

**A STUDY OF THE EFFECT OF DIGITALIZATION ON CUSTOMER SATISFACTION.  
A CASE OF STANDARD CHARTERED BANK ZAMBIA**

**BY  
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**A Dissertation submitted to the University of Zambia in partial fulfilment of the  
requirements for the award of the Degree of Master of Business Administration General**

**THE UNIVERSITY OF ZAMBIA**

**LUSAKA**

**2024**

## DECLARATION

I, **Changu Chibwe**, do hereby declare that this work is my original work achieved through personal reading and research. This work has never been submitted to the University of Zambia or any other Universities. All sources of data used and literature on related works previously done by others, used in the production of this Dissertation have been duly acknowledged. If any omission has been made, it is not by choice but by error.

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## APPROVAL

This Dissertation by Changu Chibwe is approved as a partial fulfilment of the requirements for the award of the Degree of Master of Business Administration General.

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## ABSTRACT

This study examines the effect of Digitalization on customer satisfaction. It is a case of Standard Chartered Bank Zambia. With the rapid advancement of technology reshaping the financial landscape, the adoption of digital banking services has become a critical area of interest. In recent years, the Zambian banking sector has undergone significant digitalization, providing services such as mobile banking, online transactions, and ATM accessibility. In this evolving context, it is crucial for banking institutions and policymakers to understand how digitalization affects customer satisfaction. To investigate this relationship, the study employs a theoretical framework that integrates established theories. The Unified Theory of Acceptance and Use of Technology (UTAUT) is utilized in our research. This theoretical foundation guides the exploration of how customers of Standard Chartered Bank Zambia perceive and interact with digital banking services and the subsequent impact on their overall satisfaction. A mixed-methods approach is employed in this research, incorporating questionnaires, interviews, and data analysis of customer responses from Standard Chartered Bank Zambia. The Tronchim formula was utilized to determine a sample size of 400 respondents for the study. Additionally, separate interviews were conducted with five bank staff members involved in the transition process and handling customer feedback. The findings reveal significant insights into the complex dynamics between digitalization and customer satisfaction. Factors such as convenience, accessibility, speed, customer alerts for transactions, and real-time feedback emerge as crucial mediators in determining customer satisfaction in a digitized banking environment. The results of this study have valuable implications for both Standard Chartered Bank Zambia and policymakers. These findings are crucial for remaining competitive and guaranteeing customer satisfaction in a constantly evolving and technology-driven industry, as digital banking continues to progress. The main recommendations for the banking sector in Zambia are to improve internet security, offer real-time responses to digital banking inquiries, combine mobile and online banking into one app, and include investment options on digital platforms. These steps will help banks meet customer needs, focus on security, and enhance customer satisfaction in the digital era.

**Keywords:** *Customer Satisfaction, Digitalization, Standard Chartered Bank, Banking Sector, Transformation, Zambia*

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## **DEDICATION**

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## **LIST OF ACRONYMS**

|         |                                                    |
|---------|----------------------------------------------------|
| ATM     | Automated Teller Machines                          |
| BOZ     | Bank of Zambia                                     |
| SCB     | Standard Chartered Bank                            |
| ABA     | American Bankers Association                       |
| SME     | Small and Medium Enterprise                        |
| ZPOS    | Zambia Point of Sale Services                      |
| UTAUT   | Unified Theory of Acceptance and Use of Technology |
| GOVT    | Government                                         |
| FINTECH | Financial Technology Companies                     |
| OTP     | One Time Pin                                       |
| 2FA     | Two Factor Authentication                          |
| AI      | Artificial Intelligence                            |
| PIN     | Personal Identification Numbers                    |
| AML     | Anti-Money Laundering                              |
| FNB     | First National Bank                                |

## **CHAPTER 1:**

### **INTRODUCTION**

#### **1.0 Introduction**

This chapter provides the configuration for this study that is structured to assess the effects of digitalization on customer satisfaction- a case of Standard Chartered Bank(SCB) Zambia. Therefore, this chapter provides the background of the study, the problem statement, the research aim, research objectives, the research questions, the significance of the research, scope of the research as well as the definition of key terms used in this research.

#### **1.1 Background of the study**

Broadly, the term ‘digitalization’ is used for describing “a process of moving to a digital business” (Gartner, 2016) with many industries today recognizing the acceleration of technological change which has brought about even more stiff competition among enterprises. From the past five years, the advent of technology has in many respects changed the lives of people. In these years, technology has caused a transformation to various industries in terms of the way they operate now, especially since the breakout of the Coronavirus pandemic in 2019. One such industry that has been heavily affected by the digital transformation as its customers’ expectations drive the need for adapting strategies and processes is the banking industry. To this day, the banking sector has adjusted and adapted from the improvement of face-to-face system to online systems. In the same line of thought, Balkan (2021) observed that banks have had to modify their products, business processes of services and their organizational structure to keep pace with the digital change. For example, as far back as a decade ago, depositing money into one’s bank account or applying for a loan at the bank was so cumbersome because of the lengthy processes of fill in forms at the bank and other processes affiliated. But now such processes have taken a whole newer meaning due to Automated Teller Machines (ATMs), electronic banking (e-banking), mobile banking among a greater diversity of options relatable that give one access the same services as they would at the bank yet physically away from the bank. Simply put, digitalization has marked a turning point for this sector.

In brief, digitalization is “the conversion of analog information into digital information.” Through digitalization, or online banking, banks have been able to gather and analyze their clientele data in ways much easier when compared to the classic means of face-to-face data collection or transactions. According to Napoletano & Foreman (2021), digital banking is basically a collection of internet and mobile banking services in one place. This involves the

digitalization of all traditional banking products, processes and activities to serve the clientele by means of online channels. Such banking products, processes and activities may include obtaining electronic copies of bank statements, opening a digital bank account, making cash withdraws and making bill payments among other related activities. Therefore, for a client, this means that they can access the banking products and services using their desktop or laptop computers, tablets and smartphones. At the same time, it means that they can access the same services as at the bank yet geographically away from the bank provided, they have access to the internet in order to facilitate data transmission and exchange.

When Zambia reported its first cases of Coronavirus in March 2020, the Bank of Zambia (BOZ) urged the general public to use less cash in order to limit face-to-face contact. The BOZ took steps to improve their use of digital channels and steps in this direction accelerated their efforts to further automate their financial operations (Malingose, 2020). In effect, all digital platform restrictions were raised, thereby allowing cash deposits in branches to be reduced.

In support of the steps employed by BOZ to enhance the use of digital service channels, Standard Chartered Bank Zambia Limited announced the closure of seventeen branches around the country in order to direct more attention on enhancing their digital platforms (Nkomesha, 2020). Standard Chartered Banks(SCB) decision to close some branches is part of its retail digitalization strategy which includes platforms like online banking, mobile banking, deposits, and Automated Teller Machines (ATMs), in which the bank has made large investments (Nkomesha, 2020). To this extent, Nkomesha (2020) found out that at least more than 70% of service demands at SC bank are processed digitally rather than manually in branches, and further concluded that digital transactions accounted for more than 80% of total transactions with the remainder completed through the branch networks. The banking transactions performed on the digital platforms included online banking, mobile banking, ATM transactions, electronic funds transfers, and contactless payments.

Likewise, other banking institutions implemented similar measures that allowed the majority of its clientele to access its products and services through digital banking while only a few and restricted number of customers were allowed access into the branches for the same services. For example, even before the COVID-19 pandemic, SCB introduced its clientele to cash deposits through the ATM such that during the same pandemic, the vast majority of its clientele were encouraged to make deposits through ATMs unlike the case of making deposits through the tellers inside the bank.

To a distinctly greater extent, the past four years have seen the Zambian banking sector been generally pushed to digitize at least one-third of all interactions with customers, with this move towards digitalization being chiefly imposed by advent of the Coronavirus pandemic and its general effects on face-to-face interactions. For this reason, in terms of data, digitalization has simultaneously caused an effect on how the bank staff handle their customers online as well as how the clientele is satisfied with quality of online services rendered to them by the bank through digital platforms such website or software applications.

Therefore, to the degree to which studies on the digitalization in the banking industry extend on the strategic level to discuss the impact of digitalization on business strategies and models, this research focuses on the customer level to describe and explain customer satisfaction and adoption of new technologies in its efforts to implement the digital transformations without creating gaps which to any extent major or minor deprive the customers as well as members of the general public access to banking products and services.

Zambia's banking sector has made significant progress in recent years, especially in the area of digitalization. With the rapid adoption of digital technology, Zambian banks are transforming their operations and offering a wide range of digital banking services to their customers. This digital shift has brought many benefits, including increased efficiency, convenience and accessibility. However, it is important to understand the specific impact of digitalization on customer satisfaction at Standard Chartered Bank Zambia.

The purpose of this study was to investigate the effect of digitalization on customer satisfaction on Standard Chartered Bank Zambia. By examining customer experiences and perceptions of using digital banking services, the study sought to reveal the extent to which digitalization was impacting customer satisfaction.

Several factors make Standard Chartered Bank Zambia an interesting backdrop for this study. First, we have seen a significant increase in mobile phone penetration, with a large portion of the population now having access to mobile devices (Malingose, 2020). This creates a fertile ground for the introduction of mobile banking services. Second, the Zambian government has taken steps to promote financial inclusion and promote the use of digital financial services (BoZ, 2018), further emphasizing the importance of investigating the effect of digitalization on customer satisfaction. Thirdly, Standard Chartered Bank Zambia closed seventeen of its

branches and moved over 70% of the transactions to digital platforms, making it a good place to investigate the effect of digitalization on customer satisfaction.

Overall, investigating the effect of digitalization on customer satisfaction has provided valuable insight into the opportunities and challenges of digital transformation and paved the way for a more customer-centric, digitally driven banking operation in Zambia.

## **1.2 Problem Statement**

Electronic banking (E-banking) has strong and significance marginal effects on returns on asset in the banking industry, Thus, there exists positive relationship between e-banking and bank financial performance (Lasmini, et al., 2019). The adoption of electronic banking has enhanced the banking industry by making it more productive effective and the fortune of the commercial banks (Lasmini, et al., 2019). This is especially achieved through charges on the use of debit cards, bank transfers and ATM withdrawal charges (Aduda & Kingoo, 2012)

The study by (Lasmini, et al., 2019) shows that there has been a rise in banks going digital and customer satisfaction has not been top priority instead it has been for the fact that it improves bank financial performance . The focus of this study was to establish the effect digitalization had on customer satisfaction. Previous studies have not focused on the effect digitalization has had on customer satisfaction but more on the benefit banks have derived from digitalization. According to (Nkomesha, 2020) SCB moved 70% of its transactions to digital platforms largely because it is more profitable and convenient for them, Members of Parliament questioned the move.

Market Trends (Balkan, 2021) show digitalization is the new way of banking and that bank financial performance is the motivation, however there were concerns on the drastic shift, this research shall attempt to determine how banking has evolved since the introduction of digital banking and how the customer satisfaction has been affected by digitalization. Has Digitalization brought customer satisfaction or dissatisfaction?

## **1.3 Research Aim**

The aim of the study was to investigate the effect digitalization has on customer satisfaction at Standard Chartered Bank Zambia.

#### **1.4 Research Objectives**

This research had the following objectives;

- i. To determine the factors that lead to customer satisfaction in Standard Chartered Bank Zambia Post digitalization.
- ii. To determine how easy, it is to access the digital banking platforms.
- iii. To establish how the adoption of digital banking services has impacted customer satisfaction levels.

#### **1.5 Research Questions**

From the research objectives, the following research questions were deduced;

- i. What factors have led to customer satisfaction in Standard Chartered Bank Zambia Post digitalization?
- ii. How easy is it to access digital banking platforms?
- iii. How has the adoption of digital banking services impacted customer satisfaction levels?

#### **1.6 Significance of The Research**

Customers' interactions with businesses could be completely transformed by the digitalization of banking services. The introduction of digital banking platforms, such as automated teller machines, internet banking, and mobile banking, had an impact on consumer satisfaction, which shall be clarified by this study. It revealed how widely customers have adopted digital banking services and how their banking experience had changed as a result.

The examination of the effect of digitalization on customer satisfaction played a vital role in determining the trajectory of banking services, promoting financial inclusion, enhancing customer experience, shaping policy and regulation, fostering competition, and empowering customers. The findings of this research shall provide valuable insights to banks, policymakers, regulators, and other stakeholders on how to enhance the digital banking landscape and optimize customer satisfaction. The researcher observed a surge in the utilization of digital platforms within the Zambian banking sector, which holds the potential to positively influence the quality of digitized banking products and services, particularly customer service. Hence, the study aims to investigate the influence of digitalization on customer satisfaction.

The findings could have a significant impact on Zambia's banking industry and help us understand the effect of digitalization on customer satisfaction. Insights gleaned from the research may help SCB and Zambian banks improve their digital banking services, improve

customer experience and ultimately improve customer satisfaction. Additionally, the study can inform policy makers and regulators about the effectiveness of digitalization efforts in promoting financial inclusion and empowering individuals in economic decision-making.

### **1.7 Scope of The Research**

This research mainly investigated the effect digitalization had on customer satisfaction- a case of Standard Chartered Bank. The research covered the following;

- i. digital banking and customer satisfaction,
- ii. accessibility of ATMs, online and mobile banking,
- iii. adoption of digital banking services.

The research was carried out in Lusaka District. The researcher focused on Standard Chartered Bank (SCB) on the basis that it was the first bank to close as many as nineteen of its branches out of twenty-one branches countrywide, leaving only one branch in Lusaka and another one in Kitwe on the Copperbelt Province of Zambia.

### **1.8 Outline of the Dissertation**

The research was structured into seven distinct chapters. In chapter two, a comprehensive overview of previous studies on digitalization and customer satisfaction was provided. Chapter three focused on the theoretical and conceptual framework, outlining the expected outcomes of the research. Chapter four delved into the methodology, examining the research strategies employed, the study's population and sample size, as well as the data collection and analysis methods. Following this, chapter five presented and analysed the collected data. Subsequently, chapter six engaged in a thorough discussion of the findings. Finally, chapter seven concluded the research by summarizing the key findings and offering recommendations.

### **1.9 Chapter Summary**

In conclusion, the research highlighted the significant effect of digitalization on customer satisfaction within the banking sector, especially focusing on Standard Chartered Bank Zambia. The study addressed how digitalization transformed banking operations, improved efficiency and accessibility, but also raised questions about the

balance between enhanced financial performance and positive customer experiences in the digital era. Ultimately, the research aimed to shed light on the effects of digitalization on customer satisfaction and offer insights to stakeholders on improving digital banking services to optimize customer experiences and foster financial inclusion.

## **CHAPTER 2:**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The previous chapter gave the introduction for the entire research. This chapter reviewed relevant literature to the study, focusing on the customer experience of modern technologies when dealing with sensitive information for financial services. The chapter is structured to showcase the relationship between banking, customers and technology in order to assess whether or not digital banking has brought customer satisfaction.

#### **2.2 Digital Banking and Customer Satisfaction**

According to (Napoletano & Foreman, 2021) Digital banking is basically a collection of internet and mobile banking services in one place using your laptop, tablet, or smartphone. This means that you can complete all your financial transactions from the comfort of your own home (Napoletano & Foreman, 2021).

Customer satisfaction is a gauge of how well a company's goods, services, and total client encounter live up to client expectations (Franklin, 2023). The health of your company is shown by how well your goods or services are received by customers (ibid ,2023). Customer satisfaction is important since it indicates whether your target audience values what you're doing (ibid, 2023). High levels of satisfaction increase client retention, increase customer lifetime value, and boost brand reputation on the other hand low customer satisfaction ratings are also significant as they can highlight client frustration and offer data-supported insights on how to enhance your offering in terms of both services and overall customer satisfaction. (Franklin, 2023).

Digital banking has changed the way people manage their finances and interact with financial institutions (Napoletano & Foreman, 2021). It includes a wide range of online and mobile services provided by banks and financial institutions to enable customers to perform various banking operations remotely, such as account management, money transfers, bill payments, loans, and more (Muluka, 2015).

Customer satisfaction plays an important role in the success of digital banking. Here is how digital banking affects customer satisfaction and some of the contributing factors

### **1. Utilities:**

Digital banking gives customers the ability to access their accounts and transact from anywhere, anytime without having to visit a physical branch (African Banker, 2022). This level of access can improve customer satisfaction by saving time and effort (African Banker, 2022).

### **2. Accessibility:**

Digital banking services typically operate 24 hours a day, 7 days a week, allowing customers to transact and access account information at their convenience (Aduda & Kingoo, 2012). This availability increases customer satisfaction by providing flexibility and easing the limitations of traditional banking hours (Ibid, n.d.).

### **3. User-friendly interface:**

Well-designed and user-friendly digital banking platforms contribute to a positive customer experience (Balkan, 2021). Intuitive interface, easy navigation and clear instructions help customers to trade without frustration (Ibid, n.d.).

### **4. Speed and efficiency:**

Digital transactions are often faster and more efficient than traditional banking methods (Balkan, 2021). Money transfers, bill payments and other transactions can be completed in seconds or minutes, reducing the time customers spend with the bank.

### **5. Personalization:**

Advanced digital banking platforms can analyze customer data and behavior to deliver personalized recommendations, financial insights, and tailored product offerings (FSD, 2013). Personalization enhances the customer experience and fosters a sense of value (Ibid, n.d.).

### **6. Security:**

Ensuring the security of digital transactions and protecting customer data is paramount (American Bankers Association, 2019). Strong security measures, such as two-factor authentication and encryption, instill trust in customers, contributing to their overall satisfaction (Harb, et al., 2022).

### **7. Customer Support:**

Effective digital customer support channels, such as live chat, email, and phone support, provide support to customers whenever they have problems or questions (Aduda & Kingoo, 2012). Fast and helpful support service enhances customer satisfaction (Balkan, 2021).

#### **8. Innovation and features:**

Regular updates and the introduction of new features, such as mobile check deposits, budgeting tools, and investment options, can keep customers engaged and satisfied with the digital banking experience (Bain & Company, 2014).

#### **9. Integration with other Services:**

Seamless integration with third-party services, such as payment apps and budgeting tools, can add value to the digital banking experience and increase customer satisfaction (Harb, et al., 2022).

#### **10. Transparency:**

Clear and transparent communication about fees, terms and conditions fosters trust between banks and customers (Bain & Company, 2014). Transparency helps avoid misunderstandings and contributes to customer satisfaction (Ibid, n.d.).

Banks that prioritize these factors and continuously strive to improve the digital banking experience are more likely to achieve higher levels of customer satisfaction (Franklin, 2023). However, it is important to note that customer preferences and expectations can change over time, which is why ongoing efforts to adapt and improve digital banking services are important. very necessary (Franklin, 2023).

### **2.3 Digitizing Customer Experience**

According to Carbone & Haeckel (1994), customer experience is the “aggregate and cumulative customer perception created during learning about, acquiring, using, maintaining and disposing a product or service.” In other words, customer experience is a collection of the customer’s perceptions and related feelings caused by the one-off and Cumulative effect of interactions with a supplier’s employees, systems, channels or products.

