Impact of Electronic Banking on Bank Performance in Ekiti State, Nigeria

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Abstract

This study investigated the impact of electronic banking on bank performance. The study became necessary as a result of increased penetration of electronic banking which has redefined the banking operations in Nigeria and around the world. Considering the fact that the population is not too large, the study adopted census sampling technique were adopted by utilizing data collected from one hundred and twenty eight (128) top bank management in Ekiti State who were at the supervisory level of bank branches in Ado-Ekiti metropolis (bank managers, operational managers, customer officers and marketing managers). Method of data analyses used was multiple regressions to achieve the stated objectives. The findings showed that $R^2$ captured 0.560 of the relationship between Automated teller machine, internet banking and mobile banking on bank performance in Ekiti State. The study recommended that the Nigerian Bank customers should adopt electronic banking (ATM, internet and mobile banking) for ease of use and durability advantage.

Keywords: Electronic banking, bank performance, bank management, internet banking, mobile banking, Automated teller machine

Introduction

The introduction of Universal banking practice in Nigeria and the adoption of electronic banking by Deposit Money banks have offered increased services to customers with attendant increase in customer risk exposure (Abaenewe, Ogbulu & Ndugbu, 2013). The banking industry no doubt has witnessed advancement in technology just like any other sector; the adoption of e-banking service is one of these as it affects banking operations entirely. With the adoption of Self Service technology by the banks, e-banking system has continued to service the populace in which mobile banking is one of them (Adewoye, 2013).

However, the revolution in the banking industry in Nigeria started with the advent of electronic devices to assist in the discharge of quality services to bank customers. The introduction of these electronic devices has increased competition in the industry which has gone a long way to reducing customers’ waiting time for banking transactions. This innovation is brought in by the use of computers and other networking gadgets. In Nigeria, the networking started with the LAN (Local Area Network) MAN (Metropolitan Area Network) and subsequently the WAN (Wider Area Network) (Abaenewe et al., 2013).

The recent consolidation exercise in Nigerian banking sector has drawn the attention of many banks to application of various technological devices in promoting/achieving better bank service delivery that guaranteed customer satisfaction that translates into increase profitability and higher return on investment (Oyesola, 2007).

The definition of electronic banking varies among researchers partially because electronic banking refers to several types of services through which a bank’s customers can request information and carry out banking services. The use of information technology in banking operations is called electronic banking. Electronic banking is the use of electronic and telecommunication networks to deliver a wide range of value added products and services to bank customers (Steven, 2002). At the Basel Committee banking supervision, electronic banking is defined to include the provision of retail and small value banking products and services through electronic channels as well as a large value electronic payment and other wholesale banking services delivered electronically (Basel Committee on banking supervision, 2003).

By bank performance, generally it implies whether a bank has fared well within a trading period to realize its objectives. The only document that explains this is presumably the published financial statements. According to Rose (2001), a fair evaluation of any bank’s performance should start by evaluating whether it has been able to achieve the needed objectives set by management and stockholders. Certainly, many banks
have their own unique objectives. Some wish to grow faster and achieve some long range growth objective, others seem to prefer quiet life, minimizing risk and conveying the image of a sound bank, but with modest rewards to their shareholders (Rose, 2001). However, the size of the bank, the volume of deposit and its profitability could be deemed as more reliable performance indicators. For the purpose of this study, bank performance indicators, precisely the Return on Equity Capital (ROE) and the returns on Assets (ROA), customer satisfaction and profitability. The existence, growth and survival of banks mostly depend upon the profit which banks are able to earn. It is true that when profitability increases the value of shareholders may increase to considerable extent. The term profitability refers to the ability of the business organization to maintain its profit year after year (Aremu, Ekpo & Mustapha 2013). This perhaps explains why there has been continuing search by banks in Nigeria to improve their methods of banking services to cut down costs, and to develop new attributes or products, which may have wider appeal and satisfaction to their customers (Sabo, 2003).

