thoughtful information was obtained and this greatly improves the validity of the research findings.

These following demerits of using questionnaire were encountered which are namely, some questions on the questionnaires were seemed unclear or vague to respondents thus some of the feedback was wrong. Some questions were left unanswered and this reduces the sample size and thus introduces sample bias. The researcher makes use of the following remedies to the above-mentioned problems. The researcher makes sure that she first defines some of the words used in the questionnaire, so that the respondent will answer with full understanding the meaning of every word. On submission of questionnaires, the researcher encourages the respondents to answer all questions.

3.10 Sources of data

There are two main identified data sources which are primary and secondary data sources.
3.10.1 Primary data sources
This is first-hand information collected by the researcher about the organization under study, (Rahul, Biju, and Abraham, 2011). 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.

3.10.2 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.

3.11 Data Collection Procedure and Administration
According to (Kariuki J,2014) data collection procedure entails how the primary and secondary data will be gathered. The researcher distributed the questionnaires in person to the respondents. Use of drop and pick method for questionnaire was done. An assistant (colleague) helped in the collection of feedback from the questionnaires.

3.11.1 Making appointments
The researcher used physical appointments to make appointments for interviews. The method used by the researcher was cheaper, faster and ensured a definite response.

3.11.2 Physical distribution
The researcher distributed the questionnaires in person to the participants. Physical distribution however ensured reduced delays.

3.11.3 Retrieval of instruments
Retrieval of instruments was done in person. A drop and pick method for questionnaire was used by the researcher and an assistant helped in the collection of feedback from the questionnaires.

3.12 Data Presentation and Analysis Plan
The researcher used tables and graphs, use of Microsoft excel for quantitative data. Data analysis is the process of systematically applying statistical and or logical technique to describe and illustrate, condense and recap and evaluate data. Initially the questionnaires were checked
for physical completeness. The researcher then is sifting through the data, discarding whatever that was irreverent to the study and consolidating what seemed to be important. The idea was to allow the most significant observations to emerge from all the data gathered in the field, while reducing the volume of data.

3.13 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.

3.12 Ethical Considerations

According to Polasik and Wisniewski (2012) 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 4 commercial banks Management in Bindura 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.

3.13 Summary Chapter

The chapter provided the background on how the research is to be conducted. The instruments employed in the study were analyzed 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, research data were analyzed, presented and interpreted as they relate to the theory that underlies the study. The previous chapters have enlightened the problem of the study, literature review and research methodology to provide a theoretical foundation for the correct analysis of the results obtained during data gathering. Data was analyzed from the findings obtained through questionnaires and interviews to satisfy the research objectives. For the analysis, Descriptive Statistical Tables and pie charts and bar graphs were used to present data. The purpose of the analysis was to determine the impact of economic and financial implications of online banking on the performance of commercial banks in Zimbabwe during 2013-2017.

4.1 Response Rate Status

Table 4.1.2 Questionnaire Response Rate

Questionnaires proved to be an important data collection tool for the study. However, not all of the distributed questionnaires were returned or answered. The following is an analysis of the response rate of questionnaires. A total of 20 questionnaires were administered to bank tellers in Bindura Town. This is show in the table below 4.1.

<table>
<thead>
<tr>
<th>Category</th>
<th>Questionnaire distributed</th>
<th>Questionnaire returned</th>
<th>Percentage returned</th>
<th>Number of not returned</th>
<th>Percentage of not returned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks</td>
<td>20</td>
<td>13</td>
<td>65%</td>
<td>7</td>
<td>35%</td>
</tr>
</tbody>
</table>

Table 4.1: Response rate of questionnaires   Source: Primary source
Table 4.1 shows that the questionnaire response rate was 65%. A total of 20 questionnaires were distributed and not all the questionnaires were responded 35% were not answered. Surveys must have good response rates in order to produce accurate and useful results. The response rate was 65% which falls in the bracket of excellence, according to (Joseph, Sekhon, Stone and Tinson, 2015). This showed that all most bank tellers were willing to participate. This renders data collected to be reliable and valid.