In the banking industry, customer service gains even further importance in a digital setting given the lack of in-person interactions. It is a source of trust and dignity relationship that is established with a particular bank. This entails the reason why some scholars emphasize the

relevance of creating unique experiences for customers instead of solely delivering goods and services. For instance, in their study, Haeckel, Carbone, & Berry (2003) described this creation of such unique experiences as the ‘feelings of the customers as a result of their interactions with a firm which includes atmospheric stimuli as well.’ Other scholarly studies by Ugwuanyi et al. (2021) further agreed that sustaining a comprehensive cognitive experience and providing explanatory, easy-to-use self-service tools results in quick and efficient service experiences which have the potential of enhancing customer satisfaction alone will not be sufficient as it is known that individual perceptions, emotion and behavior affect the overall experience.

## **2.4 Digital Banking Platforms-Customers’ Requirements and Their Interaction with Banks**

In order to comprehend the requirements and channels of communication between banks and their clientele, a few key factors that influence their relationship must be carefully weighed. Bain & Company (2014) pointed out that the first major factor influencing the relationship between customers and banks is customer loyalty while the second factor is the interaction between the bank and the customer. Based on literature from science and practice, Bain & Company reported that in 2013, about 70 percent of interactions were carried out by means of online channels, ATM and smartphones or tablet. Furthermore, in Germany alone, some studies revealed that nearly 65 percent of the interactions are carried out on online channels using smart mobile devices while 25 percent on branch and a fraction of 10 percent only on phone through calls or other similar means (Ibid, n.d.). Thence, the provision of customers’ requirements and their interaction with banks can be directly linked to customer satisfaction.

Accessibility is an essential aspect of modern banking, including physical and digital channels. Here's how accessibility affects ATMs, online banking, and mobile banking, and why accessibility is important to customer satisfaction:

### **2.4.1 ATM Accessibility**

Placing ATMs in strategic and easily accessible locations, such as busy streets, shopping centers and transport hubs, ensures that customers can withdraw cash easily (Bain & Company, 2014). ATMs must comply with the Disabilities guidelines to assist people with disabilities, providing features such as braille prompts, audio prompts, and elevated positions approachable (Balkan, 2021). Ensuring a wide ATM network operating 24/24h helps increase convenience for customers, helping them to access cash when they need it. ATMs should be located in well-

lit and secure areas to enhance customer safety, especially during nighttime transactions (Brusnahan, 2019).

#### **2.4.2 Access to Online Banking Services**

Online banking platforms should be designed with accessibility in mind, incorporating features such as easy-to-read fonts, clear navigation, and high color contrast for visually impaired users (Kifle, 2021). All functions and functions of the online banking platform must be accessible via keyboard navigation to users who cannot use a mouse (Kingu, 2021). Screen reader software compatibility allows visually impaired users to access and navigate the online banking interface efficiently (Ibid, n.d.). Videos and multimedia content must include captions or transcripts to meet the needs of hearing-impaired users (Ibid, n.d.).

#### **2.4.2 Mobile Banking Accessibility**

Mobile banking applications must have a responsive design that adapts to different screen sizes and orientations to ensure the best user experience for all devices (Kifle, 2021). Integrating voice control functionality into mobile apps benefits users with mobility impairments who may have difficulty using touchscreens (Ibid, n.d.). Providing alternatives to complex touches allows users with dexterity problems to navigate the application more comfortably (Ibid, n.d.). The clean, neat user interface improves usability for users with cognitive impairments by reducing distractions and confusion (Hanafizadeh, et al., 2014). The integration of the text-to-speech function helps visually impaired users convert text on the screen into speech (Harb, et al., 2022).

#### **2.4.3 Importance to Customer Satisfaction**

Ensuring that banking services are accessible to all, regardless of physical ability, promotes a sense of inclusivity and demonstrates the bank's commitment to serving a diverse customer base (Muluka, 2015). Accessible ATMs, online banking and mobile banking allow customers to manage their finances on their terms, improving convenience and overall satisfaction (Balkan, 2021). The accessibility commitment demonstrates the bank's commitment to the welfare and needs of its customers, leading to increased customer trust and positive sentiment (Ugwuanyi, et al., 2021). A positive experience with accessible banking services increases customer loyalty and reduces the likelihood of customers turning to a competitor out of frustration or dissatisfaction (Ibid, n.d.).

In short, accessibility to physical ATMs and digital banking channels is key to providing a complete and satisfying banking experience to all customers, regardless of ability. Banks that

prioritize accessibility demonstrate how a customer-centric approach can contribute to long-term customer retention and growth (Ugwuanyi, et al., 2021).

## **2.5 Empirical Review**

Digital transformation in banking refers to the comprehensive integration of digital technologies and strategies to revolutionize and improve various aspects of a bank's operations, services, and customer interactions (Balkan, 2021). This transformation has a profound impact on customer experience and expectations (Ibid, n.d.). To a great extent, the rise of digital transformation in banking offers faster and multiple service options and provides customers with the type of experience which integrates a variety of methods of doing business or transactions such as bill payment and transfer of funds (Ibid, n.d.). Moreover, after the breakout of the Coronavirus pandemic, the need for the banking sector to have a remote online space to continue offering their services has become increasingly more necessary with their clientele also on the rise. A study conducted by Balkan (2021) found that eight out of ten people now use their smartphone to manage their monies on a regular basis. This just goes on to show what benefits digital banking has brought to the public sector including convenience in offering new products and services, easy submission of customer information on the part of the customer and simultaneously easy collection of customer information on the part of the banks as well as reduction in operational risks, ease of access and uninterrupted service (Hartman Team, 2021).

Contrary to the benefits of digital banking, the disadvantages incorporate the threat of increased customer security and fraud risks and the deficiencies or malfunction of technological infrastructure among other disadvantages. Balkan (2021) affirmed that these will decrease the service quality and weaken the contact with customers due to the virtual environment, and the consequence will be decreased customer satisfaction.

Clearly, the benefits and criticisms of digitalization have the potential to effect either customer satisfaction or dissatisfaction.

## **2.6 A Global Perspective**

The global trend to digitize products and services in the banking sector has escalated to become a very specialized market with a variety of banks across the globe (Veseli-Kurtishi, et al., 2020). However, this does not mean that the traditional branches have become obsolete. For instance, a study by Schmidt et al. (2017) claimed that in Germany, about 66 percent of all customers wished to receive advice on complex products at a branch inasmuch as digital advisors were available. The study deduced further that the claim was because most of the

customers cited dissatisfaction in terms of limited information and unsatisfactory feedback about complex products and services on webpages and other avenues of online communication with the banks.

In the most parts of Europe digital banking services are fully integrated with the lives of the consumers. A research brought to a successful issue by Harb, Thoumy, & Yazbeck (2022) found that in 11 European regions, nine out of ten people use digital banking at least once per month, and thirty-eight percent use it weekly or daily. Furthermore, Brusnahan (2019) contributed that the most principal factor for sixty-seven percent of the respondents was security and convenience, being timesaving 66% and easy-to-use 65% considered as the biggest advantage of digitalization, hence customer satisfaction on that part.

A survey conducted by American Bankers Association (ABA) in October of 2019 on a sample of more than 2,000 people revealed that 73% of most Americans most often access their bank accounts through online and mobile platforms (ABA, 2019). In addition, the results of the survey disclosed an increment from the previous year's 30% to 36% of mobile banking with only 17% who preferred to go to the bank's branch whereas 6% preferred using the ATM and 4% used telephone and email banking. On the other hand, the American Bankers Association (2019) release unveiled that individuals who used internet banking on computers as the first choice came down from 42% to 37% in 2018 due to unsatisfactory online customer service. Therefore, the increment in some segments of the sector simply imply customer satisfaction while the decrement in another segment means dissatisfaction. (Shevlin, 2019), however, drew that the main determinant of customer satisfaction to a greater degree would still be location and convenience to be able to bank easily and within a close and easily reachable location.

Electronic banking has a relatively recent history of its development in North Macedonia. A study led by Veseli-Kurtishi explored the bank customers' satisfaction with electronic banking in the Republic of North Macedonia and the reliability of their data usage. Partial results of the study established that some customers were satisfied with digitalization because they avoided unnecessary waiting in line to do some work at the bank as well as adjusting their personal schedule to that of hours when the bank is open. Others still expressed satisfaction with electronic banking in Macedonia and the reliability of their data security during use is high (Veseli-Kurtishi, et al., 2020). Still, the study concluded that banks need to improve the customer experience as customers' interactions with the banks and requirements must be consistently and increasingly met to and beyond the individual customer's expectations.

## **2.7 Continental Perspective**

According to a report by the African Banker (2022), “digital transformation is one of the three most important factors in (the) banks growth strategy.” Digital transformation has become an absolute necessity for African banks as customers across the continent become increasingly savvy with technologies. Against this background, the African Banker’s report established that “providing a better service to customers is the bank’s priority when investing in new digital infrastructure.” (African Banker, 2022). By way of explanation, the African banks’ priority is to ensure that their customers are satisfied with the services given to them. An investigation conducted by (Muluka, 2015) on the influence of digital banking on customer satisfaction in Kenya uncovered that the speed and reliability of digital banking was considered satisfactory by customers who felt that transactions were faster on digital platforms in comparison to branches. This entails that the speed of transactions has a positive effect on client satisfaction.

A study in Ghana conducted on behalf of the World Bank by Financial Sector Deepening (FSD, 2013) discovered that digital financial services improve payment systems, at the same time it showed how enabling legislative environment has a crucial impact on the adoption and active use of digitized financial services which, for example, allow for savings and insurance purchases using mobile money services. The study explicates how in just three years the changes in rules contributed to the turnaround of mobile money and banking services in Ghana. Inasmuch as the study does not relate to this research in forthright manner, it moves into foreground to make more visible the fact that digitalization improves payment systems which produce as a result customer satisfaction (FSD, 2013).

A similar study was conducted on Ethiopia by (Kifle, 2021) who summatively reported the satisfactory factors of digitalization of the banking industry including management of one or multiple accounts, payment of bills as well as receiving instant alerts. Kifle found that it was easy for the customers to access their accounts 24/7 with an added benefit of tracking one’s transactions, cash flows and check real-time account balances without having to go to the bank physically. According to (Mahmadi, et al., 2016), “Customers can also print, email and analyze the statement in a graphical chart.” Mahmadi et al. realized further that internet banking enables the convenience to pay bills; customers can make payments or schedule their frequent payment on monthly or weekly basis; as per the customer’s convenience this auto transfer transaction can be modified or deleted; allows receiving alerts whereby customers can track transaction in

their account by setting alerts. Such Alerts can be of the following: transaction alert, low balance alerts, and cheque tracking alerts (Kifle, 2021).

## **2.8 A Regional Perspective**

The South African banking sector has been increasingly shaped by the fast-approaching entrance of new digital player challenging and driving unprecedented levels of innovation. In reaction to this, South African banks such as Absa, FirstRand, Nedbank and Standard Bank have carried on to trace large-scale transformation programmes tailored at enhancing digitalization at the same time improving customer experience (PwC, n.d). PwC found that customers were inclined towards paying for digital banking when they believed it offered value and convenience such as saving time on long queues at the banks. Noteworthy in the region is that with the existence of mobile payments on the market, customers are increasingly becoming more and more accustomed to utilizing mobility to place orders in advance, avoid queues and make payment using their mobile devices. Unchanged in line of thought, Namwanja (2022) determined that ‘even though there are numerous reasons why many people in the reegion could still remain unbanked, potential and existing customers do not like bereaucracy and would be satisfied with simple procedures that are easy to follow and use.’

In Kenya, mobile phone banking has been taking services to remote areas where conventional banks have not been physically established. Obviously, this has enabled subscribers to not only open accounts, but also have access to facilitate payment of bills, transfer monies and check their balances among others innovative benefits affiliated. A research by Digitized Payments in Kenya (DPK, 2016) shed light on the extent to which innovations in mobile communications and commerce are further transforming the manners in which people live, work, play and shop, as people are now go online to electronically source and pay for products and services. For instance, nowadays nearly banks of every size offer online and mobile services to their subscribers. Such services range from balance viewing, downloading of statement of accounts, transfers of funds, investment transactions and bill payment (Harb, et al., 2022). To this edge, (Namwanja, 2022) came to the conclusion that “online-only banks, while still only a small slice of the industry, have seen deposits rise 32 percent since 2010; and banking via mobile devices has experienced explosive growth, with an estimated 530 million users globally in 2013; up from 300 million in 2011.” This rise in numbers, therefore, accounts for the satisfaction of

customers with the digital banking applications which can be assumed as easy to use or convenient for the banks' customers.

Like in every other part of the globe, bank accounts in Tanzania are just as much useful to the bank users because they depend on bank accounts in accessing their finances. Agboola et al. (2014) confirmed this, that, "digital banking services enable customers in making deposits, transfer fund, (and) withdraw money from their accounts. In his efforts to conduct an inquiry into the relationship between customers and banks in relation to digital services in Tanzania, Dar-Es-Salaam, Kingu (2021) posited that "the digital technology acts as a link between the customers and the bank, thus the customers can access their financial accounts through digital technology." In furtherance of the matter, Naveen et al. (2017) established that E- banking reduced cost of banking through ATM facilities, mobile phone which assists in transferring transactions from one location to another. By contrast, the study recommended the need for banks to invest more on robust reliable systems to reduce incidents of failed transactions and transactional errors in ATMs as well as carrying out customer satisfaction surveys so as to establish how customers are adapting the technology in order to enhance their satisfaction.

## **2.9 A Local Perspective**

The local perspective on digitalization in the banking industry and customer satisfaction may foremost be looked at more in terms of mobile accessibility and convenience. In terms of accessibility, the results of most studies relating to the Zambian banking industry reveal that the most accessible channel was and is mobile banking (Muluka, 2015), otherwise indicating that increasing accessibility increases in turn overall customer satisfaction. Supported by knowledge on which base to believe, in terms of the number of active customers, agents and digital financial service providers, Zambia has in recent years seen rapid growth from 44% active digital financial services accounts from 18 providers to 89% between December 2017 and December 2018 (Namwanja, 2022). Responding to the rise in active customers, Namwanja (2022) brought out that the number of active agents grew from 22,965 to 46,747 in the same period, further adding that there was also an expansion in use cases and partnerships between financial service providers and non-financial service providers in 2018 such as microloans and savings, bank-to-wallet and wallet-to-bank and pay-as-you-go solar services.

As evidenced in a number of digital financial services markets through digital innovation around the world, developments in the Zambian financial technology sector are also eminent. The financial technology industry, which is mainly focused on financial services for education,

agriculture and health, continues to grow with increased demand for partnerships with key digital financial services stakeholders (including financial service providers, development partners and regulators to create an enabling environment for innovation) (Namwanja, 2022). According to Namwanja (2022), financial technology firms are anticipated to expand partnerships with other digital enterprises to support solutions in health care, agritech, group savings, and small and medium enterprise (SME) business. For example, Bank of Zambia (BoZ, 2018), in Namwanja (2022), cited Zambia Point of Sale Services (ZPOS) as one financial technology firm that developed “a platform to support SME transactions which can be used to create financial profiles for financial service 37 providers to use when assessing creditworthiness and extending financing.” To this day, several other banking institutions including FINCA, Stanbic, Investrust, FNB, and Atlas Mara have already digitized their services to offering mobile banking with smartphone applications available to customers for account management. From these banking institutions, Namwanja (2022) distinguished that ZANACO is an exception. It is said to have launched its own mobile wallet (a transactional account with light know-your-customer procedures) and aims to extend services to the lower-income segment and into rural areas with its own agent network. Others are creating bilateral partnerships with mobile network operators to link bank accounts with mobile wallets for push-pull functionality (that is, bank-to-wallet), which enables customers to get cash out at bank ATMs without cards, and cash-in or out at mobile money agents and thus makes it satisfactory for its customers, in accordance with the report released by the United Nations Capital Development Fund - Mobile Money for the Poor and Bank of Zambia (UNCDF-MM4P & BoZ, 2019).

## **2.10 Lessons Learnt from Reviewed Literature**

Hence, the previous studies have provided valuable insights into the correlation between digitalization and Customer Satisfaction. Notably, Ugwuanyi et al.'s research emphasizes the significance of accessibility to physical ATMs and digital banking channels in delivering a comprehensive and gratifying banking experience to customers. Similarly, Schmidt et al.'s study reveals that a considerable proportion of customers(66%) prefer receiving advice on complex products at a branch, even with the availability of digital advisors.

Nevertheless, this particular study focuses on investigating the impact of digitalization on customer satisfaction specifically at Standard Chartered Bank Zambia. It is worth noting that no previous research has been conducted on the relationship between digitalization and

customer satisfaction in this context. Consequently, the study is guided by research questions that aim to identify the factors that contribute to customer satisfaction after the implementation of digitalization, evaluate the ease of access to digital banking platforms, and examine the effects of adopting digital banking services on customer satisfaction.

## **CHAPTER 3:**

### **THEORETICAL AND CONCEPTUAL FRAMEWORK**

#### **3.1. Introduction**

To investigate the effect of digitalization on customer satisfaction, it was essential to develop a theoretical and conceptual framework that incorporates pertinent theories and concepts. Our research utilized the Unified Theory of Acceptance and Use of Technology (UTAUT) and Diffusion of Innovation(DOI) Theory to elucidate the adoption and usage of digital banking services by customers in the bank. The conceptual framework comprised independent variables that encompassed different facets of digitalization, such as efficiency, reliability, user-friendliness, and technology adoption with customer satisfaction being the dependent variable.

#### **3.2. Theoretical Framework**

A search of the literature yielded two key theories that have formed the basis for technology adoption studies, namely the Diffusion of Innovation Theory and Unified Theory of User Acceptance of Technology. Each theory is discussed below:

##### **3.2.1. Diffusion of Innovation (DOI)**

The diffusion of innovations theory is rooted in sociology and has been used since the 1960s to scrutinise the adoption of various technologies. The theory contends that the adoption of new innovations is propelled by communication and sharing of information relating to the innovation, over time and within a particular social system (Sahin, 2006). In this model, those who adopt an innovation are categorised into innovators, early adopters, early majority, late majority and laggards, based on their degree of willingness to adopt the innovation (Hoehle, et al., 2012). According to Rogers (2003, as cited in Sahin, 2006), innovators are willing to experiment with new ways of doing things, they often have some technical knowledge and they are prepared to cope with the uncertainty that may be associated with new innovations.

The Diffusion of Innovation theory was applied to the current study as digital banking is viewed as a social construct moving through the banking sector. The relative advantages of using digital banking as opposed to branch-based banking are cost and convenience (time and place).

### **3.2.2. Unified Theory of User Acceptance of Technology (UTUAT)**

The unified theory of acceptance and use of technology was proposed in response to criticism that current theory was fragmented and failed to account for how numerous factors affect technology use (Moghavvemi, et al., 2016) as shown in Figure 1. Through its four key constructs i.e. performance expectancy, effort expectancy, social influence and facilitating conditions, the unified theory of user acceptance of technology explains intentions to use technology as well as the usage behaviour that follows Venkatesh et al. (2003). The four key constructs are direct determinants of usage intention and behaviour (Hanafizadeh, et al., 2014).