Information and Communication Technology (ICT) is at the Centre of electronic banking system in Nigeria today. Banking industry in Nigeria cannot ignore information systems because they play a crucial role in current banking system, they point out that the entire cash flow of most banks are linked to information system. Electronic banking depends on providing customers, partners, and employees with access to information, in a way that is controlled and secure (Soludo, 2005). The banking industry in Nigeria is investing greatly in information and communication technology (ICT) given the highly information sensitive nature of the industry which is in line with global trend. Banks invest in ICT consistently to achieve cost savings and enhance customers’ satisfaction (Jonathan, 2013). Automated Teller Machine (ATM) has become a major indicator of ICT investment by banks. Globally, Automatic Teller Machines (ATMs) have been adopted and are still being adopted by banks. They offer considerable benefits to both banks and there depositors. The machines can enable depositors to withdraw cash at more convenient times and places than during banking hours (Olatokun & Igbinedion, 2009). These potential benefits are multiplied when banks share their ATMs, allowing depositors of other banks to access their accounts through a bank’s ATM. Banks have become the principal deplorers of ATMs because the cost of a single transaction performed at an ATM is potentially less than the cost of a transaction conducted from a teller, as ATMs are capable of handling more transactions per unit of time than Tellers (Laderman, 1990). Jegede (2014) argued that Automated Teller Machine could also be referred to various other names including automatic banking Machine (or automated banking machine particularly in the United States) (ABM), Automated Transaction Machine (particularly in the United Kingdom), Cash line Machine (after the Royal Bank of Scotland’s usage), and All Time Money in India. Automated Teller Machine is a computerized telecommunications device that provides the clients of a financial institution with access to financial transactions in a public space without the need for a cashier, human clerk or bank teller.

One of the electronic distribution channels for banks is mobile banking that technology is increasingly vital for. Mobile banking increase comfortable and add value to bank and the bank customers (Zahr, Atusa & Hamideh, 2012). Mobile Banking is becoming more popular in modern banking and as such has been a subject of interest among researchers. Mobile Banking means a financial transaction conducted by logging on to a bank’s website using a cell phone, such as viewing account balances, making transfers between accounts, or paying bills (Adewoye, 2013). Mobile Banking has changed the way banks performs there operation. This has led to the introduction of new banking services that are aimed at lowering transaction costs and reaching a larger number of bank customers (Anyasi & Otubu, 2009). The application of electronic banking services to banking operations has become a subject of fundamental importance and concerns to all banks operating within Nigeria and indeed a condition for local and global competitiveness (Akingbola, 2006). The use of e-banking can contribute to improved bank performance, in terms of increased market share, expanded product range, customized products and better response to client demand. E-banking can influence banks activities and their income structure. In recent years the use of electronic and internet banking is considered the most important aspect of electronic commerce environment (Wang, Lin, & Tang, 2003). However, despite this importance of e-banking, closer observation shows that there are still long queues seen in some banking halls even as customer still handle too much cash, problem of frequent network failure which have adverse effect on bank performance. The application of these instruments over the years may have impacted negatively or positively on performances of banks. The impact of e-banking on the bank performance has not been greatly explored in Nigeria. Few studies in Nigeria focus on mobile & internet banking adoption and more on ATM banking, This is because e-banking is just gaining wider acceptance in Nigeria. In view of the above problems, it becomes imperative and necessary to investigate if e-banking has any impact on bank performance in Nigeria banking industry.

Objective of the Study

The main objective of this study is to establish the impact of e-banking on bank performance on Nigerian banks. The study pursues the following specific objectives:

i. examine the impact of Automated Teller Machine on bank performance in Nigeria;
ii. determine the effect of internet banking on bank performance Nigeria;
iii. investigate the significance effect of mobile banking on bank performance in Nigeria;
iv. determine the impact of electronic fund transfer on bank performance Nigerian.

Literature Review

E-banking

Sathy (1997) examined the state of internet banking in Australia. He discovered at the end of September 1997 that only two (2) banks had started internet banking services out of fifty-two (52) banks in Australia. The research surprisingly indicated Australia’s largest and profitable bank was yet to start internet banking. In his research, he therefore advocated that the Banking Authorities in Australia should give serious attention to internet banking in order for Australia’s bank not to look medieval in the changing global world. Electronic banking is a high-order construct, which consists of several distribution channels. It should be noted that electronic banking is a bigger platform than just banking via the Internet. However, the most general type of electronic banking in our times is banking via the Internet, in other words Internet banking. The term electronic banking can be described in many ways. In a very simple form, it can mean the provision of information or services by a bank to its customers, via a computer, television, telephone, or mobile phone (Daniel, 1999). According to Simon, Nana and Abdill (2013) electronic banking is the delivery of banks information and services by banks to customers via different delivery platforms that can be used with different terminal devices such as personal computer and mobile phone with browser or desktop software, telephone or digital television. Electronic banking, therefore, could be categorized into Personal Computer banking, Internet banking, TV-based banking, and Telephone-based banking.