4.1.2 Interview response rate

Meetings were foreseen to be directed with four diverse bank administrators at CBZ, ZB Bank, NMB and Agribank yet just three meetings were led. This implies the scientist got 75% reaction rate and 25% reaction rate was not gotten. From the chose people, the meetings were directed was sufficient for the scientist to accumulate results. As indicated by Kamel (2011), a reaction rate of 70% to 100% is evaluated great gave the meetings were managed through eye to eye. Along these lines, from the 75% acquired, it demonstrates a decent reaction rate which empowers unwavering quality and legitimacy of research discoveries. Table 4.2 shows the factual breakdown of the meetings according to focused meetings and reaction rates

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Targeted</th>
<th>Responses</th>
<th>Response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank managers</td>
<td>4</td>
<td>3</td>
<td>75%</td>
</tr>
</tbody>
</table>

Table 4.2: Interviews response rate

Source: Primary Data

4.2 Research Findings

The research findings obtained during data collection are presented, interpreted and analyzed under this section. Data analysis and presentation enables for an effective analysis of the economic and financial implications of online banking on the performance of commercial banks in Bindura.

4.3 Demographic characteristics of respondents

Demographic data pertaining to gender, age, and level of education and period of time were collected in the study for ensuring gender, age sensitive perceptions, level of maturity and the
ability to comprehend the questionnaire and interview questions. Garau (2012) discovers that demographic characteristics of a population stimulates an individual or population’s responds to new modernizations. In that respect, this section introduces, examine, interpret and present the demographic characteristics considered by this study on how the bank and its customers recognize and appreciate the use of online banking and the changes brought by use of online banking. Responses are shown in fig 4.1 below

4.3.1 Gender

![Gender Pie Chart]

**Fig 4.1 Gender of the respondents**    **Source: Primary Data**

Results in Figure 4.2 demonstrate that lion's share of the members were guys. In light of the reactions from members, 58.% were guys though the remaining 42 % were females. The way that larger part of the respondents were guys demonstrates that most investor tellers were guys rather than female broker tellers. This is anything but a remarkable marvel, for example in their investigations, (Kariuki J, 2014) noticed that financial industry ought to be overwhelmed by the females. He further noticed that among the numerous perspectives that banks searches for an individual who is well representable so as to effectively pull in clients. Ladies are additionally accepted to be solid in outside systems administration, progressively objective just as execution arranged.
4.3.2 Age

The study also asked respondents about their ages. The responses obtained are summarized in table 4.3 as shown below.

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>21 - 30 Years</td>
<td>4</td>
<td>15.0</td>
<td>20.0</td>
</tr>
<tr>
<td></td>
<td>31 - 40 Years</td>
<td>8</td>
<td>40.0</td>
<td>40.0</td>
</tr>
<tr>
<td></td>
<td>41 - 50 Years</td>
<td>5</td>
<td>25.0</td>
<td>25.0</td>
</tr>
<tr>
<td></td>
<td>Above 50 Years</td>
<td>3</td>
<td>20.0</td>
<td>15.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>20</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 4.3 Age of respondents  
Source: Primary Data

Table 4.3 demonstrates that age of the respondents, 40% were 31-40 years with 25% being between ages 41 and 50 years. Just 15% were over 45 years. The suggestion was that over half of the respondents were underneath 40 years. Henceforth, the investigation found that larger part of the sbank tellers were adolescents or youthful grown-ups. Such discoveries are like Magutu (2013) demonstrating that in the present business condition, banks like some other firms are searching for new people who are trainable as well as adjust to numerous conditions spry.

4.3.3 Level of education

The distribution of respondents by level of education is shows below in fig 4.2 with n=20
Figure 4.2 Level of Education

Fig 4.2 shows the majority of 45% of the respondents’ level of education was holders of degrees and the second position is held by those with diploma 25% of respondents, thirdly with post graduates with 20% and the minimum qualification held by the respondents was masters with 10%. This show that the respondents were able to read and understand as well as complete questionnaires willfully and those who participated in interview were experts thus their contribution to the study aided in reliability and validity of research findings.

4.3.4 Period of time working Banking Industry.

Fig 4.3 below shows the period of time working in the banking industry by the respondents. The majority 58% of the respondents had worked in the banking industry for six to ten years. 22% had worked for 11-15 years and 20% had worked for 1-5 years with n=20

![period of time working in Banking Industry in Percentage](image)

Fig 4.3 Period of time working Banking Industry. Source: Primary Data n=20
On Fig 4.3 above, the majority of the respondents worked in the banking industry for more than 5 years and that give the researcher assurance on the validity and reliability of data collected from the respondents since the respondents have greater experience.

### 4.3.5 Ways in which online banking can be improved

The question was asked on the questionnaire and interviews to both the bank tellers and the managers. Due to the fact that some workers were very busy the researcher did not get 100% response rate on the way to improve online banking on commercial banks and it is illustrated by Fig 4.4 below.