4. The unified theory of user acceptance of technology assumes that facilitating conditions can measure the influence of environmental and organisational limits, unexpected events as well as the time and the ability that inhibit the act (Venkatesh et al., 2003). However, Venkatesh et al. (2003) examined the relationship between intention and technology use behaviour and found that the facilitating condition is unable to limit the effects of external factors (Moghavvemi, et al., 2016).
5. Venkatesh et al. (2003) also found that behavioural intention is limited in that external factors can hinder or enable actions (or behaviour) that are not fully captured by intention. Intention was also found to be weak in its ability to predict or explain unforeseen events that may take place between the times an intention is formed and the action is taken to adopt (Moghavvemi, et al., 2016). Lastly, intention was also found to be weak in its ability to predict behaviours that are not completely within an individual's control. For example, an individual may form an intention to adopt digital banking. However, if their bank does not offer that service, they will be unable to proceed with the intended behaviour.

Thus, UTAUT has been used in this study because it can be applied in studies related to digitalization and customer satisfaction by examining the factors influencing the adoption and use of digital technologies.

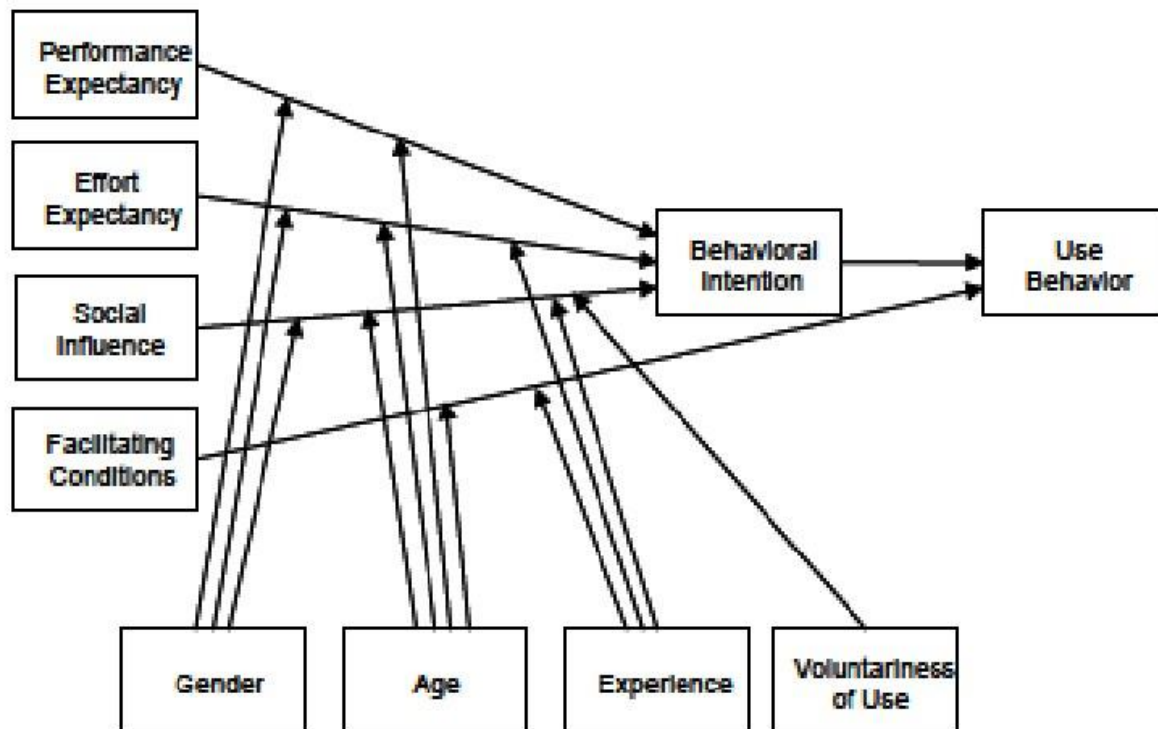


**Figure 3.1 Unified Theory of User Acceptance of Technology (Venkatesh, et al., 2003)**

### 3.3 Conceptual Framework

The conceptual framework of this study depicted the relationship between the independent and dependent variables. Figure 3.2 shows the diagrammatic representation of the conceptual framework. This study selected adoption to technology, efficiency, reliability, and user friendliness as independent variables and customer satisfaction as dependent variable.

The integration of digital technologies into different aspects of business operations, known as digitalization, has become an essential component in the evolving landscape of business in the digital era. Meanwhile, customer satisfaction continues to be a crucial metric for measuring business success. The convergence of these two concepts has led to the development of a conceptual framework that seeks to improve customer experience and overall satisfaction by strategically implementing digital tools and technologies.

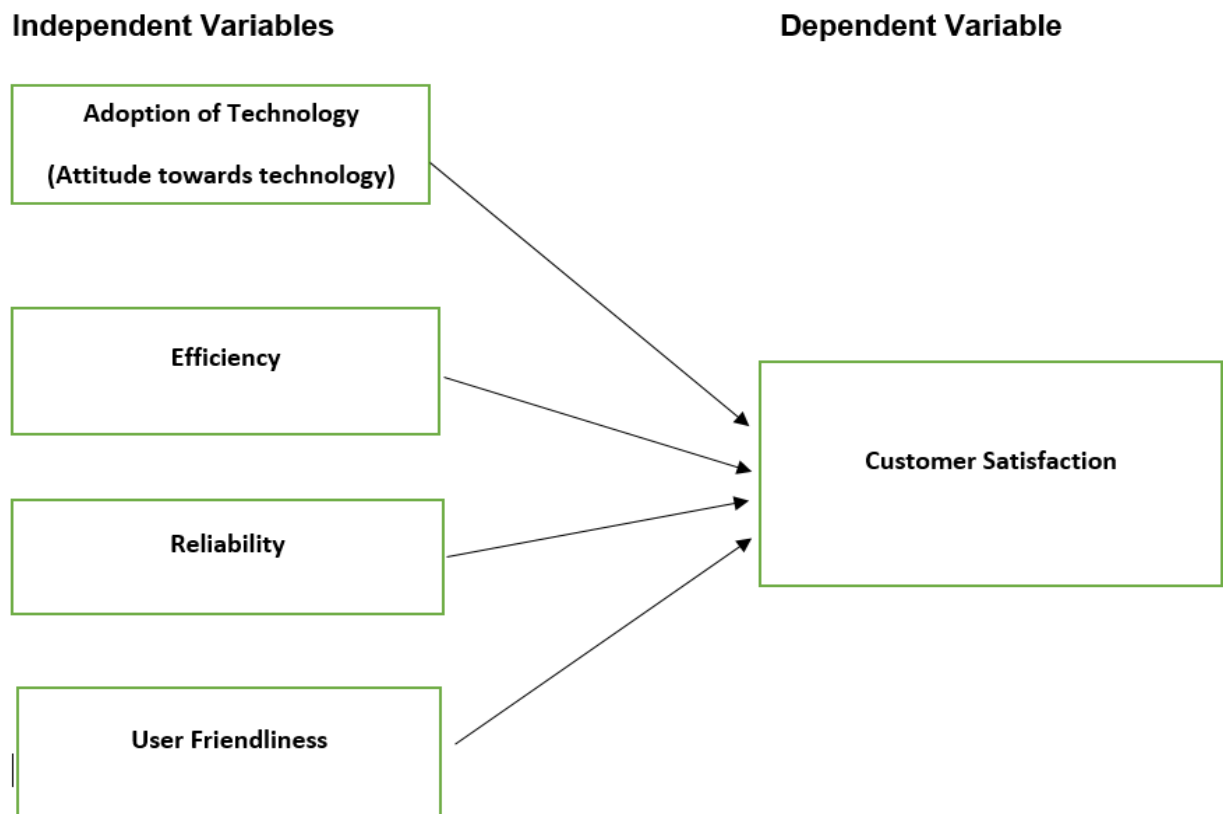


**Figure 3.2: Conceptual (Source Author 2023)**

### **3.4 Operationalization of the Variables**

#### **3.4.1 Attitude Towards Technology**

Attitudes towards technology and its adoption vary among individuals and societies. While some people are excited about this technology and eager to embrace new innovations, others may be skeptical or resistant. It's important to note that these settings are not static and may change over time. As technology becomes more pervasive and its benefits more apparent, attitudes towards technology often shift in the direction of more acceptance (*Spilski, et al., 2018*). Societal attitudes towards technology impact its adoption. Technology adoption includes integrating new innovations in various areas. Technology adoption is an ongoing process due to constant emergence of new innovations. Understanding factors and potential benefits/challenges helps make informed decisions about integrating new technologies (*Spilski, et al., 2018*)

#### **3.4.2. Efficiency**

Efficiency is the ability to accomplish tasks effectively and productively, using available

resources. It is important in business, manufacturing, operations, and daily life. It requires continuous improvement, identifying inefficiencies, seeking innovative solutions, and making incremental improvements. Focusing on efficiency leads to increased productivity, reduced costs, and better results. The purpose is to analyze processes, implement changes, and monitor results. In today's fast-paced world, efficiency drives innovation and competitive advantage. (Nader, et al., 2019)

#### **3.4.3 Reliability**

The ability of a system, process, or product to operate consistently and dependably under typical operating conditions is known as reliability (Lin, et al., 2017). It is a gauge of the system's consistency, predictability and dependability in producing the desired outcomes (Ibid, n.d.). Reliability is essential in a variety of fields, including technology, manufacturing, transportation, infrastructure and daily living (Ibid, n.d.).

#### **3.4.5 User Friendliness**

A product, system, or interface is said to be user friendly if it is simple to use and offers a positive user experience overall (TechTerms.com, 2015). Regardless of the user's level of technical knowledge or experience, it emphasizes on making things accessible, intuitive, and effective (TechTerms.com, 2015). A user-friendly design seeks to reduce complexity, offer clear instructions and feedback, and anticipate and fulfill the requirements and expectations of the user (TechTerms.com, 2015).

#### **3.4.6 Customer Satisfaction**

Customer satisfaction is a gauge of how well a good or service meets or exceeds a customer's expectations (Franklin, 2023). It shows a customer's general contentment as well as satisfaction with their interactions and experiences with a specific business (Ibid, n.d.).

Customer happiness is essential to the success of any organization because happy consumers are more likely to become devoted repeat customers and brand promoters (Franklin, 2023). Additionally, they are more likely to recommend your business to others, give great evaluations, and boost your long-term profitability (Ibid, n.d.).

### **3.5 Summary**

The conceptual framework suggests that the adoption and implementation of digital banking services has a positive impact on customer satisfaction. These impacts are mediated by factors such as adoption to technology, efficiency, reliability, and user friendliness. However, the effectiveness of digitalization on customer satisfaction can be affected by moderating variables

such as the quality of the technology infrastructure and the customer's level of digital skills and competence.

By examining the relationships between these variables, the conceptual framework provided a basis for understanding and evaluating the effect of digitalization on customer satisfaction in Zambia's banking sector. By performing empirical studies and data analysis, this framework was validated and further refined to provide insights to banks and stakeholders to improve customer satisfaction through digitalization efforts.

## **CHAPTER 4:**

### **RESEARCH METHODOLOGY**

#### **4.1. Introduction**

Research methodology is the systematic technique or set of steps used by researchers to carry out a study and collect data in order to respond to research questions or test hypotheses (Bouchrika, 2023). It offers a structure for selecting a study strategy, gathering data, conducting analyses and interpreting the findings. This section focused on the methodology of the Study. It also looked at the research design, and sources of data collection. The other components that were encompassed were sampling frame, sample size, sampling techniques, data collection techniques and analysis, ethical considerations time scale and budget of the study.

#### **4.2 Research Philosophy and Approach**

The researcher used the realism philosophy as it emphasizes practical problem solving and knowledge application. Since the researcher is investigating how digitalization impacts customer satisfaction, a realistic approach helped examine the interplay between objective changes in digital banking and customers' personal experiences and perceptions (Tiffin University, 2022)

A mixed method approach is a type of research methodology that combines quantitative and qualitative data collection and analysis strategies (Bouchrika, 2023). This study used a mixed method approach because it allows a more comprehensive understanding of the research problem.

#### **4.3. Research Design**

Exploratory research is a research design used at the beginning of an investigation to understand a topic better. It is helpful when the researcher has little prior knowledge or when the topic is not well-studied. The main goal of exploratory research is to explore and get to know the subject (Tiffin University, 2022).

This study used an exploratory type of research to assess the effect of digitalization on Standard Chartered Bank because the study was based on the way customers perceived digitalization and the effect it has on customer satisfaction.

#### 4.4. Target Population and Sampling Frame

Lusaka District was chosen by the researcher as the target population and sampling frames for this research since their head office in Lusaka.

The focus of this study was on Standard Chartered Bank (SCB) Zambia, SCB Zambia was chosen as the focal point of the research due to its distinction of being the first bank in the country to shut down a significant number of branches. Out of the twenty-one branches spread across Zambia, SCB closed down a staggering seventeen, resulting in only one remaining branch in Lusaka and another in Kitwe, located in the Copperbelt Province. (Nkomesha, 2020).

#### 4.5. Sample Size

In 2022, the Standard Chartered Bank had 120,394 customers (SCB, 2022)

$$n = \frac{N}{1+N(e^2)}$$

Where n= sample size

N= Population which is 120,394

e= margin of error which is 5%

$$n = \frac{120394}{1+120394(0.05^2)}$$

$$n = \frac{120394}{301.985}$$

$$n = \underline{\underline{400}}$$

Using the Tronchim formula the researcher derived at the sample size of 400. The study targeted the personnel in the bank and its customers. The researcher distributed questionnaires to customers of the bank and the researcher conducted interviews with bank officials too. The sample size consisted of 400 responses from the customers of the bank that have transferred the majority of their transactions to digital platforms. Separate interviews were conducted for five (5) individuals who are directly involved in the transition and those who handle complaints and compliments. In order to gather meaningful insights for the research, the selection of the sample size was based on their ability to provide comprehensive and valuable information (Agboola, et al., 2014)

#### **4.6. Sampling Technique**

Purposive and simple random sampling was used to identify the respondents for this study considering the researcher's available knowledge concerning the sample subject. The researcher took advantage of cost effective and time saving aspects, in terms of sample selection, of purposive sampling. As a further matter, the results of purposive sampling are usually more representative of target population compared to other sampling methods.

#### **4.7 Data Collection Instruments and Procedure**

Surveys are frequently used in mixed-methods research to gather quantitative data. They entail conducting organized interviews or distributing questionnaires to a sample of individuals, enabling the collection of numerical data that can be quantitatively examined. Primary data refers to data observed or collected from firsthand experience thus original data collected at the source and compiled. This data was collected from the interviewer administered questionnaire. Questionnaires were given out to the Bank officials and 400 customers of the bank (Standard Chartered bank). A questionnaire was prepared and accessed online using a Google forms link. The link was shared with all respondents via email and WhatsApp. The feedback was recorded in real time. Using online questionnaires offers several advantages over traditional paper-based surveys. These benefits increase efficiency, accessibility and data management during research. The benefits are: respondent convenience, wider reach, cost-effectiveness, faster data collection, automated data validation, efficient data analysis, improved permissions privacy and anonymity, real-time monitoring, environmental considerations, and easy sharing.

Through interviews, the researcher explored the circumstantial factors that influence customer perceptions, such as their previous experience with traditional banking methods, familiarity with technology, and demand. The researcher used survey data to quantify the prevalence of certain perceptions or experiences among a larger sample of customers.

#### **4.8. Pilot and Diagnostic Tests**

On a small group of chosen respondents, a pilot survey representing 4% of the sample size was carried out. The study did not include the people who took the pilot survey. The pre-testing of the data collection instrument was done as part of the pilot survey to make sure it was measuring what it was supposed to measure. Before conducting the actual survey, the questionnaire was appropriately amended based on the input from the pilot survey.

#### **4.9. Data Analysis and Presentation**

Data was categorically established such that data with similar meaning generated themes was used to interpret data corresponding to the research questions. Analysis of interviews and questionnaires involved a systematic process to derive meaningful insights from collected data.

The researcher made notes and underline key points, topics, and quotes of interest. Themes represent general concepts that emerge from data. Themes help to organize and summarize the interview (Ibid, n.d.). It was necessary to condense the data by focusing on the most relevant and representative quotes or passages that illustrated each theme. This step helped manage the volume of data. This was followed by an explanation of the theme in the context of the research question. The researcher then analyzed how they related to goals and uncovered the insights they provided. Next, the researcher compared and contrasted the themes of the different interviews. Look for similarities, differences and emerging patterns. Finally, wrote a comprehensive report of the findings (Yow, 2015).

Analyzing questionnaires using quantitative data required reviewing collected questionnaires to ensure that they are completed and accurate (Ikart, 2019). The quantitative data collected underwent a thorough process of verification, purification, and categorization. Subsequently, it was subjected to analysis utilizing the Statistical Package for Social Sciences (SPSS) in order to generate descriptive statistics. A portion of these statistics was then inputted into Microsoft Excel to create graphical representations, figures, and tables that effectively present the research findings.

The researcher cleaned the data by checking for missing, inconsistent, and outlier responses (Ibid, n.d.). The researcher cross-referenced the data by comparing responses to different questions. Then the researcher created graphs, charts, and tables to represent the data visually. This helped communicate results more effectively. The researcher Interpreted quantitative results in the context of the research question. Lastly the researcher explained what the data indicated and whether they supported the research objectives (Ikart, 2019).

#### **4.10. Ethical Considerations**

Permission was sought from the appropriate people and institutions to conduct the study in order to uphold the integrity of the research. Before involving the potential respondents, the goal of the research was explained in order to decrease the likelihood that the respondent would misinterpret the study. Last but not least, to avoid imposition and privacy invasion, the

respondent's direct consent was obtained for participation, and steps were taken to assure anonymity. In order to maintain anonymity, the Researcher also withheld the respondents' identities.

#### **4.11 Chapter Summary**

In conclusion, the study focused on utilizing a research methodology that included a realistic philosophy and explored the impact of digitalization on customer satisfaction at Standard Chartered Bank in Zambia through a mixed method approach. The study employed an exploratory research design, selected a sample size of 400 respondents using purposive and simple random sampling techniques, collected data through questionnaires and interviews, and analyzed the data to derive insights on customer perceptions and experiences. The research also emphasized ethical considerations by obtaining permission, explaining the research goals, and ensuring respondent confidentiality.

## **CHAPTER 5:**

### **PRESENTATION OF FINDINGS**

#### **5.0 Introduction**

The data analysis phase is a critical component of this research, as it serves as the gateway to uncovering insights into the relationship between Digitalization and customer satisfaction. In this section, the researcher shall delve into the methods employed to analyze the collected data, providing a comprehensive overview of the techniques used to draw meaningful conclusions from both quantitative and qualitative datasets.