In the past few years, banking activities in Nigeria have increasingly depended on the deployment of information and communications technology. Customers’ insatiable appetite for efficient services has compelled financial institutions to fast track to a more radical transformation of their business systems and models for embracing e-banking (Ovia, 2001).

In recent times, e-banking has spread rapidly all over the globe. According to Abaenewe, et al., (2013) the increased adoption and penetration of internet has recently redefined the playground for retail banks. In Nigeria, all banks are making greater use of e-banking facilities to provide better services in order to excel in the competitive Nigerian banking industry. The spread of e-banking has also greatly benefited the ordinary customer in general and corporate world in particular.

Consequently, e-banking has been the greatest challenge to the banking industry going by the sophistication and volume of fraudulent practices associated with this form of banking.

Consequently, e-banking has become popular because of its convenience and flexibility, and also transaction related benefits like speed, efficiency, accessibility (Elisha, 2010 cited in Shehu, Hassan and Musa, (2013) and Elisha (2010) described e-banking as the term used for new age banking system, it could also be called online banking and it is an outgrowth of PC banking. That is a banking which includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet or mobile phone. further, electronic banking is referred to as the process of using the internet as delivery mode for the provision of services like opening a deposit account, electronic bill payments, and online transfers. These services can either be provided by the banks having physical offices or by creating a website and providing services through that or services can be provisioned through a virtual bank as well. The internet is used as a strategic and differentiating channel to offer high valued financial services and complex products at the same time or improved quality at lower costs without physical boundaries and to cross sell products like credit cards and loans.

Garau (2012) as cited in Adewoye (2013) stressed the emphasis of information communication technology in e-banking. Information and communications technologies (ICTs) have changed the approaches to conducting business transactions and meeting the growing demands of customers for most organizations. The promise of ICTs in the banking sector has been seen in terms of its potential to increase customer base, reduce transaction costs, improve the quality and timeliness of response, enhance opportunities for advertising and branding, facilitate self-service and service customization, and improve customer communication and relationship. Most banks in developed and some in developing parts of the world are now offering e-banking services with various levels of sophistication. However, most African banks seem to be content with having a Web presence with only a few of them making strides towards full-fledged-banking applications.

Pyun, Scruggs and Nam (2002) argued that while e-banking serves as automated, interactive channels by which customers conveniently gratify their demands for bank transactions, elsewhere the term is observed to be a larger concept than users’ satisfactions. In addition, e-banking is viewed as the process by which a customer carries out banking transactions electronically without going to a brick-and-mortar institution (Simpson, 2002). In this case, e-banking is defined from the state of branchless or virtual banking indicating that geographical location in banking sphere seems to be less important as banks continue to adopt e-banking. Electronic banking
offers the convenience of conducting most of the banking transactions at a time that suits the customer. The customer can access funds and transfer funds between accounts, pay bills and make purchases 24 hours a day as well as 7 days a week (Siam, 2006). Sana, Mohammad, and Hassan (2011) referred Electronic banking as using of the internet as delivery mode for the provision of services like opening a deposit account, electronic bill payments, and online transfers. These services can either be provided by the banks having physical offices and by creating a website and providing services through that or services can be provisioned through a virtual bank as well. Internet is used as a strategic and differentiating channel to offer high valued financial services complex products at same or improved quality at lower costs without physical boundaries and to cross sell products like credit cards and loans.

**Internet banking**

The rapid development of Internet and Electronic Business has stimulated the banking and financial sectors towards encouraging customers to bank on-line. Internet banking is increasingly managed as an operational activity and an important component of bank growth (Wadie & Mohamed, 2014). Internet banking can be defined as the use of technology to communicate instructions to and receive information from a financial institution where an account is held. Internet banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the internet. Mols (1998) in his research opined that the success of internet banking does not purely rely on the banks’ strategies but rather considers on customers’ adoption of it e-banking services which will increase bank performance in terms of profitability (Wadie & Mohamed, 2014).

The term electronic banking is almost generic in its nature and therefore it is mostly used without any further explanation or definition. It should be reminded that electronic banking is not equal to the term Internet banking although the latter is undoubtedly the most widespread type of it. Electronic banking includes several traditional services like telephone banking, credit cards, debit cards, ATMs. The more recent additions are Internet banking, mobile banking and digital TV banking. Electronic banking is also known as electronic funds transfer (EFT) and basically is simply the use of electronic means to transfer funds directly from one account to another (Bahman, Hojat & Saeed 2013).