![Bar chart showing ways to improve online banking](chart.png)

**Fig 4.4 Distribution on ways to improve online banking to encourage its use**

Source: Primary Data  

n=20
A distribution of 45% of the respondents suggested that accounts should be simplified so that it will reduce barriers to entry to those who want to engage on online banking thereby improving effectiveness of online banking services. 25% of the respondents suggested that there should be an increment in awareness financial literacy and adverts. Lastly 30% suggested that products should be designed so as to increase profits of commercial banks.

The results indicated that most of the respondents suggested that accounts should be simplified so that most of the clients will also manage to register or engage in online banking. For example to register CBZ touch, the process is short and easy and costs are low. A similar study was carried out by (R.R Upaal, 2010) that accounts should be registered at low cost to encourage so as to be affordable to the customers.

**4.3.6 Distribution on the level of acceptance of online banking**

Distribution of respondents on the level of acceptance of online banking is shown below in fig4.5 showing those who had registered and not.

![Distribution of respondents showing the level of acceptance of online banking](image)

**Fig 4.5 Distribution of respondents showing the level of acceptance of online banking**

Source: Primary data  

Fig 4.5 shows a distribution of the level of acceptance of online banking, 97% of the respondents accept the use on online banking within their business or systems. The findings indicate that most of the respondents are registered on online banking and 3% is not registered and this implies that the level of acceptance is high due to technology. A similar study carried out by (William Baumol, 2010) of technology acceptance model that people accept technology because it is fast and mention that people are motivated to accept technology due to some factors.
Fig 4.3.7 Challenges of Online Banking

The study sought to establish whether the following challenges are a threat to the bank in application of online banking and the results are as shown in Table 4.2 This question helped to satisfy the requirements of the objective of implications of online banking on commercial banks. This is shown below on table 4.4

<table>
<thead>
<tr>
<th>Challenges of online banking</th>
<th>Response</th>
<th>Response Rate</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security concerns</td>
<td>6</td>
<td>30%</td>
<td>1</td>
</tr>
<tr>
<td>Low internet/ICT penetration</td>
<td>5</td>
<td>25%</td>
<td>2</td>
</tr>
<tr>
<td>Resistance from customers</td>
<td>4</td>
<td>20%</td>
<td>3</td>
</tr>
<tr>
<td>Computer literacy</td>
<td>3</td>
<td>15%</td>
<td>4</td>
</tr>
<tr>
<td>Incompatibility of the system with the existing one</td>
<td>2</td>
<td>10%</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 4.4 Challenges of Online Banking        Source: Primary Data                           n=20

Table 4.4 shows the multiple responses of challenges of online banking on the performance of commercial banks. Multiple responses were then positioned (1-5) according to their level they affects online banking on the performance on commercial banks. Security concerns were positioned first with the response rate of 30% followed by low internet with a percentage of 25%, restistance from customers with 20%, computer literacy with 15% and lastly incompatibility of the system with the existing one with a percentage of 2%.

These results indicated that online banking has a great challenge of security problems. This will affect the performance of commercial banks. A similar study was conducted (Malhotra, 2011) reasons why non online banking users do not want to engage on online banking services due to security concerns.

4.3.8 Advantages for Online Banking

The study further established the advantages of online banking in the commercial banks which helped the study to satisfy the objective on the positive implication of online banking. Table 4.5 shows advantages of online banking, commercial banks in table 4.5 below.
<table>
<thead>
<tr>
<th>Benefits of online banking</th>
<th>Response</th>
<th>Response Rate</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expanded geographical reach</td>
<td>7</td>
<td>35%</td>
<td>1</td>
</tr>
<tr>
<td>Increased productivity</td>
<td>5</td>
<td>25%</td>
<td>2</td>
</tr>
<tr>
<td>Increased profitability</td>
<td>4</td>
<td>20%</td>
<td>3</td>
</tr>
<tr>
<td>Low cost of operation</td>
<td>3</td>
<td>15%</td>
<td>4</td>
</tr>
<tr>
<td>Expanded customer base</td>
<td>1</td>
<td>5%</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 4.5 Advantages of online banking  
N=20