As the researcher shall navigate through the intricacies of the data analysis process, our primary aim is to distill patterns, correlations, and trends that shed light on the effect of Digitalization on customer satisfaction. Through a meticulous examination of the survey responses and insights gathered from interviews, the researcher aims to derive actionable conclusions that contribute to the broader understanding of how digital transformations within Standard Chartered Bank influences the sentiments and experiences of its customers.

The research design, encompassing both quantitative and qualitative methodologies, will facilitate a multifaceted exploration of the data. Quantitative data, acquired through surveys, will undergo statistical analysis to quantify trends and relationships, providing a numerical foundation for our conclusions. On the other hand, qualitative data, garnered from interviews with key stakeholders, will undergo thematic analysis to unveil nuanced perspectives and contextual insights.

#### **5.1 Presentation of Quantitative Findings**

##### **5.1. Response Rate**

A questionnaire was prepared and accessed online using a Google form link. The link was shared with all respondents via WhatsApp messenger. Using online questionnaires offered several advantages over traditional paper-based surveys. The benefits were real-time monitoring and easy sharing this ensured that collected data was more than the 400 required because some respondents did not respond to some questions. The data was cleaned by checking for missing, inconsistent, and outlier responses. 400 responses were collected after cleaning and removing the pilot responses as shown in Table 5.1 below. This gave a 100% response rate which is acceptable as anything above 50% is sufficient.

| Questionnaires                | Frequency         | Percentage (%)    |
|-------------------------------|-------------------|-------------------|
| Successfully Completed        | 432               | 108               |
| Pilot Responses               | -16               | -4                |
| Cleaned Out                   | -16               | -4                |
| <b><u>Final Responses</u></b> | <b><u>400</u></b> | <b><u>100</u></b> |

*Table: 5.1 Pilot Test ,Source: Author (2023)*

### 5.1.1. Demographic Characteristics

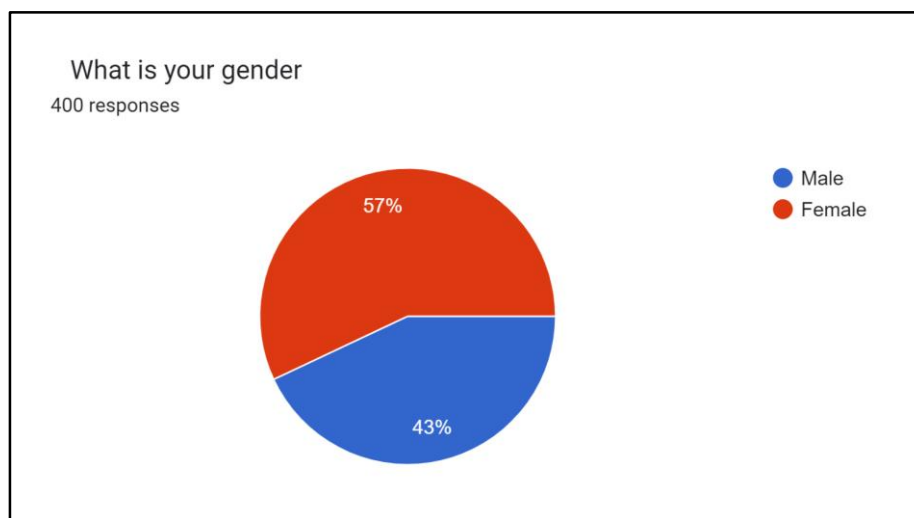
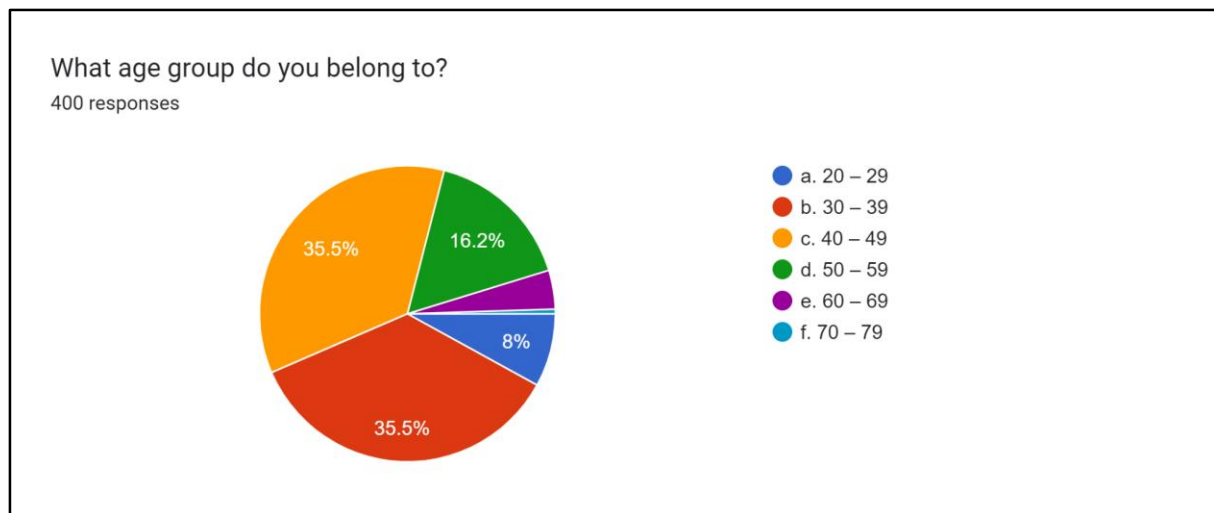


*Chart 5. 1: Gender- Author(2023)*

| Inference on Gender Distribution                        | Value                                   |
|---------------------------------------------------------|-----------------------------------------|
| Gender Ratio (Female to Male)                           | 1.33 (Number of females for every male) |
| Confidence Interval for Female Percentage (95%)         | [52%, 62%]                              |
| Confidence Interval for Male Percentage (95%)           | [38%, 48%]                              |
| Total Confidence Interval (95%) for Gender Distribution | [42%, 58%]                              |

*Figure 5.1: Gender Distribution*

The sample for this study consisted of 57 percent women ( $n = 228$ ) and 43 percent men ( $n = 172$ ), as shown in Chart 5.1 above. This merely demonstrates that more women than men took part in the survey.



### One Sample t-test for Gender

The figure above shows that a majority of the sample population was aged between 30 and 49. If the Null hypothesis holds that this phenomenon is not what is going on in the general population, and if the Alternative Hypothesis holds that actually this age distribution represents what is going on in the general population, a one sample t-test was conducted to ascertain which of the two hypotheses would be correct, or at least more plausible. Below are the results from the t-tests.

| One-Sample Test  |            |     |                 |                 |                                           |         |
|------------------|------------|-----|-----------------|-----------------|-------------------------------------------|---------|
| Test Value = 400 |            |     |                 |                 |                                           |         |
|                  | t          | df  | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference |         |
|                  |            |     |                 |                 | Lower                                     | Upper   |
| Gender           | -16404.713 | 415 | .000            | -398.428        | -398.48                                   | -398.38 |

The negative sign almost does not mean anything except to tell the reader that the Null Hypothesis is more plausible, that this manifestation of the gender distribution cannot stand for the whole population. The significance level for the above analysis is below 0.01, and that makes it statistically significant. Thus, the assumption that the gender distribution regarding the use of digital banking services is not really indicative of the trends in the general population.

**Chart 5.2: Age Distribution**

In addition, Chart 5.2 demonstrates that 71% of respondents were between the ages of 30 and 49, with 35.5% of respondents between the ages of 30 and 39 and 35.5% between the ages of 40 and 49. 32 respondents were aged between 20 and 29 while 65 were aged between 50 and 59. Only 2 were aged between 70 and 79.

### Age Distribution:

- Mean Age: 36.96 years (assuming a total count of 400 respondents)
- Median Age: 38 years
- Standard Deviation: 13.67 years (assuming a normal distribution within each age range)

| One-Sample Test  |           |     |                 |                 |                                           |         |
|------------------|-----------|-----|-----------------|-----------------|-------------------------------------------|---------|
| Test Value = 400 |           |     |                 |                 |                                           |         |
|                  | t         | df  | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference |         |
|                  |           |     |                 |                 | Lower                                     | Upper   |
| Age in years     | -8072.430 | 399 | .000            | -397.247        | -397.34                                   | -397.15 |

Zooming in on the table above, if the Null hypothesis rules out the idea that even in the general population, the majority of people using the digital banking services are the peak of their youth (36 years old). It would stand because the statistical significance of the above test is below 0.01 (anything above this is not statistically significant, and therefore should not be taken without a pinch of salt).

What is your level of Education?

400 responses

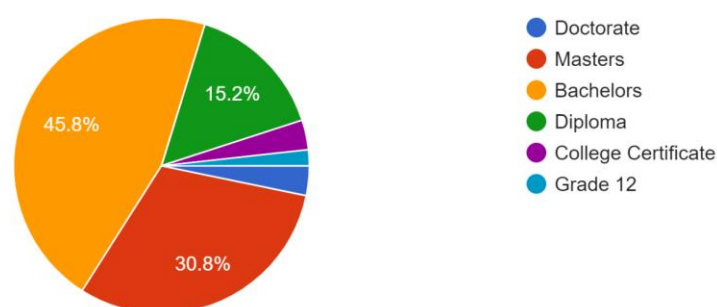


**Chart 5.3: Level of Education- Author(2023)**

Finally, Chart 5.3 shows that, with a response rate of 45.8% (n=183), the majority of respondents held a bachelor's degree, followed by those who held master's degrees with a rate of 30.8%F (n=123) respondents, and those who held diplomas comprised of 15.2% (n=61). 13

respondents held Doctorate Degrees and College Certificates each while 7 were Grade Twelve certificate holders.

#### **Educational Attainment:**

- Mean: 3.04 (weighted average)
- Median: Master's Degree
- Standard Deviation: Not applicable for categorical data

#### **5.1.2. Digitalization and Customer Satisfaction**

How often do you interact with your bank through digital channels (e.g., online banking, mobile banking, banking apps)?

400 responses

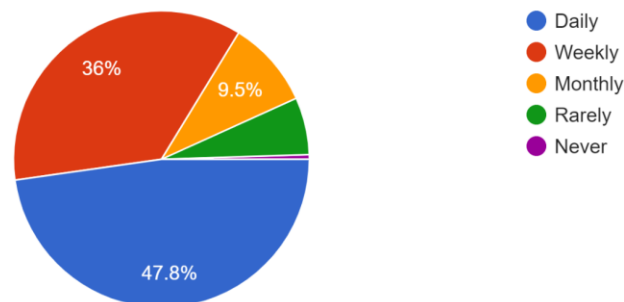


***Chart 5.4: Frequency of Interaction Through Digital Channels- Author(2023)***

Chart 5.4 shows that 47.8% (n=191) of the respondents used digital channels daily while 36% (n=144) used them weekly. 9.5%(n=38) of the respondents use digital channels monthly while 25 respondents rarely use digital channels and 2 respondents never use digital channels. The majority of the respondents were daily users.

What digital banking services do you frequently use? (Please select all that apply)

400 responses

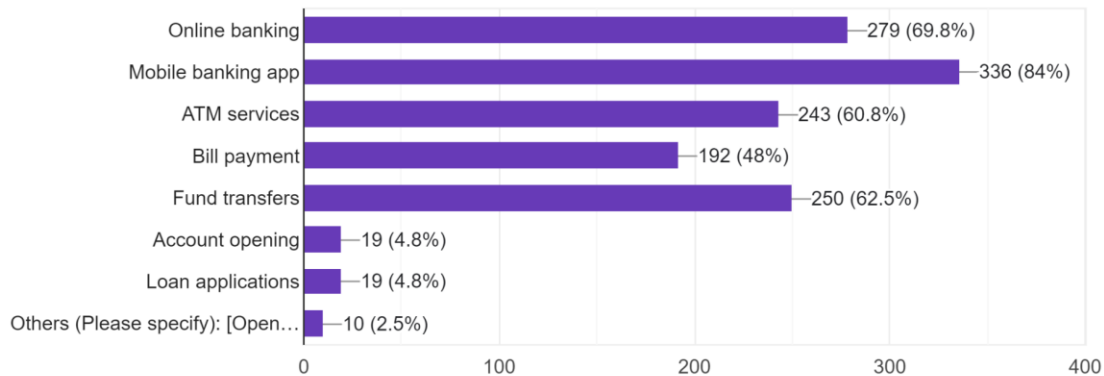


**Chart 5.5: Digital Banking Services Frequently Used- Author (2023)**

Chart 5.5 indicates that the majority of the respondents use mobile banking app with a representation of 84%(n=336) while 69.8%(n=279) was Online Banking use and 62.5%(n=250) was the use of funds transfer with 60.8%(n=243) representing ATM services. Bill payment scored 48%(n=192) while account opening and loan applications both scored 4.8%(n=19), lastly 2.5%(n=10) used other services. From the above the researcher can safely say that the top 4 digital banking services frequently used are Mobile Banking followed by Online banking then Funds Transfer and lastly ATM services.

#### **Descriptive Statistics for Usage of Digital Banking Services:**

Mean Percentage: 53.96%

Mode: Mobile Banking

Median: 60.8%

Standard Deviation: 17.21%

What motivates you to use digital banking services? (Select all that apply)

400 responses

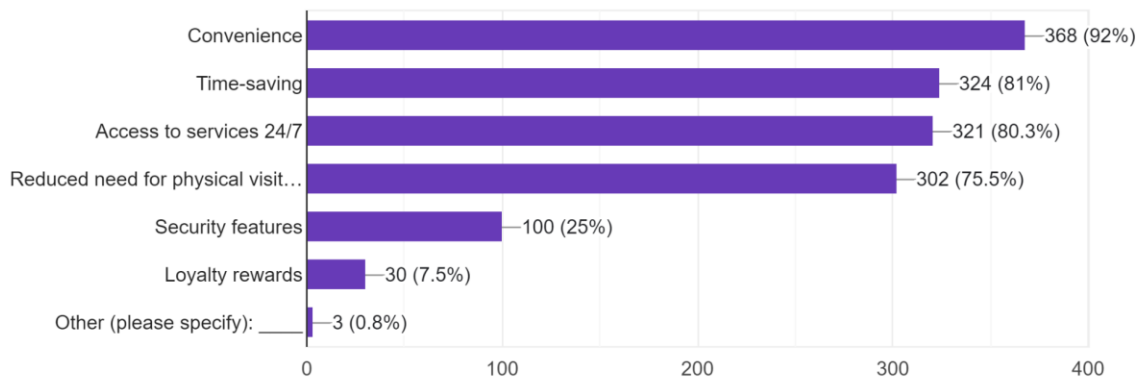


**Chart 5.6 Digital Banking Services Motivation- Author(2023)**

Convenience ranked as the highest motivator for using digital banking services with 92%(n=368) followed Time Saving at 81%(n=324) and trailing close by at 80.3%(n=321) was Access to services 24/7 while reduced need for physical visit recorded 75.5%(n=302). 100(25%) respondents said security features while 30 respondents said loyalty rewards and 3 said others. From this the researcher can deduce that the respondents were motivated by digital banking services as it allowed them to use the service in the comfort of wherever they are.

#### **Descriptive Statistics:**

- **Mean:** 55.31% (calculated as the average of the motivator percentages)
- **Mode:** Convenience (as it has the highest frequency)
- **Standard Deviation:** 30.48% (measuring the spread of the motivator percentages)

#### **Inference:**

- The mean provides an average level of motivation across all factors.
- The mode indicates that Convenience is the most frequently cited motivator.
- The standard deviation suggests the degree of variability or spread in the responses.

**Q7. What do you like the most about the digital banking services you use? (Open-ended)**

| Service | Frequency | Percentage |
|---------|-----------|------------|
|---------|-----------|------------|

|                                                       |     |       |
|-------------------------------------------------------|-----|-------|
| Convenience                                           | 231 | 57.75 |
| Real Time Alerts                                      | 57  | 14.25 |
| 24/7 Access                                           | 40  | 10    |
| Saves Time                                            | 34  | 8.5   |
| User Friendly                                         | 13  | 3.25  |
| Nothing                                               | 11  | 2.75  |
| Reduced branch visits                                 | 8   | 2     |
| secure, loan application mobile banking, bill payment | 6   | 1.5   |
| Total                                                 | 400 | 100   |

*Table 5.3 Digital Services Preferred – Author (2023)*

#### **Descriptive Statistics for Service Preferences:**

- **Mean Percentage:** 12.5% (calculated as the average of the percentage distribution)
- **Mode:** Convenience (as it has the highest frequency)
- **Median:** 8.25% (the middle value when the percentages are arranged in ascending order)
- **Standard Deviation:** 17.61% (measuring the spread of the percentage distribution)

#### **Inference:**

- The mean provides an average level of preference across all services.
- The mode indicates that Convenience is the most frequently preferred service.
- The median represents the middle point of the percentage distribution.
- The standard deviation suggests the degree of variability or spread in the preferences.

Here again it is evident that convenience tops the list of what they like most about digital banking services scoring 57.75% (n=231), followed by real time alerts with 14.25% (n=57) and 24/7 access having 10% (n=40). 34 respondents indicated it saves time, 13 said its user friendly while 11 responded and said they like nothing and 8 respondents said reduced visits to branch is what they like most with 6 saying its secure, they like the loan application service, mobile banking and bill payment.

**Q8. Have you faced any challenges or difficulties while using the digital banking services?**

**If yes, please provide details. [Open-ended response]**

| Challenges | Frequency | Percentage |
|------------|-----------|------------|
| Yes        | 227       | 56.75      |
| No         | 173       | 43.25      |
| Total      | 400       | 100        |

**Table 5.4 Challenges Faced Author (2023)**

**Descriptive Statistics for Challenges:**

- **Mean Percentage:** 50% (calculated as the average of the percentage distribution)
- **Mode:** Yes (as it has the highest frequency)
- **Median:** 56.75%
- **Standard Deviation:** 6.25%

The following are the reasons given for the challenges that were found.

| Challenges             | Frequency | Percentage |
|------------------------|-----------|------------|
| App Issues             | 22        | 5.5        |
| ATM not working        | 7         | 1.75       |
| Internet Challenges    | 55        | 13.75      |
| Mobile Money Transfers | 17        | 4.25       |
| Network Challenges     | 108       | 27         |
| No Challenges          | 173       | 43.25      |
| Others(Funds transfer, | 18        | 4.5        |
| Total                  | 400       | 100        |

**Table 5.5 Challenges or Difficulties Author (2023)**

56.75%(n=227) of the respondents said they encountered challenges while using digital banking services and the reason given were network challenges where they were unable to access the service because it offered no service at the time namely ATM out of service, Mobile banking inaccessible, online banking service not working while others said they had internet challenges on their gadgets. On the other hand, 43.25%(n=173) said they had no challenges.