**Internet Banking in Nigeria**

The Internet banking is becoming an increasingly important channel for Nigerian banks to provide banking services to both individual customer, businesses and expand bank performances. Internet banking refers to the use of the Internet as a remote delivery channel for banking services (Furst, Lang & Nolle, 2000). Internet banking is the situation where customers can access their bank account via the internet using a Personal Computer or mobile phone and web browser (Zeithaml, Parasuraman, & Malhotra, 2002).

Several research have been conducted on the adoption, customers’ acceptance and choice of banks, and state of e-banking in Nigeria (Idowu, Alu & Adagunodo (2002); Chiemeke, Ewiekpaefe and Chete (2006); Agboola, 2006; Salawu et al, 2007; Olasanni, 2010; Ayo, 2010). For example, Chiemeke et al., (2005) examined the level of adoption of internet banking in Nigeria and found that internet banking was being offered at the basic level of interactivity with most banks having information sites and providing little internet transactional services while Ayo (2010) reviewed the state of e-banking implementation in Nigeria and evaluated the influence of trust on the adoption of e-payment using an extended technology acceptance model (TAM), found that e-banking was increasingly adopted by Nigerian banks. Also, Auta (2010) empirically examined the impact of e-banking in Nigeria’s economy using Kaiser-Mayar-Olkin (KMO) approach and Barlett’s Test of Sphericity, found that Nigerian customers banking sector have no enough knowledge regarding e-banking services being offered in Nigerian banking sector. As far as Nigeria is concern, e-banking is extensively gaining prominence.

Banks offer Internet banking in two main ways (Furst et al., 2000). An existing bank with physical offices can establish a Web site and offer Internet banking to its customers as an addition to its traditional delivery channels. A second alternative is to establish a virtual Internet-only bank. The computer server that lies at the heart of an Internet-only bank may be housed in an office that serves as the legal address of such a bank, or at some other location. Internet-only banks may offer their customers the ability to make deposits and withdraw funds via ATMs or other remote delivery channels owned by other institutions. Internet banking service is presently being offered to two sets of clients, i.e. personal clients and business clients. Internet banking channel offers less waiting time, higher spatial convenience and significantly lower cost structure than traditional distribution channels. The relative success of Internet banking to date can be gauged by identifying the number of current and anticipated registered users. Barton (2005) reported that more than 35 million consumers in the USA used on-line PC banking by the end of 2004, that some 9 percent of UK customers used PC based Internet banking and this has risen to 42 per cent by 2006 Gandy (2004), these figures being similar to those of Sweden, Norway and Germany Bons (1999). All Finish banks offer a full range of Internet banking services (Mattila, Karjaluoto & Pento, 2003).

**Traditional Banking in Nigeria**

The use of monetary instruments as a unit of exchange replaced the barter system and money in various
denominations was used as the sole purchasing power (Adelowo, 2010). Steven (2002) opined that traditional banking system started in Nigeria in 1952. Nigerian banks started adopting e-banking five years after US banks launched their electronic channels (Chiemeke, et al., 2006). Before year 2000, all banks in Nigeria were virtually bricks and mortar banks. That is, they were operating manually and highly restricted to the basic role of safekeeping. Hence, all commercial banks before this time were operating traditionally. Customers went to their banking premises to effect transactions of any kind, though element of e-banking was present because customers used telephone to effect transactions. After this period, most banks in Nigeria started the adoption of e-banking at almost the same time. Currently, all banks in Nigerian banking industry are fully operating e-banking but the impact of e-banking on bank performance via-advis traditional banks is yet to be empirically validated.