Source: Primary Data

The discoveries demonstrated business banks profited by web based banking particularly on the extended land reach with a reaction rate of 35%, trailed by expanded efficiency with 25%, expanded productivity with a reaction rate of 20%, ease of activity with 15% and finally extended client base with a level of 5%. A comparable report by (Malhotra, 2011) Germany. Perceptions uncovered that most of the clients didn't know about the web based banking monetary administrations and of the tested clients, just 12% really utilized the administrations, particularly those male clients serving in government workplaces. This is additionally appeared table 4.4 client base is 5% along these lines a large portion of the reaction rate on client base is exceptionally low.
4.3.9 Online Banking and Performance of Banks

Having established some of the aspects relating to online banking and performance of the commercial banks in Bindura City, the objective of the study was to establish the relationship between online banking and the performance of commercial banks. Various statements were developed and participants asked to state in a scale of 1 to 5 (1 = strongly agree and 5 = strongly disagree) how much they agreed with the statement. The descriptive statistics of their responses are illustrated in Table 4.6.

<table>
<thead>
<tr>
<th>Statement on online Banking</th>
<th>N</th>
<th>Mean Std</th>
<th>Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>online banking is up and running within the bank</td>
<td>51</td>
<td>4.02</td>
<td>.490</td>
</tr>
<tr>
<td>Through internet banking, the performance of the bank has increased especially in terms of allowing individuals to access banking services irrespective of where they are</td>
<td>51</td>
<td>4.13</td>
<td>.610</td>
</tr>
<tr>
<td>Charges on internet banking are friendly and the bank has generated a lot of revenue from the same</td>
<td>51</td>
<td>4.09</td>
<td>.586</td>
</tr>
<tr>
<td>My bank adopted internet banking to increase Outreach</td>
<td>51</td>
<td>4.02</td>
<td>.490</td>
</tr>
<tr>
<td>Internet Banking have helped ease congestion in banking halls</td>
<td>51</td>
<td>4.04</td>
<td>.470</td>
</tr>
</tbody>
</table>

Table 4.6 Online banking and performance of commercial banks n=20

Source: Primary Data

Findings in Table 4.4 indicate that the means of all the statements are 4 (rounded off to the nearest number) with standard deviations that are 1 (rounded off to the nearest whole number). The implication is that on average the respondents agreed with the statements presented especially with respect to online banking and performance of commercial banks in Bindura City. Specifically, the respondents agreed with the fact that commercial banks in Bindura City had online banking running (M = 4.02, SD = .490), performance of the bank has significant
increased given the adoption of online banking (M = 4.13, SD = .610), there are friendly charges and a lot of revenue has been generated in return (M = 4.09, SD = .586), the bank had adopted online banking to increase the banking customers (M= 4.02, SD = .490), and that the online banking has assisted significantly in decongesting the banking halls. (M=4.04, SD=.470). This supported by (Daniel 2015) the study also found out that the introduction of online banking services facilitated the increasing number of subscribers and penetration rate, which is a key milestone in strengthening the service and its acceptability by the financially excluded population mainly in the marginalized setups. Factors such as convenience, reliability and flexibility of the service towards vast acceptable points and structure of accessibility with no complexity of registration a case for banks and other financial service providers.

4.4 Chapter summary

This chapter presented the research findings, analyzed and discussed the economic and financial implications of online banking on the performance of commercial banks in Bindura city. These findings were based on the data collected from the field using questionnaires and interviews that gave an outlook of the situation on the ground. The next chapter focuses on the summary of research findings, conclusion and recommendations made from this study.
CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.0 Introduction
This chapter provides a summary of the study's entire research work and major findings, the study's conclusion, and the study-based recommendations. This study looked at the economic and financial implications of online banking on the performance of Zimbabwe's commercial banks during 2013-2017. Four goals were pursued in an effort to achieve the main goal of this study. The chapter shall provide a brief summary of the study findings and then draw conclusions from the findings of the previous chapter. Recommendations will be made and suggestions will be made for further research that arose during the conduct of this research. The chapter ends with a summary.