### Descriptive Statistics for Challenges:

- **Mean Percentage:** 10% (calculated as the average of the percentage distribution)
- **Mode:** Network Challenges (as it has the highest frequency)
- **Median:** 5.5% (the middle value when the percentages are arranged in ascending order)
- **Standard Deviation:** 10.76% (measuring the spread of the percentage distribution)

How would you rate the level of customer support provided for digital banking services (e.g., online chat, email support, phone support)?

400 responses

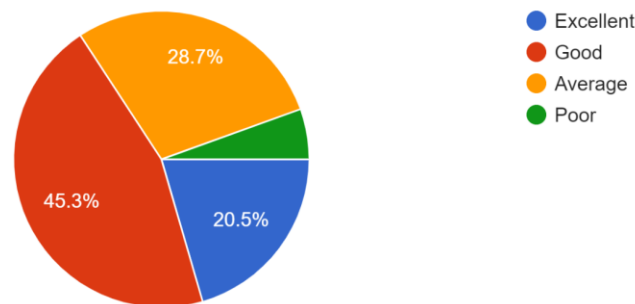


**Chart 5.7 Level of Customer Support -Author(2023)**

45.3% (n=181) of the respondents indicated that the level of customer support provided for digital banking services was good while 28.7%(n=115) said it was average and 20.5%(n=82) indicated that it was excellent.it is worth noting that 5.5%(n=22) of the respondents rated the level of customer support provided for digital banking services as poor. From the above finding it is evident 94.5% of the respondents had average to excellent customer support.

### Descriptive Statistics for Customer Support Ratings:

- **Mean Percentage:** 46.25% (calculated as the average of the percentage distribution)
- **Mode:** Good (as it has the highest frequency)
- **Median:** 45.3% (the middle value when the percentages are arranged in ascending order)
- **Standard Deviation:** 11.53% (measuring the spread of the percentage distribution)

Are your queries or concerns promptly addressed by the customer support team?

400 responses

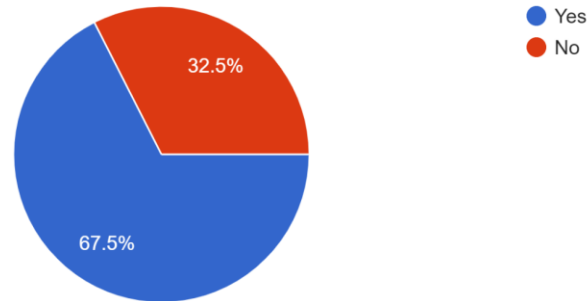


***Chart 5.8 Queries or Concerns Addressed Promptly -Author(2023)***

67.5%(n=270) responded and indicated that their queries or concerns were promptly addressed by the customer support team while 32.5% said no. (n=130)

**Descriptive Statistics for Prompt Addressing of Queries or Concerns:**

- **Mean Percentage:** 50% (calculated as the average of the percentage distribution)
- **Mode:** Yes (as it has the highest frequency)
- **Median:** 67.5% (the middle value when the percentages are arranged in ascending order)
- **Standard Deviation:** 17.5% (measuring the spread of the percentage distribution)

How would you rate the quality of products/services provided by your bank?  
400 responses

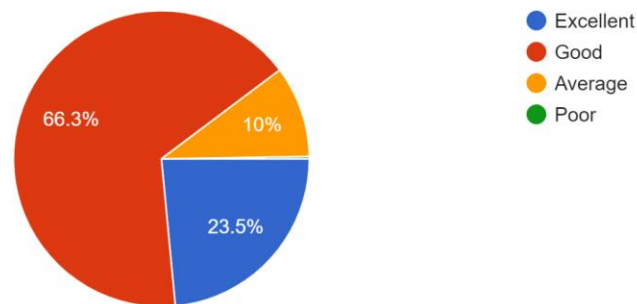


***Chart 5.9 Quality of Products /Services Author(2023)***

66.3%(n=265) rated the quality of products/services provided by their bank as good and 95(23.5%) respondents said it was excellent while 10% (n=40) said average and 1 respondent said the quality of products/services provided by their bank was poor.

#### **Descriptive Statistics for Ratings of Quality of Products/Services:**

- **Mean Percentage:** 50.7% (calculated as the average of the percentage distribution)
- **Mode:** Good (as it has the highest frequency)
- **Median:** 66.3% (the middle value when the percentages are arranged in ascending order)
- **Standard Deviation:** 27.36% (measuring the spread of the percentage distribution)

How would you rate the availability and responsiveness of customer support for digital platform-related queries or issues?

400 responses

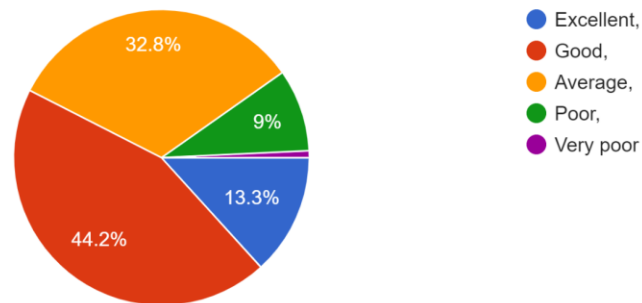


***Chart 5.10 Customer Support for Digital Platform Queries/Issues - Author(2023)***

44.2%(n=177) said the rate of availability and responsiveness of the customer support for digital platform related queries or issues were good while 32.8%(n=131) said they were average with 13.3% (n=53) saying they were excellent. 9%(n=36) were poor and 3 responded by saying they were very poor.

#### **Descriptive Statistics for Ratings of Customer Support for Digital Platform Queries/Issues:**

- **Mean Percentage:** 26.66% (calculated as the average of the percentage distribution)
- **Mode:** Good (as it has the highest frequency)
- **Median:** 32.8% (the middle value when the percentages are arranged in ascending order)
- **Standard Deviation:** 14.59% (measuring the spread of the percentage distribution)

On a scale of 1 to 10, how satisfied are you with the overall experience of being a customer of your bank? (1 = Very Dissatisfied, 10 = Very Satisfied)

400 responses

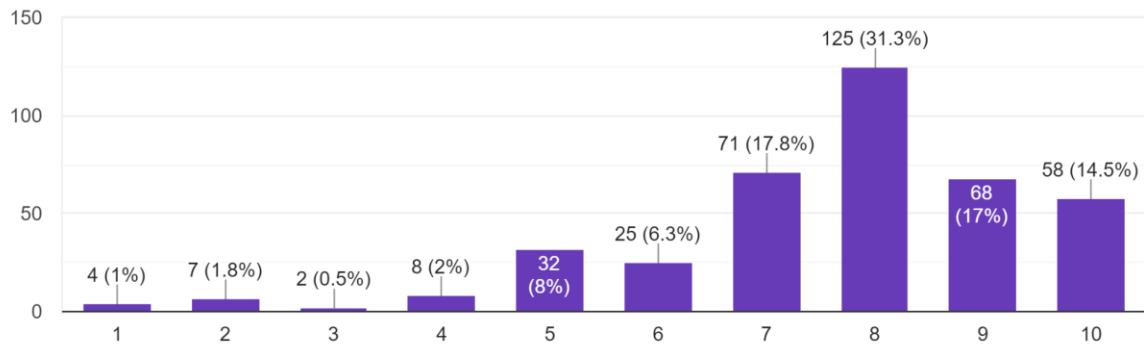


**Chart 5.11 Overall Satisfaction- Author(2023)**

14.5% (n=58) were very satisfied as they scored 10 out of 10 while 68 (17%) scored 9 out of 10. 125(31.3 respondents scored 8 out of 10 with 71(17.8%) scoring 7 out of 10. 25(6.3%) scored 6 out of 10 and 32(8%) scored 5 out of 10 . 2%(n=8) scored 4 out of 10 with 0.5%(n=2) scoring 3 out of 10 and 1.8%(n=7) scoring 2 out of 10, finally, 1%(n=4) were very dissatisfied scoring 1 out of 10.

#### **Descriptive Statistics for Satisfaction Scores:**

- **Mean Score:** 7.66 (calculated as the average of the scores)
- **Mode:** 8 (as it has the highest frequency)
- **Median:** 8 (the middle value when the scores are arranged in ascending order)
- **Standard Deviation:** 2.15 (measuring the spread of the scores)

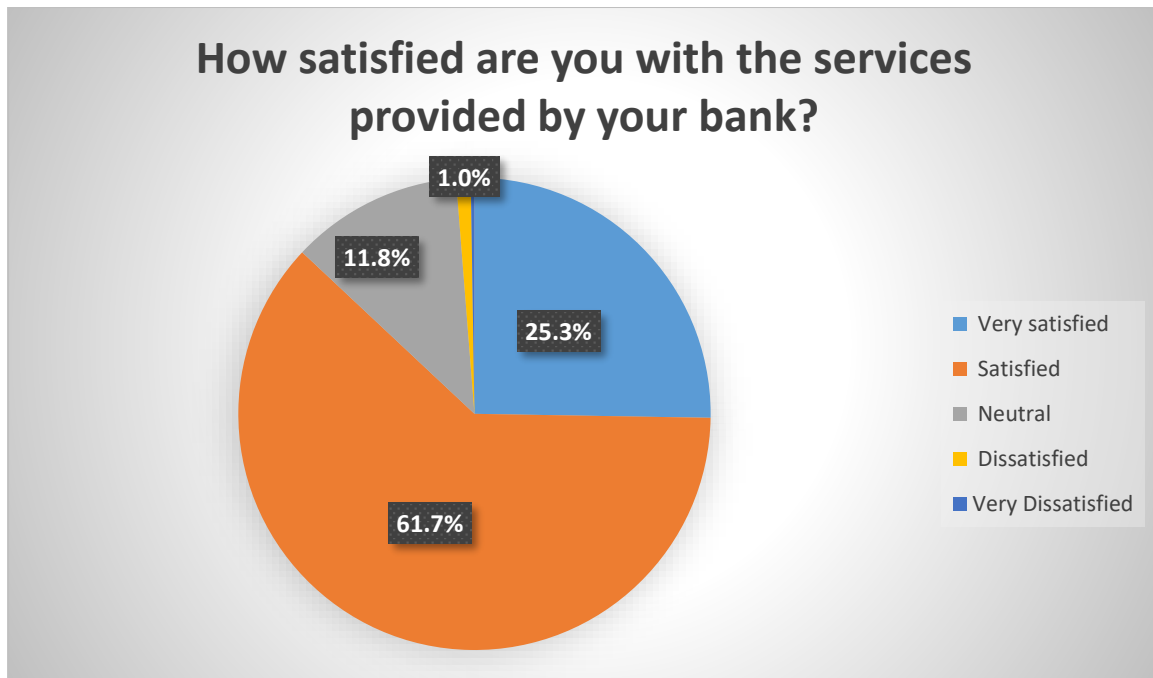


**Chart 5.12 Satisfied with Services Author(2023)**

61.7% (n=245) were satisfied with the services provided by their bank while 25.3%(n=101) were very satisfied and 11.8(n=47) were neutral and 4 respondents were dissatisfied with 1 being very dissatisfied.

**Descriptive Statistics for Satisfaction with Bank Services:**

- **Mean Percentage:** 59.9%
- **Mode:** Satisfied
- **Median:** 61.7%
- **Standard Deviation:** 22.44%

How likely are you to recommend your bank's digital platforms to others?  
400 responses

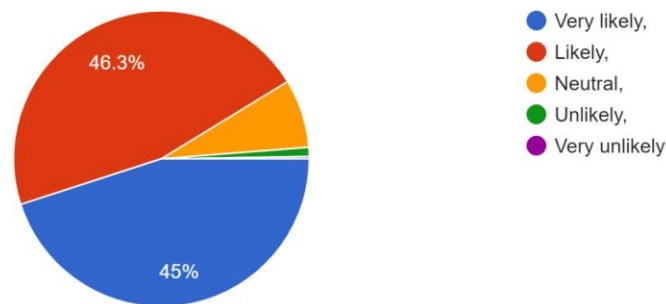


**Chart 5.13 Likelihood to Recommend Bank's Digital Platforms - Author(2023)**

46.3% (n=185) said they are likely to recommend their bank's digital platforms to others together with 45%(n=180) who said they are very likely going to recommend. 30 respondents remained neutral and 5 respondents were unlikely going to recommend their bank's digital platforms to others.

#### **Descriptive Statistics for Likelihood to Recommend Bank's Digital Platforms:**

- **Mean Percentage:** 47.63%
- **Mode:** Likely to Recommend
- **Median:** 46.3%
- **Standard Deviation:** 0.94%

#### **5.1.3. Accessibility of Digital Platforms**

How convenient do you find the digital banking services in terms of accessibility and ease of use?  
400 responses

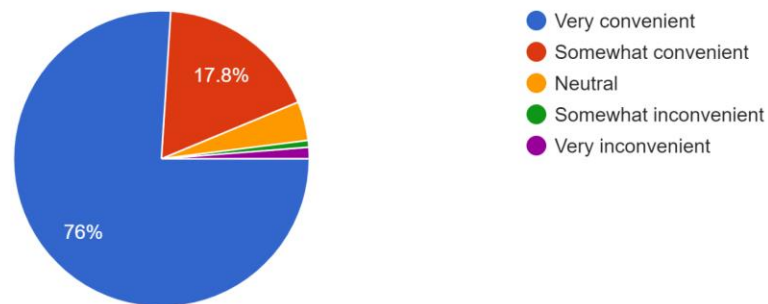


***Chart 5.14: Accessibility and Ease of Use- Author (2023)***

From chart 5.14 it is evident that 76%(n=304) of the respondents agree that digital banking services in terms of accessibility and ease of use are very convenient while 17.8% (n=71) said it is somewhat convenient. 17 respondents were neutral while 3 said they find the digital banking services somewhat inconvenient and 5 very inconvenient.

#### **Descriptive Statistics for Perceived Convenience of Digital Banking Services:**

- **Mean Percentage:** 58.36% (calculated as the average of the percentage distribution)
- **Mode:** Very Convenient (as it has the highest frequency)
- **Median:** 76% (the middle value when the percentages are arranged in ascending order)
- **Standard Deviation:** 27.74% (measuring the spread of the percentage distribution)

How satisfied are you with the speed and efficiency of transactions conducted through the digital platforms?

400 responses

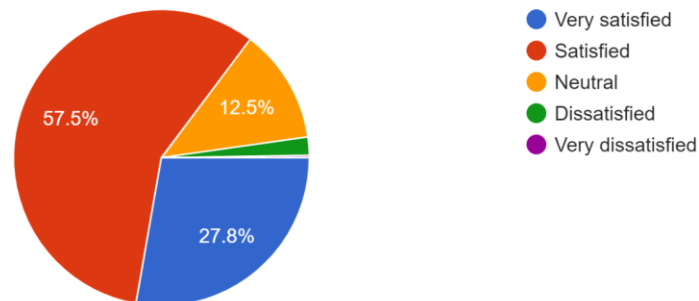


***Chart 5.15 Satisfaction with Speed and Efficiency of Transactions -Author(2023)***

57.5% (N=230) were satisfied with the speed and efficiency of the transactions whereas 111(27.5%) were very satisfied and 50(12.5%) were neutral while 8 were dissatisfied and 1 was very dissatisfied. From the responses the researcher noted that 85.3% were satisfied.

**Descriptive Statistics for Satisfaction with Speed and Efficiency of Transactions:**

- **Mean Percentage:** 85.3%
- **Mode:** Satisfied
- **Median:** 57.5%
- **Standard Deviation:** 18.97%

Are you able to find the information or services you need easily on the digital platforms?

400 responses

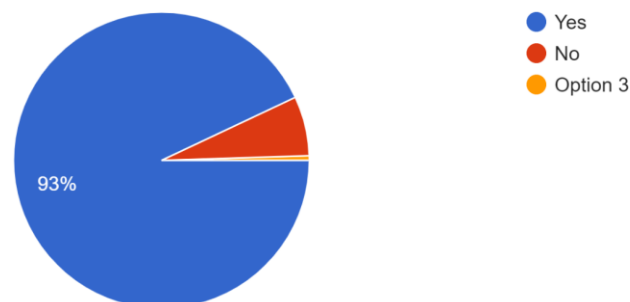


**Chart 5.16 Ease of Finding Information or Services on Digital Platforms -Author(2023)**

93% (n=372) of the respondents were able to find the information or services they needed easily on the digital platforms while 26 respondents said they could not easily find the information on the digital platforms representing 6.5% and 2 respondents where not sure.

**Descriptive Statistics for Ease of Finding Information or Services on Digital Platforms:**

- **Mean Percentage:** 92.75%
- **Mode:** Easily Found
- **Median:** 93%
- **Standard Deviation:** 2.47%

Do you encounter any issues or delays when performing transactions online?  
400 responses

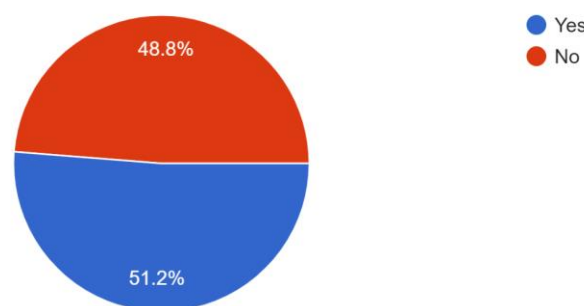


**Chart 5.17 Encounter Issues /Delays- Author(2023)**

51.2%(n=205) of the respondents encountered delays while 48.8(n=195) % did not encounter issues or delays. The majority of the respondents encountered issues and delays when performing transactions.

**Descriptive Statistics for Encountering Delays in Transactions:**

- **Mean Percentage:** 50%
- **Mode:** Encountered Delays
- **Median:** 51.2%
- **Standard Deviation:** 0.6%

Are you provided with real-time updates and notifications regarding your transactions?  
400 responses

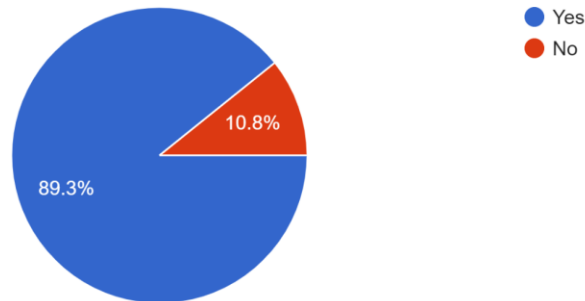


***Chart 5.18 Real Time Updates and Notifications- Author(2023)***

Real-time updates and notifications regarding transactions were provided according to the 357 respondents which constitutes 89.3% while 10.8% (n=43) said they were not provided with real time updates and notifications regarding their transactions.