E-banking Customer Satisfaction

Customer Satisfaction has become a major area of marketing that has received considerable publications from practitioners and scholars in the last two decades. Satisfaction is a person’s feeling of pleasure or disappointment resulting from comparing a product’s performance (outcome) in relation to his or her expectation. Customer Satisfaction has been recognized as an important element that drives customer retention, loyalty and post-purchase behavior of customers (Heskett, Sasser & Schlesinger, 1997; Kotler & Keller 2006; Rust & Oliver, 1994). It is well documented that the measurement of Customer Satisfaction regarding the service quality of firms is a necessary means by which organizations delve into the minds of its customers for useful feedback that could form the basis for effective marketing strategy (Kotler & Keller 2006; Nimako 2012; Shamdasani, Mukherjee, & Malhotra, 2008). Since firms exist to satisfy customers by meeting their requirements, it is crucial for banks that offer internet banking services to periodically and consistently measure the satisfaction of their customers. As customers use the banking internet services, it might be that they are not satisfied, to some extent, with certain dimensions of the service quality. While some authors perceive satisfaction as a cumulative, others view it as transactional. Transactional-specific perspective, Customer Satisfaction is based on a one time, specific post-purchase evaluative judgment of a service encounter (Oliver, 1993). On the other hand, in the cumulative Customer Satisfaction perspective, Customer Satisfaction is conceptualized as an overall customer evaluation of a product or service based on purchase and consumption experiences over a time period (Fornell, & Lehmann, 1994). It is argued that since cumulative satisfaction is based on a series of purchase and consumption experiences, it is more useful and reliable as a diagnostic and predictive tool than the transaction perspective that is based on a one-time purchase and consumption experience. Therefore, the study conceptualizes Customer Satisfaction as cumulative measured from the last twelve months of being an internet banking customer.

E-banking Profitability

There is now a large literature which has examined the role played by management of resources in determining bank profitability (Aremu, Ekpo & Mustapha 2013). It is generally agreed that better quality management of resources is the main factor contributing to bank performance, as evidenced by numerous studies that have focused on the U.S. banking system (DeYoung & Rice, 2004). The profitability determinants of bank performance were divided into two main categories, namely the internal determinants (liquidity, capital adequacy, and expenses management) and the external determinants (ownership, firm size, and economic conditions). The findings revealed that efficient expenses management was one of the most significant in explaining high bank profitability. Among the macro indicators, high interest ratio was associated with low bank profitability and inflation was found to have a positive effect on bank performance (Aremu et al., 2013).

Methodology

Research design

This study used descriptive survey research design. Primary data was used for this study. Data were collected through questionnaire that was administered to selected respondents. The questionnaire was made up of three (3) sections with each of the respective sections containing questions on demographic information, e-banking and bank performance. In collecting the data for this study, thirty-two (32) questionnaires shall be distributed to select 17 bank branches in Ado-Ekiti metropolis. The choice of Ado-Ekiti metropolis was borne out of the fact that not all cities in Ekiti have the selected branches. Questionnaires to be distributed would be restricted to top branch managers believing that top management level will understand the impact of electronic banking and its contribution to banking sector.

Area of the Study

The area of the study was Ado-Ekiti metropolis where the seventeen (17) bank branches are fully represented.

Population of the study

The population of this research work was one hundred and twenty eight (128) top bank management in Ekiti State who were at the supervisory level of bank branches in Ado-Ekiti metropolis (bank managers, operational managers, customer officers and marketing managers).
Table 3.1: Population of the study

<table>
<thead>
<tr>
<th>Banks</th>
<th>No of Bank Branches</th>
<th>Supervisory</th>
</tr>
</thead>
<tbody>
<tr>
<td>First bank</td>
<td>3 (Old Garage, Adebayo and Bank Road)</td>
<td>12</td>
</tr>
<tr>
<td>Wema bank</td>
<td>5 (Old Garage, EKSU, Okesa, Abuaud and Fedpoly)</td>
<td>20</td>
</tr>
<tr>
<td>GTBank</td>
<td>1 (Bank Road)</td>
<td>4</td>
</tr>
<tr>
<td>Skye bank</td>
<td>1 (Old Garage)</td>
<td>4</td>
</tr>
<tr>
<td>Unity bank</td>
<td>1 (Adebayo)</td>
<td>4</td>
</tr>
<tr>
<td>Diamond bank</td>
<td>1 (Old Garage)</td>
<td>4</td>
</tr>
<tr>
<td>Mainstreet bank</td>
<td>1 (Bank Road)</td>
<td>4</td>
</tr>
<tr>
<td>Uba</td>
<td>3 (Ajilosun, EKSU, Bank Road)</td>
<td>12</td>
</tr>
<tr>
<td>Access bank</td>
<td>2(Bank Road and EKSU)</td>
<td>8</td>
</tr>
<tr>
<td>Keystone bank</td>
<td>1(Bank Road)</td>
<td>4</td>
</tr>
<tr>
<td>Enterprise bank</td>
<td>4(Ijigbo, EKSU, Fedpoly and Fajuyi)</td>
<td>16</td>
</tr>
<tr>
<td>Stanbic bank</td>
<td>1 (Bank Road)</td>
<td>4</td>
</tr>
<tr>
<td>Zenith bank</td>
<td>2 (Bank Road, EKSU)</td>
<td>8</td>
</tr>
<tr>
<td>Eco bank</td>
<td>2 (Bank Road and Eksu)</td>
<td>8</td>
</tr>
<tr>
<td>Fidelity bank</td>
<td>1 (Ijigbo)</td>
<td>4</td>
</tr>
<tr>
<td>Fcmb</td>
<td>1 (Bank Road)</td>
<td>4</td>
</tr>
<tr>
<td>Union bank</td>
<td>2 (Ijigbo and Okesha)</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>128</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2016