5.1 Summary
The study sought to assess the economic and financial impact on the performance of commercial banks in Zimbabwe during 2013-2017 of online banking. To achieve this, a descriptive research methodology was adopted in which questionnaire and schedule of interviews were used to collect relevant data and information in order to achieve that objective. To help achieve the goal, a combination of quantitative and qualitative data was obtained. With regard to the objective of determining the economic and financial impact of online banking on the financial performance of commercial banks, the study findings showed that commercial banks in Bindura City have their online banking operations within the bank, that individual customers have access to banking services wherever they are, and that friendly charges are applied. In addition, the study found that online banking has been adopted by commercial banks in Bindura City to increase outreach. The other finding is that online banking has helped the various commercial banks in Bindura City to ease congestion in banking halls. The study has shown that online banking has a statistically positive effect on the financial performance of commercial banks in Bindura City as regards the overall effect. In other words, the study confirmed a direct proportionality between the two variables so that it is likely that increasing or enhancing online banking will lead to better performance in banks. The study covered a number of aspects of online banking and online banking performance. Bindura Town has been selected as the study that leads to the study. The study's main objective was to analyze online
banking's economic and financial implications on commercial bank performance. The study was guided by three sub-objectives to examine the level of commercial banks' acceptance of online banking, to determine the relationship between online banking and commercial bank performance, and to identify strategies that can be used to enhance the effectiveness of online banking financial services. In short, the study shows that business banks in Bindura experienced profitability during this technological era by providing their customers with the easiest, most preferable, most convenient and fast online banking services. This has accounted for the banking industry's competitiveness nature in Zimbabwe. Some of the reasons that accounted for banks' increased profit performance over time are decreasing banks' operating costs and overheads, higher incomes, and customer satisfaction with services that increased customer patronage.

5.3 Conclusion
The researcher concludes on the basis of the research findings that online banking plays a pivotal role in online banking performance. It offers its customers cost-effective and convenient services. Online banking has become a safe and sound alternative transaction method that has the potential to cover all businesses and lead to profitability. Citizens should therefore embrace this innovation as the economy is digitized to ensure equal access to financial services for all irrespective of gender, age and race lines. The findings show that online banking has both positive and negative effects on the performance of banks that generate more or less profit, the ability to generate cash to fulfill their short-term financial obligation to stir up banks' affairs, and finally their ability to make full use of the bank's resources. This could be seen during the periods of fluctuations in bank profits. Through the analysis, the study's second objective was to examine the relationship between internet banking and bank performance. The findings show that the performance of internet banking and banks has a positive relationship.

5.4 Recommendations
Customer expectations have increased in recent years with online banking. This study sought to examine the effects on the performance of commercial banks in Zimbabwe from online banking. The study recommends the following in order for online banking to have a positive impact on Zimbabwe's banking industry and create customer satisfaction: ensuring online banking security. It is particularly important that banks in Zimbabwe that provide online banking products and services ensure that their online banking customers' privacy and security is effectively safeguarded. This will encourage the continued use of the service by clients. For
the time being, the future holds uncertain for online banking services provided by banks, and we recommend that financial institutions management invest extensively in this area of research to discover for their customers and probably resist the intensified competition between banks in Zimbabwe. The government needs to unite the rural financial system into a large or broad financial system that will encourage or motivate financial institutions to expand their rural services. The use of online banking should be extended as customers should have easy access, freedom and often use the channel to access financial products. Regulatory focus should be on innovation and improvement in financial products that provide a sustainable solution to the increasing need for equal access to these products irrespective of gender.

5.5 Suggestions for further research

For further researchers on the effect of online banking on the performance of commercial banks in Zimbabwe, the researcher would like to suggest the following: impact of online banking on businesses in Zimbabwe. Knowing the effects of online banking on their business is important for businesses, so a study on the impact of online banking will be relevant for businesses in Zimbabwe. Online banking service quality determinants, consumer satisfaction and behavioral intentions. Zimbabwe needs to know these determinants by adopting online banking strategies to improve its competitive advantage. Moreover, research should be carried out in rural areas where there are customers who suffer greatly from online banking problems, such as poor network connections. Many studies have been carried out in urban locations where infrastructure is readily available, making it a milestone to reach out to rural women entrepreneurs.

References

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**Questionnaire**

**LETTER FOR REQUEST FOR PERMISSION TO CONDUCT RESEARCH**

Chipo T Tanyanyiwa
TO WHOM MAY CONCERN

16 September 2018

Dear Sir/Madam

RE: REQUEST FOR PERMISSION TO CONDUCT RESEARCH

My name is Tanyanyiwa Chipo. I am a graduate student with a Bachelor of Commerce degree in Banking and Finance from Bindura University of Science Education. I am required to undertake a research project in partial compliance with the degree requirements. As such, the student conducts research on "The economic and financial implications of online banking on the performance of Zimbabwe's commercial banks in 2013-2017. A case of Bindura Town." By filling in the questionnaire, the researcher kindly asks for your help as respondents to the research understudy. The answers you provide will be treated with utmost confidentiality and used for academic purposes only. Your cooperation will be appreciated greatly.