**Descriptive Statistics for Perception of Real-Time Updates and Notifications:**

- **Mean Percentage:** 89.3%
- **Mode:** Provided
- **Median:** 89.3%
- **Standard Deviation:** 10.8%

How responsive have the customer service representatives been to your needs or concerns?  
400 responses

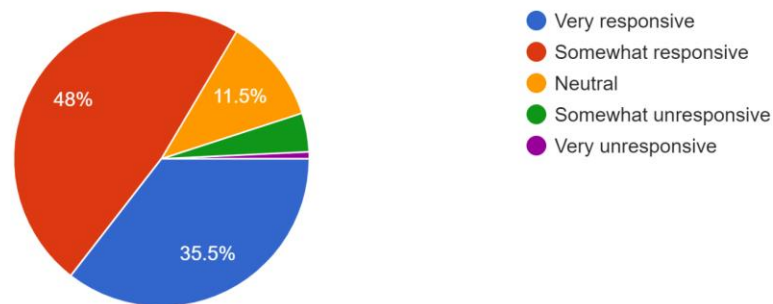


***Chart 5.19 Responsive Customer Service Representatives- Author(2023)***

48%(n=192) of the respondents indicated that the customer service representatives have been somewhat responsive to their needs or concerns whereas 35.5%(n=142) said they were very response while 11.5%(n=46) said they neutral and 17respondents said they were somewhat unresponsive with 3 respondents saying they were very unresponsive.

**Descriptive Statistics for Perception of Customer Service Responsiveness:**

- **Mean Percentage:** 43.1%
- **Mode:** Somewhat Responsive
- **Median:** 35.5%
- **Standard Deviation:** 13.59%

Which aspect of the products/services do you find most satisfying? (Please select all that apply)  
400 responses

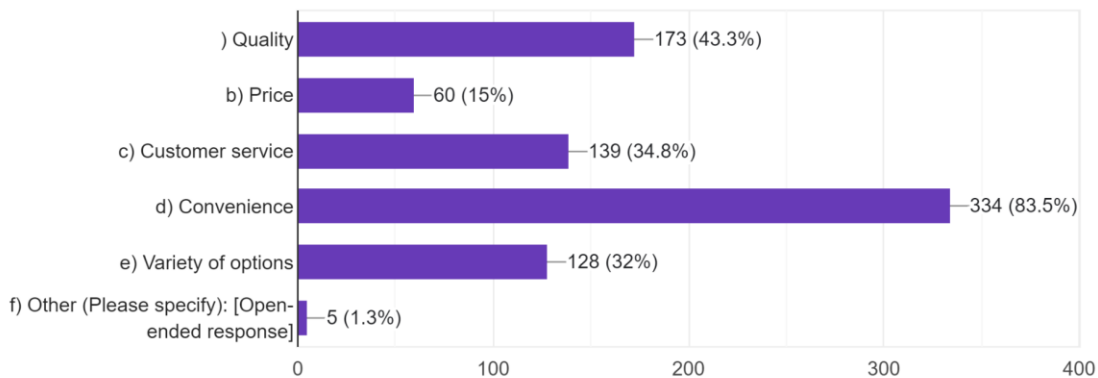


**Chart 5.20 Most Satisfying Products/Services Author(2023)**

Convenience again scores the highest with 83.5%(n=334) response rate followed by quality at 43.3%(n=173). Customer service is third most satisfying product/service getting 34.8%(n=139) and then variety of options scoring 32%(n=128) with price falling at 15%(n=60) and lastly 1.3%(n=5) for other aspects.

#### **Descriptive Statistics for Satisfaction with Various Aspects of Digital Banking Services:**

- **Mean Percentage:** 40.32%
- **Mode:** Convenience
- **Median:** 34.8%
- **Standard Deviation:** 21.13%

## **5.2. Presentation of Qualitative Findings**

In this study, the identification and analysis of themes and corresponding codes played a pivotal role in understanding the rich and nuanced insights provided by participants. Prior to data collection, a comprehensive review of existing literature and theoretical frameworks related to digital banking was conducted to establish a foundational understanding of key

concepts and potential areas of interest. Subsequently, the research team engaged in an iterative process of data coding, wherein transcripts from interviews, focus groups, or surveys were systematically analyzed to identify recurring patterns, concepts, and themes.

Through this process, themes representing different facets of the digital banking experience emerged, encompassing aspects such as user interface design, mobile banking experience, online transactions, customer education, personalization and rewards, accessibility and inclusivity, data management and privacy, and communication channels. Each identified theme was further refined and operationalized into specific codes, representing distinct elements or subtopics within the broader thematic categories.

These codes were then applied to the qualitative data, facilitating systematic analysis and interpretation to uncover insights into participants' perceptions, behaviors, and experiences in the realm of digital banking. This rigorous approach to thematic analysis and coding ensures the comprehensive exploration of qualitative data, allowing for a deeper understanding of user perspectives and informing the development of meaningful insights and recommendations in the study.

| <b>Themes</b>                                                                 | <b>Codes</b>                                                                                                                                                                     |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• User Interface Design</li> </ul>     | <ul style="list-style-type: none"> <li>• Aesthetic Appeal</li> <li>• Intuitiveness</li> <li>• Customization Options</li> <li>• Consistency Across Platforms</li> </ul>           |
| <ul style="list-style-type: none"> <li>• Mobile Banking Experience</li> </ul> | <ul style="list-style-type: none"> <li>• Mobile App Features</li> <li>• Mobile App Performance</li> <li>• Mobile Banking Convenience</li> <li>• Mobile App Security</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Online Transactions</li> </ul>       | <ul style="list-style-type: none"> <li>• Ease of Making Payments</li> <li>• Online Bill Pay Experience</li> <li>• Fund Transfers</li> <li>• Online Account Management</li> </ul> |
| <ul style="list-style-type: none"> <li>• Customer Education</li> </ul>        | <ul style="list-style-type: none"> <li>• Availability of Tutorials</li> <li>• Clarity of Instruction</li> <li>• Educational Resources</li> </ul>                                 |

|                                                                                   |                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                   | <ul style="list-style-type: none"> <li>• Financial Literacy Promotion</li> </ul>                                                                                                             |
| <ul style="list-style-type: none"> <li>• Personalization and Rewards</li> </ul>   | <ul style="list-style-type: none"> <li>• Personalized Recommendations</li> <li>• Loyalty Programs</li> <li>• Rewards for Usage</li> </ul>                                                    |
| <ul style="list-style-type: none"> <li>• Accessibility and Inclusivity</li> </ul> | <ul style="list-style-type: none"> <li>• Accessibility Features</li> <li>• Support for Different Languages</li> <li>• Support for Disabilities</li> <li>• Inclusivity Initiatives</li> </ul> |
| <ul style="list-style-type: none"> <li>• Data Management and Privacy</li> </ul>   | <ul style="list-style-type: none"> <li>• Data Collection Transparency</li> <li>• Data Usage Consent</li> <li>• Data Security Measures</li> <li>• Compliance with Privacy Laws</li> </ul>     |
| <ul style="list-style-type: none"> <li>• Communication Channels</li> </ul>        | <ul style="list-style-type: none"> <li>• Availability of Live Chat</li> <li>• Email Support</li> <li>• Phone Support</li> <li>• Social Media Engagement</li> </ul>                           |
| <ul style="list-style-type: none"> <li>• Satisfaction and Loyalty</li> </ul>      | <ul style="list-style-type: none"> <li>• Overall Satisfaction</li> <li>• Likelihood to Recommend</li> <li>• Loyalty to Bank</li> <li>• Willingness to Use Again</li> </ul>                   |

The theme of "Average Customer Support" reflects participants' perceptions of the support services offered by banking institutions. Instances categorized under this theme suggest that while customer support may be available, it may not always meet users' expectations in terms of responsiveness, clarity of communication, or issue resolution. Participants may express a sense of neutrality or mild dissatisfaction with the level of assistance received, highlighting potential areas for improvement in enhancing the quality and effectiveness of customer support initiatives.

Conversely, the theme of "Unsatisfactory Customer Support" underscores instances where participants express significant dissatisfaction or frustration with the support services provided

by digital banking platforms. Codes associated with this theme may include experiences of long wait times, unhelpful responses from support staff, or difficulty in reaching assistance when needed. Such experiences can lead to diminished trust and confidence in the banking institution, emphasizing the critical importance of addressing shortcomings in customer support practices.

The theme of "Admirable Security and Trust" suggests instances where participants express confidence and trust in the security measures implemented by digital banking platforms. Codes within this theme may include positive feedback regarding robust authentication methods, encryption protocols, and proactive fraud prevention measures. Participants may commend banking institutions for prioritizing data privacy and safeguarding against unauthorized access, fostering a sense of security and peace of mind among users.

Regarding user interface design, the presence of "Some Consistency of User Interface Sometimes" indicates that while participants may encounter moments of consistency and familiarity in navigating digital banking platforms, these experiences may not be consistently replicated across all interactions. Instances categorized under this theme may suggest occasional glitches, inconsistencies in design elements, or variations in user experience depending on the device or platform used. Achieving greater consistency and reliability in user interface design is crucial for ensuring a seamless and intuitive digital banking experience for users.

Finally, the theme of "Ease of Navigation and Better Experience" highlights instances where participants express satisfaction and appreciation for the user-friendly nature of digital banking platforms. Codes associated with this theme may include positive feedback regarding intuitive navigation, clear layout, and streamlined processes for conducting transactions and accessing account information. Participants may describe their interactions with the platform as smooth, efficient, and conducive to achieving their financial goals, underscoring the importance of prioritizing user experience design principles in digital banking development.

An interview was prepared and conducted on Standard Chartered Employees. 5 responses were obtained.

### 5.2.1. Attitude Towards Technology

How would you rate the ease of navigation and user-friendliness of the digital platforms?

400 responses

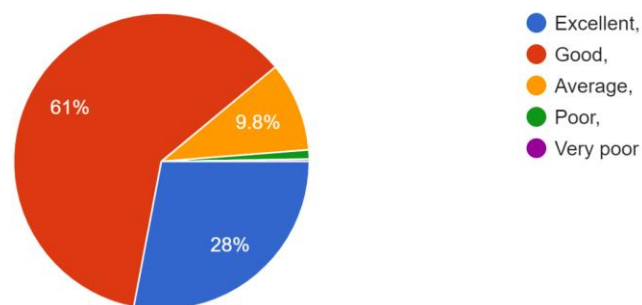


*Chart 5.21 Ease of Navigation & User-friendliness- Author(2023)*

244 respondents rated the ease of navigation to be good with 61% rating while 112 responded and said it was excellent with a percentage of 28% and 39 said it was average with 4 and 1 saying it was poor and very poor respectively.

#### **Descriptive Statistics for Ease of Navigation Ratings:**

- **Mean Percentage:** 53.4%
- **Mode:** Good
- **Median:** 61%
- **Standard Deviation:** 16.89%

How secure do you perceive the digital banking services provided by your bank?  
400 responses

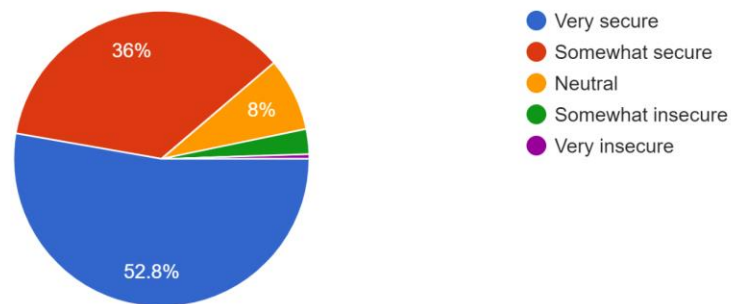


**Chart 5.22: Perception of Security in Digital Banking Services Author(2023)**

52.8% (n=211) perceived that digital banking services provided a secure environment and 36% (n=144) of the respondents said it was somewhat secure. 8%(n=32) were neutral while 11 respondents were somewhat insecure and 2 were very insecure.

**Descriptive Statistics for Perception of Security in Digital Banking Services:**

- **Mean Percentage:** 50.2%
- **Mode:** Perceived Secure
- **Median:** 52.8%
- **Standard Deviation:** 13.42% (measuring the spread of the percentage distribution)

How confident are you in the security measures implemented by your bank to protect your personal and financial information on digital platforms?

400 responses

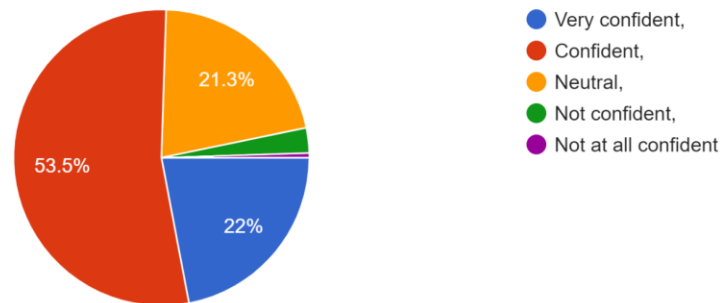


**Chart 5.23 Confidence in Security Measures -Author(2023)**

214(53.5%) of the respondents were confident, 88(22%) were very confident, 85(21.3) were neutral while 11 and 2 respondents were not confident and not at all confident respectively.

**Descriptive Statistics for Respondents' Confidence Level:**

- **Mean Percentage:** 47.8% (calculated as the average of the percentage distribution)
- **Mode:** Confident (as it has the highest frequency)
- **Median:** 53.5% (the middle value when the percentages are arranged in ascending order)
- **Standard Deviation:** 13.9% (measuring the spread of the percentage distribution)

Do you feel that your privacy is adequately maintained while using the digital platforms?  
400 responses

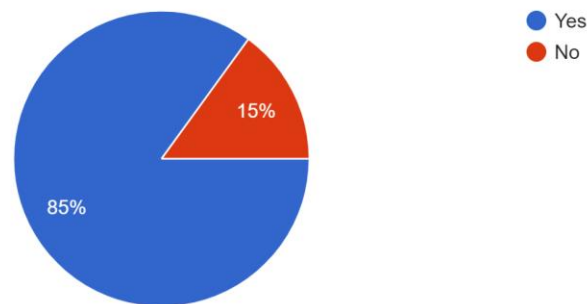


**Chart 5.24 Perception of Privacy Maintenance on Digital Platforms - Author(2023)**

340 respondents which represents 85% felt that their privacy was adequately maintained while using the digital platforms and 15% (n=60) felt it was not.

**Descriptive Statistics for Perception of Privacy Maintenance on Digital Platforms:**

- **Mean Percentage:** 85% (calculated as the average of the percentage distribution)
- **Mode:** Adequately Maintained (as it has the highest frequency)
- **Median:** 85% (the middle value when the percentages are arranged in ascending order)
- **Standard Deviation:** 0% (since there is no variability in the responses)

Are there clear channels of communication for seeking assistance on digital platform-related matters?  
400 responses

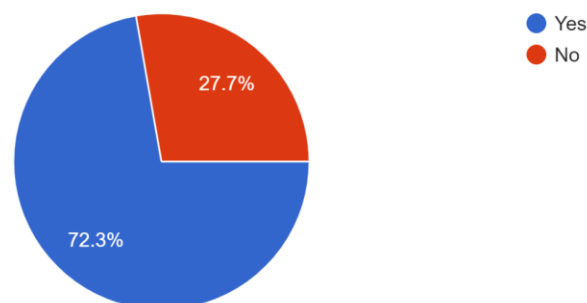


**Chart 5.25 Clear Channels of Communication- Author(2023)**

289(72.3%) responded and said there are clear channels of communication for seeking assistance on digital platform related matters while 111(27.7%) responded and said there are no clear channels of communication for seeking assistance on digital platform related matters.

#### **Descriptive Statistics for Perception of Clear Channels of Communication for Digital Platform Assistance:**

- **Mean Percentage:** 72% (calculated as the average of the percentage distribution)
- **Mode:** Clear Channels (as it has the highest frequency)
- **Median:** 72.3% (the middle value when the percentages are arranged in ascending order)
- **Standard Deviation:** 2.15% (measuring the spread of the percentage distribution)

How likely are you to continue using your bank's digital platforms in the future?  
400 responses

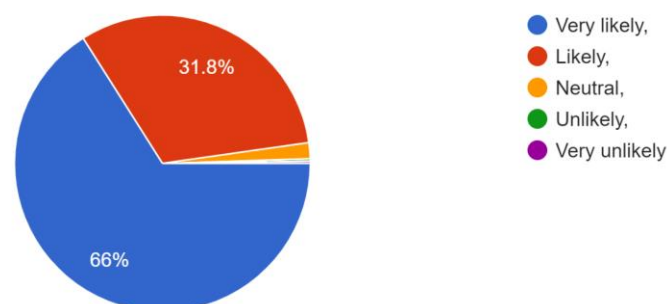


**Chart 5.26 Likelihood to Continue Using Bank's Digital Platforms - Author(2023)**

264 respondents which makes up 66% responded that they were very likely to continue using their bank's digital platforms in the future while 127(31.8%) said they were likely to continue using their bank's digital platforms in the future. 7 were neutral while 2 were unlikely.

#### **Descriptive Statistics for Likelihood to Continue Using Bank's Digital Platforms:**

- **Mean Percentage:** 66.75% (calculated as the average of the percentage distribution)
- **Mode:** Very Likely (as it has the highest frequency)

- **Median:** 66% (the middle value when the percentages are arranged in ascending order)
- **Standard Deviation:** 17.89% (measuring the spread of the percentage distribution)

How likely are you to recommend your bank to others?  
400 responses

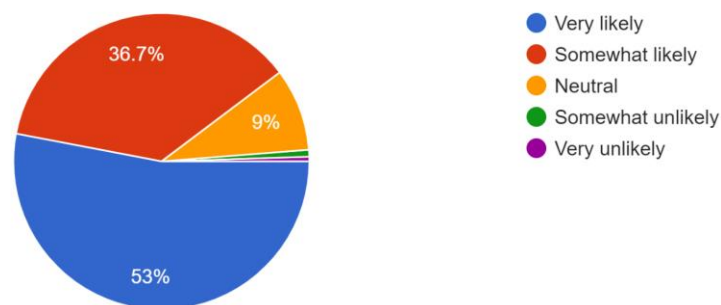


**Chart 5.27 Likelihood to Recommend Bank to Others Author(2023)**

53%(n=212) said they are very likely going to recommend their bank to others with 36.7%(n=147) responding that they are somewhat like and 9% (n=36) being neutral. 3 respondents were somewhat unlikely and 2 were very unlikely going to recommend their bank to others.