Since it cannot be established that banks have branches across the 16 local government’s councils in the state, Ado-Ekiti metropolis will be used since all the 17 banks branches to be used are well presented. The top branch managers shall be personally interviewed while questionnaire will be administered to them. The main reason for choosing top branch managers was because they are responsible for performance of their respective banks and have higher level of appreciation on how e-banking has an impact on financial performance.

Sample and Sampling techniques

Sample was one hundred and twenty eight (128) representing 4 Respondents from each of the seventeen (17) supervisory and management level of commercial banks in Ado-Ekiti (bank managers, operational managers, customer officers and marketing managers). For effective coverage, and considering the fact that the population is not too large, the study adopted census sampling technique.

Data collection procedures

A self-administered, structured questionnaire was used to gather data from respondents for the study. The researcher first seeks permission from the Branch Manager of all banks to be used for the study. The permission was to allow their premises to be used for this particular study. Each respondent to the study was made to fill a questionnaire after a brief introduction and objective of the study must have been explained. The research questionnaires were distributed in banks during business hours.

Validity and Reliability of Research Instrument

The questionnaire that would be used to measure the impact of e-banking on bank performance would be subjected to pre-testing for their validity and reliability.

Method of data analysis

Data to be gathered would be based on sorting, coded and analysed using descriptive and inferential statistics. The descriptive statistics were mainly being frequency table. Inferential statistics used was regression analyses. Regression analyses were used to evaluate the impact of e-banking on bank performance in Nigeria; effect of e-banking on bank performance in Ekiti State and determine the relationship between e-banking and bank performance.

Results and Discussion

Table 4.1: Demographic Characteristics of Respondents

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender Distribution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valid Male</td>
<td>56</td>
<td>44.5</td>
<td>44.8</td>
</tr>
<tr>
<td>Female</td>
<td>69</td>
<td>55.2</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>125</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Age Distribution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 31</td>
<td>6</td>
<td>4.8</td>
<td>4.8</td>
</tr>
<tr>
<td>31-35</td>
<td>7</td>
<td>5.6</td>
<td>10.4</td>
</tr>
<tr>
<td>36-40</td>
<td>25</td>
<td>20.0</td>
<td>30.4</td>
</tr>
<tr>
<td>41-45</td>
<td>51</td>
<td>40.0</td>
<td>71.2</td>
</tr>
<tr>
<td>46Yrs above</td>
<td>36</td>
<td>28.8</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>125</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Educational Background</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valid NCE/OND</td>
<td>32</td>
<td>25.6</td>
<td>25.6</td>
</tr>
<tr>
<td>B.Sc./HND</td>
<td>93</td>
<td>74.4</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>125</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Work Experience</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valid 11-15Yrs</td>
<td>16</td>
<td>12.8</td>
<td>12.8</td>
</tr>
<tr>
<td>16-20 Yrs</td>
<td>67</td>
<td>53.6</td>
<td>66.4</td>
</tr>
<tr>
<td>Above 20 Yrs</td>
<td>42</td>
<td>33.6</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>125</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2016
respondents and sixty-nine (55.2%) were female. This shows that female are more than male at the supervisory level in the banks in Ekiti State. The age distribution of the respondents showed that six (4.8%) of the respondents are less than 31 years of age, seven (5.6%) are between 31-35 years, twenty-five (20%) of the respondents are between 36-40 years, fifty-one (40.8%) of the respondents are between 41-45 years and forty-six (28.8%) of the respondents are between 46 years and above. This implies that the age ranges between 41-45 years are more than others of the employees in Ekiti state bank branches. The implication of this is that they are more experience. The educational background shows that thirty-two (25.6%) of the total respondents possess NCE/ND certificates, ninety-three (65.7%) hold first degree or BSC/HND certificate. The year of experience reveals that sixteen (12.8%) have spent 1-15 years, sixty-seven (53.6%) have spent 16-20 years, forty-two (33.6%) have spent 20 years and above. This implies that, the staff at the supervisory level of the bank branches in Ado-Ekiti had spent some reasonable number of years before heading their units.