Yours Sincerely

C. Tanyanyiwa

Appendix 1

Questionnaire

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: Respondents general information

1. Gender
   - Female
   - Male

2. Age

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 – 30</td>
<td>1</td>
</tr>
<tr>
<td>31 – 40</td>
<td>2</td>
</tr>
<tr>
<td>41 – 50</td>
<td>3</td>
</tr>
<tr>
<td>Above 50</td>
<td>4</td>
</tr>
</tbody>
</table>

2. Level of Education

<table>
<thead>
<tr>
<th>Level</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary level</td>
<td>1</td>
</tr>
<tr>
<td>Diploma</td>
<td>2</td>
</tr>
<tr>
<td>Degreed</td>
<td>3</td>
</tr>
<tr>
<td>Post Graduate</td>
<td>4</td>
</tr>
</tbody>
</table>
3. Job Designation

Accountant    Auditor Junior    Management    Senior Management

4. For how long have you been working in Banking Industry.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 5 years</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 – 10 years</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 – 15 years</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Above 15 years</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. Select your organization from the Commercial Banks below;

CBZ

ZB BANK

AGRIBANK

NMB BANK

CABS

BANK ABC
SECTION B: Questionnaire to bank tellers

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.

1) What challenges mostly affects your organization?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Security concerns</td>
<td>1</td>
</tr>
<tr>
<td>Low internet</td>
<td>2</td>
</tr>
<tr>
<td>Resistance from customers</td>
<td>3</td>
</tr>
<tr>
<td>Computer literacy</td>
<td>4</td>
</tr>
<tr>
<td>Incompatibility of the system</td>
<td>5</td>
</tr>
</tbody>
</table>

2) Benefits received from adopting online banking services

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Expanded geographical reach</td>
<td>1</td>
</tr>
<tr>
<td>Increased productivity</td>
<td>2</td>
</tr>
<tr>
<td>Increased profitability</td>
<td>3</td>
</tr>
<tr>
<td>Low cost of operation</td>
<td>4</td>
</tr>
</tbody>
</table>
3) What strategies can be used to improve effectiveness of online banking?

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simplified accounts</td>
<td>1</td>
</tr>
<tr>
<td>Increase awareness through financial literacy and adverts</td>
<td>2</td>
</tr>
<tr>
<td>Designing products that increase profitability</td>
<td>3</td>
</tr>
</tbody>
</table>

4) What is the level of adoption/ acceptance of online banking at your organization?

<table>
<thead>
<tr>
<th>Level</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very High</td>
<td>1</td>
</tr>
<tr>
<td>High</td>
<td>2</td>
</tr>
<tr>
<td>Low</td>
<td>3</td>
</tr>
</tbody>
</table>

5) What is the relationship between online banking and commercial banks?

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>1</td>
</tr>
<tr>
<td>Negative</td>
<td>2</td>
</tr>
<tr>
<td>Not sure</td>
<td>3</td>
</tr>
</tbody>
</table>

6) In your own words what do you understand by the term online banking?

-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------
7) In what ways has online banking affected the performance of your institution financially?

1. .........................................................................................................................
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2. .........................................................................................................................
   --

3. .........................................................................................................................
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4. .........................................................................................................................
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8) In your own ways what strategies can be adopted to improve online banking at your organization?

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

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

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

THANK YOU FOR YOUR COOPORA

Appendix 2

INTERVIEW SCHEDULE: Questions for bank managers

Bank ground review

Purpose of the interviews
The following questions are designed to gather information from financial institutions operating in Bindura Town. The interviews are going to be conducted with managers of Agribank, ZB, CBZ and NMB.

Reseacher back ground

Tanyanyiwa Chipo, T is my name part 4 student at Bindura University Science of Education from banking and finance. I am seeking for your assistance in answering questions that I have addressed below.

1 What is the level of adoption of online banking in your organization?

2 What can you say about the economic and financial implications of Online Banking in relation to the performance of your organization?

3 What is the relationship between online banking and the performance of your organization?

4 How are those implications both economic and financial you mentioned above being dealt with by your organization?

5 In your own view, what strategies can be used to improve the effectiveness of online banking in your organization?

6 What are you own measures you wish commercial banks to put in place so as to curb the emerging challenges of online banking on the performance of commercial Banks??