#### **Descriptive Statistics for Likelihood to Recommend Bank to Others:**

- **Mean Percentage:** 54.15% (calculated as the average of the percentage distribution)
- **Mode:** Very Likely (as it has the highest frequency)
- **Median:** 53% (the middle value when the percentages are arranged in ascending order)
- **Standard Deviation:** 19.51% (measuring the spread of the percentage distribution)

**Q. Do you have any suggestions for improving the website or mobile app? If yes, please provide details. [Open-ended response]**

| Service                                                | Frequency  | Percentage |
|--------------------------------------------------------|------------|------------|
| None                                                   | 322        | 80.5       |
| User friendly Apps                                     | 16         | 4          |
| Contactless ATM withdrawals                            | 10         | 2.5        |
| Improve Internet Security(ATM Tapping)                 | 9          | 2.25       |
| Real Time Response to Queries                          | 8          | 2          |
| Integrate Mobile Banking and Online Banking into 1 App | 7          | 1.75       |
| Introduce Offline Version                              | 7          | 1.75       |
| Network Improvement                                    | 6          | 1.5        |
| Call Centre Services                                   | 4          | 1          |
| Include Investment Options(Bonds)                      | 4          | 1          |
| Lower Transaction Costs                                | 4          | 1          |
| Account Opening Option                                 | 3          | 0.75       |
| <b>Total</b>                                           | <b>400</b> | <b>100</b> |

**Table 5.6 Suggestions for Improvement –Author(2023)**

322(80.5%) respondents had no suggestion for improving the website or mobile app while 16 (4%) respondents said the app should be more user friendly. 10(2.5%) respondents said their bank should introduce contactless ATM withdrawals and 9(2.25%) respondents said the bank should improve the security features on ATM tapping. 8(2%) respondents suggested that the bank should give real time responses to queries however 7(1.75%) said there is need to integrate mobile banking and online banking into 1 Application. Another 7(1.75%) said there is need to introduce an offline version of the application and 6(1.5%) respondents said the network needs improvement while 4(1%) each said call center services need to be improved, application must

include investment(bonds) options and they should lower the transaction costs. 3 (0.75%) said the account opening option must be included in order to improve the website or mobile application.

## Correlation Analyses

### Correlation between Education level and Type of Digital Banking Service Use

The correlation information provided explores the relationship between respondents' education levels and the type of electronic banking used.

| Correlations                         |                     |                 |                                      |
|--------------------------------------|---------------------|-----------------|--------------------------------------|
|                                      |                     | Education_level | Type_of_Digital_Banking_Service_used |
| Education_level                      | Pearson Correlation | 1               | .396**                               |
|                                      | Sig. (2-tailed)     |                 | <.001                                |
|                                      | N                   | 400             | 400                                  |
| Type_of_Digital_Banking_Service_used | Pearson Correlation | .396**          | 1                                    |
|                                      | Sig. (2-tailed)     | <.001           |                                      |
|                                      | N                   | 400             | 400                                  |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

In the table above, the Pearson correlation coefficient between education level and the type of Digital Banking Services used is 0.644. The positive sign indicates a strong, positive relationship, suggesting that as education levels increase, there is a significant tendency for respondents to use a certain type of electronic banking more frequently. The p-value, which is less than 0.001 (0.000), indicates that this correlation is highly statistically significant.

Put simply, the data suggests a robust, positive association between education levels and the type of electronic banking utilized. The correlation being significant at the 0.01 level implies a high degree of confidence that this observed relationship is not due to random chance. However, it's important to note that correlation does not imply causation. While there is a strong statistical association, the nature of the relationship and the factors driving it would require further investigation to be fully understood.

### 5.2.2. Section A- Introduction and Background:

#### 1. Can you briefly introduce yourself and your role within the bank?

|                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Head of Digital Banking responsible for driving the Banks strategy on Digital product developments and enhancements. Product and channel utilization are also a key component of my role |
| Head Personal Banking Sales                                                                                                                                                              |
| Head, Cash management operations                                                                                                                                                         |
| Branch Manager                                                                                                                                                                           |
| Relationship Manager looking after the Public sector portfolio                                                                                                                           |

*Table 5.7 Interview Introduction Author (2023)*

The 5 respondents held the following roles Head Digital Banking, Head Personal Banking Sales, Head Cash Management Operations, Branch Manager and Relationship Manager.

#### 2. How long have you been involved in the banking industry, and what is your experience with digitalization initiatives?

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| 15years experience in the banking industry with the last 7 years having been focused on Digital banking |
| 15 years, I have great experience with digital initiatives                                              |
| 25 years, digital initiatives changed banking for the better                                            |

|                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------|
| 15 years and I have seen the introduction, socializing and adoption of Digitalization initiatives in Zambian Banking industry |
|-------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------|
| I have been working in the banking sector for more than 15 years and my experience in Digitalization initiatives has been 8 years |
|-----------------------------------------------------------------------------------------------------------------------------------|

**Table 5.8 Banking Experience Author (2023)**

The respondents all have 15 years and above experience in the banking sector.

### 5.2.3. Section B -Digitalization and Customer Satisfaction:

#### 3. Could you provide an overview of the digital banking services your bank offers to customers?

|                                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Product offering ranges from accounts and wallets while channel offering includes Cellphone banking, mobile banking, online banking, e-commerce and POS services |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                            |
|----------------------------------------------------------------------------|
| We provide 72 service requests via our digital platform(online and mobile) |
|----------------------------------------------------------------------------|

|                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------|
| We have Digitized 90 percent of our customer service request and we are to onboard a new client end to end digitally |
|----------------------------------------------------------------------------------------------------------------------|

|                                                                                        |
|----------------------------------------------------------------------------------------|
| Online banking for personal and business accounts which also includes the app and used |
|----------------------------------------------------------------------------------------|

**Table 5.9 Digital banking Services Overview Author (2023)**

The digital banking services offered are wallets, includes Cellphone banking, mobile banking, online banking, e-commerce and POS services.

#### 4. What were the main motivations behind implementing these digitalization initiatives?

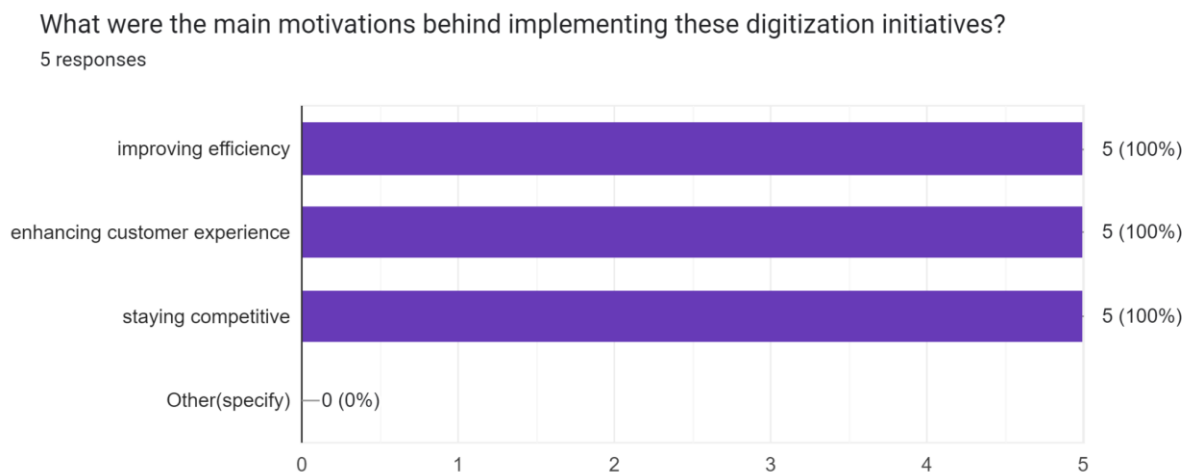


***Chart 5.28 Motivations for Digital Initiatives -Author(2023)***

From the chart 5.28 above you will note that improving efficiency, enhancing customer experience and staying competitive are the main motivations behind implementing Digitalization initiatives.

**5. How have these digital services evolved over the years, and what factors influenced these changes?**

|                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| In the initial stages most, digital solutions allowed customers to mainly do p2p transactions. Over the years this has evolved to bill payments, prepaid, person 2 govt and govt 2-person, business 2 business, business 2 consumer etc. |
| The services have become more accessible and changes have been influenced by client demand as well as market trends                                                                                                                      |
| The digital services keep improving and the biggest influencer has been client feedback and trends . Banking is now more of convenience                                                                                                  |
| They have evolved due to technological advancements and change in customers taste                                                                                                                                                        |

***Table 5.10 Factors Influencing Changes Author(2023)***

From table 5.10 above you will note that the evolution of digital services over the years has been that it offers more options like product offering is wider and its more accessible to the clients and this has been influenced by client demand, market trends and technological advancement.

**6. In your opinion, how has the introduction of digital banking services affected customer satisfaction within the Zambian banking industry?**

|                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| This has resulted in improved Customer experience as customers can do more within the comfort of their homes or offices. However, system challenges around digital solutions also tend to create frustrations for customers which may affect the customer experience |
| It has greatly improved the client experience                                                                                                                                                                                                                        |
| It has offered convenience to clients to access banking services                                                                                                                                                                                                     |
| It has improved customer satisfaction as customers gets to do everything on online and doesn't spend time on queues in the branch                                                                                                                                    |

***Table 5.11 Customer Satisfaction -Author (2023)***

From Table 5.11 above it is noted that introduction of digital banking has improved customer experience and satisfaction as it is very convenient and can be accessed from the comfort of their offices and homes.

**7. Can you share any specific examples of how customers have responded to the digital services?**

|                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customers are more eager to take on digital solutions as we have seen from the growth and increase in transactions performed on digital platforms<br>However because digital banking requires devices, some customers tend to shun away due to the misconceptions around device and tech usage |
| It has been mixed reactions; the tech savvy clients have been receptive while the older generation have complained about the knowledge gap                                                                                                                                                     |
| Too many examples but I will mention that our services are 98% digitally handled                                                                                                                                                                                                               |
| Clients are now comfortable doing transactions online than in the branch                                                                                                                                                                                                                       |
| Digital banking transactions keep on increasing year on year                                                                                                                                                                                                                                   |

***Table 5.12 Response to Digital Services Author(2023)***

From the information shared in Table 5.12 customers have responded to digital services both in a negative and positive way. There is an increase in transactions performed online at the same time there are those who are limited by technological know-how, while others have misconceptions on security and others don't own smart phones.

**8. How does the bank measure customer satisfaction regarding digital banking? Are there any key metrics you track?**

|                                                                                              |
|----------------------------------------------------------------------------------------------|
| Growth in onboarding, growth in utilization and customer net promoter scores                 |
| Yes, there is a survey that is conducted across all bank clients for services delivered      |
| Key performance indicators are in place                                                      |
| Surveys are done quarterly and the Net promoter score shows satisfaction on digital services |
| There is a survey done every year                                                            |

***Table 5.13 Customer Satisfaction Measure- Author(2023)***

The bank measures customer satisfaction regarding digital banking services using surveys done by independent surveyors and the key metrics tracked are Growth in onboarding, utilization and net promoter scores.

**9. Is there any additional information or insights you'd like to share about the relationship between digitalization and customer satisfaction in the Zambian banking industry?**

|                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Digitalization has proved to provide many benefits to customers as it provides convenience, is more cost effective than use of traditional channels and has brought about empowerment of local communities where local businesses are engaged in the provision of Digital Banking services for bank customers thus creating additional revenue lines for local businesses and employment for the communities |
| Digitalization in the banking sector is a strategic focus and any bank not prioritizing this risk losing its purpose.                                                                                                                                                                                                                                                                                        |
| Without Digitalization ,banking would be stagnant and finally phased out                                                                                                                                                                                                                                                                                                                                     |
| Client appreciate the freedom it provides to do banking at their convenience                                                                                                                                                                                                                                                                                                                                 |

**Table 5.14 Digitalization and Customer Satisfaction Author (2023)**

One respondent said there was no additional information or insights they would like to share about the relationship between digitalization and customer satisfaction in the bank while the others said Digital banking is a strategic focus that all banks should embrace, digital banking provides convenient banking and this is beneficial to the clients. It has also provided empowerment and employment of local communities and businesses who provide agent banking.

**5.2.4. Section C- Accessibility of Digital Platforms**

**10. What challenges or obstacles has your bank faced during the process of implementing and promoting digital banking services?**

|                                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| System challenges, misconceptions around digital and fraud                                                                                                       |
| Obviously, system challenges with integration with local Financial Technology companies(Fintechs). There have been no challenges with marketing digital services |
| Senior citizens and visually impaired face challenges                                                                                                            |
| Resistant to adopt digital services especially by the older generation                                                                                           |
| Adoption can be slow and sometime technological challenges                                                                                                       |

**Table 5.15 Challenges /Obstacles Faced Author (2023)**

From table 5.15 above the challenges banks have faced during the process of implementing and promoting digital banking services are system challenges, adoption to technology especially senior citizens, fraud and the visually impaired face challenges as there are no provisions for them.

**11. On the flip side, what benefits or positive outcomes have you observed as a result of digitalization for both customers and the bank?**

|                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reduced processing cost for banks increased revenue, improved efficiencies, reduced transaction costs for customers,                                                           |
| It has been a cost save to the bank while on the client front, banking services are easily accessible. Clients in outskirts of the country are able to access banking services |
| Straight through payment handling with little manual intervention<br>Less manual handling hence reducing human errors                                                          |
| To the customers it has offered convenience, efficiency and to the bank it has offered efficiency and reduced cost of doing business                                           |
| Cost savings and enhanced efficiencies                                                                                                                                         |

**Table 5.16 Benefits/ Positive Outcomes Author (2023)**

Four out of five respondents said the positive outcome for the bank is reduced costs for the bank. There is as a result increased revenue and improved efficiencies and accessibility. There is also reduced human error. The benefit or positive outcomes to the customers is reduced transaction costs, convenience and accessibility.

**12. How do you envision the future of digital banking services in Zambia? Are there any emerging trends or technologies that you believe will shape the industry?**

|                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The use of Artificial Intelligence(AI) and big data to study customer behaviors and trends will be key in shaping the future of Digitalization as it will allow the industry to understand customer needs as well as predict futuristic customer needs |
| Digital banking services is the future of banking. We will witness more banks closing off brick and mortar structures and migrate to digital. We have witnessed an increase in local Fintech companies to support system integration                   |

|                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------|
| This will continue to improve, current set up are being improved and menu access is simplified                       |
| The Zambia market is quickly adopting the digital services as most transaction is done online and less cash is used  |
| The increase in adoption of app usage as more people start owning smart phones and increased coverage of the network |

**Table 5.17 Future Trends- Author (2023)**

The emerging trends and technologies that are believed will shape the industry are the use of Artificial Intelligence and the constant watch of changing trends and how clients are behaving towards the changes. The future of digital banking services in Zambia is improving as more clients are adopting the usage digital banking services with the help Financial services companies which are increasing and supporting system integration.

**13. What strategies does the bank plan to implement to continuously improve customer satisfaction in the context of digitalization?**

|                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Developing customer centric products, continuous engagement with customers pre and post developments. Fraud mitigation and financial literacy                        |
| The bank's key focus is client experience. We continue to improve the client process journey and this is done with collaborating with analysts and client experience |
| Client interaction via various key review surveys, calls etc.                                                                                                        |
| The bank has kept investing in latest digital technology and keep being the market digital banking pioneer                                                           |
| Continue investing in innovative technology to improve online banking                                                                                                |

**Table 5.18 Strategies to Improve Customer Satisfaction Author (2023)**

From the table above three strategies have been identified:

1. Customer centricity
2. Continuous investment in technology to improve and increase product offering
3. Fraud mitigation and financial literacy

### 5.2.5. Section D: Attitude Towards Technology

**14. How has the customer adoption of digital banking services evolved? Have you noticed any demographic trends or patterns in terms of who is more likely to adopt these services?**

|                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Over the years the Digital adoption has been higher in urban areas than in rural areas. However, digital adoption has also helped to bridge the urban rural divide |
| The 20-40yrs are more likely to use digital services and the urban areas continue to lead due to the infrastructure support for internet services                  |
| Clients all over the country utilize digital services.                                                                                                             |
| The older generation are having difficult to accept digital services as a way of doing banking and the new generation have wholly embraced it                      |
| Young people adopt the use of online banking very quickly                                                                                                          |

**Table 5.19 Customer Adoption- Author (2023)**

Customer adoption of digital banking services has been higher in urban areas than rural areas due to easily accessed internet and the younger clients aged between 20 to 40 years are more likely to use digital services than the older generation who are not easily adopting to technological changes and advancements.

**15. How does the bank encourage customers to adopt and engage with digital services? Are there any strategies or incentives you've found to be effective?**

|                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Banks mostly engage customers through their Marketing Strategies Above the line (Billboards, radio and television) Below the line (text messages and one to one engagements) and Through the line (Social media). Banks that add financial literacy to their strategies tend to get more customers adopting digital strategies |
| Currently SCB is the only bank that allows clients to self-onboard end to end for saving and current accounts digitally. These accounts have no minimum balance requirement or management fees. This is a benefit accrued to clients for self-onboarding                                                                       |
| The bank has been having on going campaigns to promote awareness and encourage clients to use digital services                                                                                                                                                                                                                 |
| We offer cash back to customers using digital channels to transact.                                                                                                                                                                                                                                                            |

**Table 5.20 Adoption Strategies -Author (2023)**

The bank has been encouraging customers to adopt and engage with digital services by offering incentives when clients use digital services by offering discounts and cash back to clients. Some strategies the banks have found effective are marketing on various platforms like Television Radio, text messages, billboards and social media platforms like Facebook, LinkedIn, YouTube, Tiktok and Instagram. They also run campaigns to promote awareness and encourage clients to use services.

**16. With the rise of digital transactions, how has the bank addressed concerns related to security and customer trust?**

|                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Through fraud on risk awareness campaigns to customers and by implementing security measures such as PIN. password protect and biometrics for access to customer funds                                 |
| Cyber-crime continues to evolve and the banks are equal to task. We continue to upgrade our digital applications. Further we continue to sensitize our customers about cybersecurity and cyber threats |
| Yes, there are various client authentication methods                                                                                                                                                   |
| The Bank has put up a double authentication security process before a transaction is done and any transactions has to be authorized by a client                                                        |
| By investing more in cyber security                                                                                                                                                                    |

**Table 5.21 Security & Customer Trust Author (2023)**

The bank has addressed concerns related to security and customer trust through fraud on risk awareness campaigns via text messages, enhancing the security features by introducing one-time personal identification numbers to authorize a debit transaction and investing more cyber security.

**17. Can you elaborate on the measures the bank has taken to ensure that customers feel safe while using digital services?**

|                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Fraud and Risk awareness campaigns: educating customers on the different types of Digital fraud, how to avoid and report them                                                                  |
| 2. Personal Identification Number(PIN), Password and biometric access are means of authenticating customers before they can access funds on their account for all customer-initiated transactions |

|                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Email and text broadcasts with information on how to secure access to digital platforms are sent out on a bi weekly basis                                                |
| Authentication via One-time pin(OTP) and 2 level pins to confirm any payment                                                                                             |
| Before a transaction is processed the client receives the OTP and if the they are any attempt to log into the online banking platform the client receives a notification |
| We have introduced a number of security checks such as Two Factor Authentication(2FA) and notifications to email and phone.                                              |

**Table 5.22 Security Measures- Author (2023)**

Three measures have been taken by the banks to ensure customers feel safe while using digital services

1. Fraud and risk awareness campaigns via text messages and emails.
2. One-time personal identification number to authorize debits on the account
3. Text and email alerts after every transaction.