To test this hypothesis, the respondents’ scores on two variables, Electronic banking and bank performance were computed and subjected to multiple regression analysis. The results of the analysis were found to be significant at 0.748 showing that electronic banking such as Automated teller machine, mobile banking and internet banking influences bank performance. That is, bank performance is based on the automated teller machine, mobile banking and internet banking. Adjusted r-square showed that electronic banking and bank performance caused 54.9% variance in bank performance in Ekiti State. In other words, an estimated 0.451 of bank performance accounted by independent variables, electronic banking. The result showed that we reject the null hypothesis and accept the alternative hypothesis.

**Table 4.2: Impact of Electronic Banking on Bank Performance in Ekiti State**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Coeff.</th>
<th>Std.err.</th>
<th>t value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automated Teller Machine</td>
<td>1.629</td>
<td>0.061</td>
<td>0.712</td>
</tr>
<tr>
<td>Internet Banking</td>
<td>0.407</td>
<td>0.061</td>
<td>0.713*</td>
</tr>
<tr>
<td>Internet</td>
<td>0.149</td>
<td>0.076</td>
<td>1.95*</td>
</tr>
<tr>
<td>Mobile Banking</td>
<td>0.180</td>
<td>0.045</td>
<td>3.963*</td>
</tr>
<tr>
<td>Constant</td>
<td>1.629</td>
<td>0.177</td>
<td>9.196</td>
</tr>
</tbody>
</table>

N =782  
F(51,370) = 3.10  
Prob>F = 0.0011  
R-squared = 0.560

The understandardized and standardized beta co-efficient of Automated teller machine (ATM) are 0.043 and 0.063 respectively with t= 0.712 and (p= 0.478>0.05). The result showed a positive relationship between ATM and bank performance in Ado Ekiti and is significant. The understandardized and standardized beta co-efficient of Internet banking are 0.407 and 0.519 with t= 5.860 and (p= 0.000< 0.05). The result showed a positive relationship between Internet banking and bank performance and is not significant; therefore we reject alternative hypothesis and accept null hypothesis. The understandardized and standardized beta co-efficient of mobile banking are 0.180 and 0.282 with t= 3.963 and (p= 0.000< 0.05). The result shows that mobile banking has a greater effect on bank performance and is also significant. The study is in line with Wadie and Mohamed, (2014) in Tunisia who suggested that customer’ intention to use Internet banking can be affected by perceived usefulness and perceived ease of use of Internet banking. The study also corroborate with the findings of Kepha (2013) established how value can be created in business management through electronic money transfer systems in commercial banks in Kenya.

**Conclusion and Recommendations**

Based on the findings, it is concluded that electronic banking such as Automated teller machine, mobile banking and internet banking influences bank performance. That is, bank performance is based on the automated teller machine, mobile banking and internet banking. The study recommended that the Nigerian Bank customers should adopt electronic banking (ATM, internet and mobile banking) for ease of use and durability advantage.

**References**


Impact of Electronic Banking on Bank Performance in Ekiti State, Nigeria


### Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.748</td>
<td>0.56</td>
<td>0.549</td>
<td>0.43589</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Mobile Banking, Automated Teller Machine, Internet Banking

### ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>29.282</td>
<td>3</td>
<td>9.761</td>
<td>51.37</td>
<td>.000*</td>
</tr>
<tr>
<td>Residual</td>
<td>22.99</td>
<td>121</td>
<td>0.19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>52.272</td>
<td>124</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Mobile Banking, Automated Teller Machine, Internet Banking
b. Dependent Variable: Bank Performance

### Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.629</td>
<td>0.177</td>
</tr>
<tr>
<td>Automated Teller Machine</td>
<td>0.043</td>
<td>0.061</td>
</tr>
<tr>
<td>Internet Banking</td>
<td>0.407</td>
<td>0.07</td>
</tr>
<tr>
<td>Mobile Banking</td>
<td>0.18</td>
<td>0.045</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Bank Performance