#### **18. How do regulatory frameworks and compliance requirements impact the development and deployment of digital banking services in Zambia?**

|                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| They provide regulatory and compliance standards that help banks to ensure that they provide customer centric products and services                                                                                     |
| Regulatory framework is supported by data provided by the banks. Through Bankers Association of Zambia recommendations to make adjustments have been accepted and this should continue in a fluid industry like banking |
| National payments act encourages digital banking services                                                                                                                                                               |
| Regulatory frame works have over the years evolved and support digital banking services                                                                                                                                 |
| It can impact digital banking services by stifling innovation or by accelerating it. The current framework encourages Digitalization and this is good                                                                   |

**Table 5.23 Regulatory Framework Author (2023)**

They offer regulatory and compliance guidelines that assist banks in supplying customer-focused products and services. The current regulatory framework supports the use of digital banking services.

#### **19. How does the bank ensure that its digital services comply with these regulations while also delivering a seamless customer experience?**

|                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| By ensuring that their staff are knowledgeable about regulation applicable to their products and services and ensuring that the regulator is notified of all developments in the Digital financial space |
| Like other product features, digital service characteristics are presented before the regulator for approval.                                                                                            |
| These have to be followed due to penalties if no compliance                                                                                                                                              |
| The digital services follow the same Mandatory AML requirements                                                                                                                                          |
| By ensuring that all systems comply with the various regulations and investing in technology as per regulations specifications.                                                                          |

**Table 5.24 Comply with Regulations Author (2023)**

1. The services are presented for approval before being offered to the clients.
2. Due to the high penalties of not following the regulations, banks ensure they are compliant with the regulations.
3. Staff awareness of the regulations is also key.

## Correlation between variables

The correlation information provided explores the relationship between respondents' education levels and the type of electronic banking used.

| Correlations                         |                     | Education_level | Type_of_Digital_Banking_Service_used |
|--------------------------------------|---------------------|-----------------|--------------------------------------|
| Education_level                      | Pearson Correlation | 1               | .396**                               |
|                                      | Sig. (2-tailed)     |                 | <.001                                |
|                                      | N                   | 400             | 400                                  |
| Type_of_Digital_Banking_Service_used | Pearson Correlation | .396**          | 1                                    |
|                                      | Sig. (2-tailed)     | <.001           |                                      |
|                                      | N                   | 400             | 400                                  |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

In the table above, the Pearson correlation coefficient between education level and the type of Digital Banking Services used is 0.644. The positive sign indicates a strong, positive relationship, suggesting that as education levels increase, there is a significant tendency for respondents to use a certain type of electronic banking more frequently. The p-value, which is less than 0.001 (0.000), indicates that this correlation is highly statistically significant.

Put simply, the data suggests a robust, positive association between education levels and the type of electronic banking utilized. The correlation being significant at the 0.01 level implies a high degree of confidence that this observed relationship is not due to random chance. However, it's important to note that correlation does not imply causation. While there is a strong statistical association, the nature of the relationship and the factors driving it would require further investigation to be fully understood.

### **Correlation Matrix**

| <b>Variables</b>                | <b>Education Levels</b> | <b>Glitches on transactions</b> | <b>Frequency of Use</b> | <b>Customer Satisfaction</b> | <b>Likely to Recommend</b> |
|---------------------------------|-------------------------|---------------------------------|-------------------------|------------------------------|----------------------------|
| <b>Education Levels</b>         | 1.000                   | -0.173                          | 0.215                   | 0.322                        | -0.203                     |
| <b>Glitches on transactions</b> | -0.173                  | 1.000                           | -0.076                  | -0.094                       | 0.032                      |
| <b>Frequency of Use</b>         | 0.215                   | -0.076                          | 1.000                   | 0.483                        | 0.284                      |
| <b>Customer Satisfaction</b>    | 0.322                   | -0.094                          | 0.483                   | 1.000                        | 0.567                      |
| <b>Likely to Recommend</b>      | -0.203                  | 0.032                           | 0.284                   | 0.567                        | 1.000                      |

In this correlation matrix, each variable is systematically arranged along both the top and left

sides of the table, creating a grid-like structure for comparison and analysis. The numerical values found within the cells of the matrix represent the Pearson correlation coefficient, serving as a quantitative measure of the relationship between each pair of variables under investigation. These coefficients range from -1 to 1, where a value of 1 signifies a perfect positive correlation, indicating that the variables move in the same direction. Conversely, a correlation coefficient of -1 represents a perfect negative correlation, suggesting that the variables move in opposite directions. A correlation coefficient of 0 indicates no discernible relationship between the variables.

Within the matrix, the diagonal line running from the top left to the bottom right showcases the correlation of each variable with itself. This diagonal line consistently displays a correlation coefficient of 1.000, as a variable is perfectly correlated with itself. Off-diagonal values in the matrix provide insights into the correlation between pairs of variables. For instance, a correlation coefficient of -0.173 between Education Level and Glitches During Transactions suggests a weak negative correlation, implying that as education level increases, there is a slight tendency for a decrease in reported glitches during transactions.

Understanding the interpretation of these correlation coefficients is crucial for discerning the strength and direction of relationships between variables. A correlation coefficient closer to 1 or -1 signifies a stronger relationship between variables, while coefficients closer to 0 indicate weaker relationships or no apparent association. This comprehensive depiction of correlations within the matrix aids researchers in identifying patterns, trends, and dependencies among variables, facilitating a deeper understanding of the underlying dynamics within the dataset.

## **CHAPTER 6:**

### **DISCUSSION OF RESULTS**

#### **6.1 Introduction**

The study was guided by research questions that aimed to identify the factors contributing to customer satisfaction post digitalization, assess the ease of access to digital banking platforms, and examine the effects of adopting digital banking services on customer satisfaction. This chapter focuses on discussion of the findings. The discussion is structured around several headings, including demographic characteristics, Digitalization and customer satisfaction, access to digital banking platforms, and the adoption of digital banking services. Additionally, there are subheadings that further guide the discussion. Finally, a comprehensive conclusion is drawn at the end of this chapter.

#### **6.2 Demographic Characteristics**

The study sample comprised of 57 percent men and 43 percent women, indicating a higher participation rate of men in the survey. Among the respondents, 71% fell within the age range of 30 to 49, with 35.5% falling between 30 and 39, and another 35.5% falling between 40 and 49. Furthermore, the majority of participants held a bachelor's degree, accounting for 45.8% of the sample, followed by those with master's degrees at a rate of 30.8%. It is worth noting that the level of education of the respondents has a significant influence on the quality of their responses. The fact that a majority of the respondents possessed at least a bachelor's degree is advantageous for the research, as it suggests that they were well-educated and had a clear understanding of the questionnaire. The five individuals who were interviewed were all in managerial roles and possessed a minimum of 15 years of experience in the banking industry. This indicates that they have been involved in the industry since the time when banks began to focus on improving their digital platforms, and as a result, they are well-versed in this area. Out of the total respondents, there were 2 individuals who identified as female and 3 individuals who identified as male.

#### **6.3 Digitalization and Customer Satisfaction**

According to Chart 5.4, 47.8% of the respondents used digital channels daily while 36% used the digital channels weekly. Showing that most of the respondents are daily users of digital

banking services, with chart 5 showing that the majority (84%) of the respondents used mobile banking application, 69.8% used Online Banking, 62.5% was the use of funds transfer with 60.8% representing ATM services and bill payment scored 48%. From the results in chart 5.4 and 5.5, 56.75% of the respondents faced challenges or difficulties while using the digital banking services and the challenges were Application issues where the Application is not working, ATM not working when services are needed, Internet and Network challenges, mobile money transfers not working and issues with fund transfer while 43.25% of the respondents encountered no challenges. This in turn means that the findings of Standard Chartered contradict the findings of Nader et al (2019)

In this study, it has been observed once again in Table 3 that convenience remains the most favored aspect of digital banking services, receiving a score of 57.75%. This is closely followed by real-time alerts, which garnered a score of 14.25%, and 24/7 access, which obtained a score of 10%. Among the respondents, 34 individuals expressed that digital banking saves them time, while 13 respondents highlighted its user-friendly nature. Interestingly, 11 participants stated that they did not find any appealing features in digital banking services. On the other hand, 8 respondents specifically mentioned that reduced visits to physical bank branches were the most appealing aspect to them. Additionally, 6 participants emphasized the security of digital banking, while others appreciated services such as loan applications, mobile banking, and bill payments.

The primary driver for utilizing digital banking services was found to be convenience, as indicated by 92% of the respondents. This was closely followed by the desire to save time, with 81% of the participants expressing this motivation. Additionally, a significant proportion of the respondents, 80.3%, emphasized the importance of having access to banking services around the clock. Furthermore, a notable percentage of 75.5% acknowledged the reduced necessity for physical visits to banking establishments (Chart 5.6). This agreed with the study by (African Banker, 2022) which stated that in contrast to conventional brick-and-mortar banks that have restricted operating hours, digital banking services are accessible round the clock, enabling customers to oversee their financial affairs at any given moment.

45.3% of the respondents said the level of customer support was good and 28.7% said it was average this is according to the findings in Chart 5.7. More customer support should be rendered to improve this rating. On the other hand, the availability and responsiveness of customer support for digital platform related queries or issues was generally good. This is

evident from the ratings given in Chart 5.10, 13.3% said it was excellent, 44.2% said it was good and 32.8% said it was average giving us a total of 90.3%. The queries and concerns are promptly addressed by the customer support team as 67.5% said so and this is extracted from Chart 5.8. This is encouraging but more should be done on customer support as earlier alluded to.

According to Chart 5.11, 80.6% of the respondents are satisfied with the overall experience of being a customer of their bank and they gave a rating of 7 and more out of 10. The quality of products or services provided to the bank was good to excellent as the respondents indicated a rating of 66.3% for good service or product and 23.5% for excellent service or product which brings to a total of 89.8 % (Chart 5.9). This rating shows satisfaction from the respondents. 53% are very likely to recommend their bank to others while 36.7% are somewhat likely bring the total to 89.7% of the responses. This indicates that 89.7% are likely to recommend their bank as they are satisfied.

The majority of the respondents (91.3%) are likely to recommend the banks digital platforms to others this is according to chart 13. It is interesting to note, contrary to the view held by the researcher, that most of the respondents are satisfied with the services provided by the bank. Overall 87% of the respondents are satisfied with the services provided by the bank. This is broken into 25.3% being very satisfied and 61.7 being satisfied (Chart 5.12).

The compilation of the bank staff indicates that the range of digital banking services provided encompassed wallets, cellphone banking, mobile banking, online banking, Automated Teller Machines and Point of Sale services. This agrees with the respondent's view. According to the findings presented in chart 5.28, the primary drivers for the implementation of Digitalization initiatives are the enhancement of efficiency, improvement of customer experience, and the need to remain competitive. This aligns with the research conducted by Dauda and Kinoo (2012), which highlights the intensification of competition in the banking sector due to the emergence of digital-only banks and fintech startups. As a result, traditional banks are compelled to improve their digital offerings to keep up with the changing landscape and remain competitive.

Over the years, digital services have undergone a significant evolution, resulting in a wider range of product offerings that are more accessible to clients. This transformation has been driven by various factors, including client demand, market trends, and technological

advancements. The introduction of digital banking has significantly enhanced customer experience and satisfaction, as evidenced by the findings in Table 5.9. This technological advancement offers unparalleled convenience, allowing customers to access banking services from the comfort of their offices and homes.

The reception of digital services by customers has been mixed, with both positive and negative feedback. While there has been a surge in online transactions, some individuals are hindered by their lack of technological proficiency, while others hold misconceptions regarding security concerns. Additionally, there are those who do not possess smartphones, further limiting their access to digital services. One bank respondent expressed agreement with the aforementioned perspective by saying *“Customers are more eager to take on digital solutions as we have seen from the growth and increase in transactions performed on digital platforms. However because digital banking requires devices, some customers tend to shun away due to the misconceptions around device and tech usage”* (Table 5.12).

According to Table 5.13, the measurement of customer satisfaction pertaining to digital banking services at the bank is conducted through surveys administered by independent surveyors. The bank focuses on tracking key metrics such as the growth in onboarding, utilization, and net promoter scores. From these surveys the bank is able to tell the temperature of the satisfaction.

The researcher can safely conclude that convenience of being able to use and access digital platforms from anywhere without having to go to the branch, the customer support they get and also the level of responsiveness and finally the quality of the products and the variety of the products offered are that the factors that have led to customer satisfaction in digitized banks.

#### **6.4 Access to Digital Banking Platforms**

In this section the researcher is going to discuss the findings on how easy it is to access digital banking platforms. The researcher also discusses other factors that contribute to the subject matter. (Namwanja, 2022) argues that the exponential growth of mobile banking applications has significantly enhanced the convenience for customers in effectively managing their financial affairs, retrieving account details, and conducting transactions through their handheld devices such as smartphones or tablets. This agrees with the findings in Chart 5.14 where 76% of the respondents agree that digital banking services are very convenient in terms of accessibility and ease of use while 52.8% perceived that digital banking services provided a

secure environment and 36% of the respondents said it was somewhat secure. The information or services that are needed are easily found on the digital platforms according to the 93% respondents who affirmed (Chart 5.16). When it comes to speed and efficiency of transaction conducted through the digital platforms, 27.8% of the respondents were very satisfied with 57.5% being satisfied. This in turn means the majority (85.3%) of the respondents were satisfied with the speed and efficiency of transactions conducted through the digital platforms (Chart 5.15).

According to Chart 5.17, the majority of the respondents encountered issues or delays when performing transactions online. This is a positive in the event of a fraud the account holder is able to know and act quickly by notifying the bank to block the transactions. In terms of responsiveness, the customer service representatives have been somewhat and very responsive. This has been deduced from the fact that the rating for the total came to 83.5% with 35.5 being very response and 28% representing somewhat responsive as derived from Chart 5.19. According to the survey conducted with 400 respondents, it was found that 89.3% of them received real-time updates and notifications regarding their transactions. On the other hand, 10.8% (n=43) of the respondents reported that they were not provided with real-time updates and notifications for their transactions(chart 5.18).

Convenience, Quality of products, customer service, variety of options and price are the aspects of product or services which the respondents found most satisfying according to chart 5.20. The statement concurs with the research conducted by Muluka (2015), which affirms that digital banking empowers customers to carry out diverse banking operations from the convenience of their homes or while on the move, utilizing mobile devices. This level of convenience encompasses activities such as checking account balances, transferring funds, settling bills, and even requesting loans.

The challenges encountered by banks in the implementation and promotion of digital banking services are multifaceted. As indicated in Table 5.12, these challenges include system-related issues, difficulties in technology adoption among senior citizens, and challenges faced by visually impaired individuals due to the lack of provisions for them. Additionally, banks face challenges related to fraud and misconceptions surrounding digital platforms. These challenges highlight the need for banks to address various issues in order to effectively implement and promote digital banking services.

One of the bank respondents said;

*“Obviously system challenges with integration with local Financial Technology companies(Fintechs). There has been no challenges with marketing digital services”.*

This response aligns with Balkan's (2021) assertion that digital banks frequently collaborate with or integrate fintech solutions, encompassing peer-to-peer payment applications, investment platforms, and budgeting tools, in order to extend their repertoire of financial services.

Digitalization has yielded numerous advantages and favorable consequences for both customers and financial institutions. Four out of five bank respondents reported that the bank experiences reduced costs as a positive outcome. Consequently, this leads to increased revenue, improved efficiencies, and enhanced accessibility. Additionally, there is a decrease in human error. The customers also benefit from reduced transaction costs, convenience, and improved accessibility (Chart 5.20). These findings align with the research conducted by Muluka (2015), which suggests that digital banking diminishes the necessity for physical infrastructure and personnel, resulting in cost savings for banks. Consequently, these savings can be transferred to customers through lower fees and more favorable interest rates.

The industry is expected to be shaped by the emerging trends or technologies that are believed to have a significant impact. One such trend is the utilization of AI and big data to analyze customer behaviors and trends. This approach will play a crucial role in the future of Digitalization as it enables the industry to gain insights into customer needs and even predict future customer requirements(Table 5.17).

Furthermore, the future of banking lies in digital banking services. It is anticipated that more banks will transition from traditional brick and mortar structures to digital platforms. This shift is supported by the rise of local Fintech companies that aid in system integration. As a result, the current digital banking services are continuously being improved, with efforts focused on simplifying menu access and enhancing the overall user experience (Table 5.18).

From table 5.18 it is seen that the Zambian market is swiftly embracing digital services, primarily due to the prevalence of online transactions and the reduced reliance on cash. This adoption is driven by the convenience and efficiency offered by digital platforms. Additionally, the increasing ownership of smartphones and the expanding network coverage have contributed to the growing popularity of mobile applications.

In the context of digitalization, the bank aims to enhance customer satisfaction through the implementation of various strategies. These strategies include the development of customer-centric products, continuous engagement with customers pre and post developments, fraud mitigation, and financial literacy. The bank's primary focus is on improving the client experience, which is achieved through collaboration with analysts and client experience. Additionally, the bank interacts with clients through various channels such as key review surveys and calls. Furthermore, the bank invests in the latest digital technology to remain a pioneer in the market of digital banking. The bank plans to continue investing in innovative technology to further improve online banking and enhance customer satisfaction (Table 5.18).

In summary, the above text highlights key points about access to digital banking, including challenges faced by banks, the benefits of collaboration with Fintechs, advantages of digitalization, the role of AI and big data analysis, the future of banking, and strategies for enhancing customer satisfaction. Respondents found convenience, quality, customer service, variety of products, and price to be satisfying aspects of products or services. Digital banking services are highly convenient and easy to access. They are also secure and you can easily find information or services you want on digital platforms. The majority are satisfied with the speed and efficiency of digital transactions, while some respondents faced issues or delays in online transactions, which can help detect and notify the bank of potential fraud. Customer service representatives were highly responsiveness and customers received real-time updates and notifications for transactions. Overall, while clients may encounter occasional difficulties, accessing digital banking platforms remains a straightforward process.

### **6.5 Adoption of Digital Banking Services**

From chart 5.21, 89% of the respondents rated the ease of navigation and user-friendliness to be good/excellent. This was composed of 28% saying excellent and 61 % saying good. According to (American Bankers Association, 2019) The accessibility of ATMs, online banking, and mobile banking services plays a crucial role in the acceptance of digital banking services and the overall banking experience. These services are intended to provide customers with easy-to-use and convenient banking experiences that are accessible 24/7 on various devices, and with strong security measures that inspire trust in users (Harb, et al., 2022). The improved accessibility of these services is a significant factor in the wider adoption of digital banking services, ensuring that customers have flexible and convenient options for managing their financial requirements (Harb, et al., 2022). This means that the finding in Chart 5.21 are in agreement with the findings in the two studies above.

In terms of confidence in the security measures implemented by the bank to protect personal and financial information on digital platforms, 22% of the respondents were very confident that their information is secure while 53.5% were confident of the security measures indicating that the majority felt that their information on digital platforms is secure according to chart 5.22. This agrees with Balkan (2021) that digital banking services often prioritize security by implementing advanced encryption and authentication measures to safeguard customers' financial information. In certain cases, these measures can offer even greater security compared to traditional banking methods.

Privacy is adequately maintained while using the digital platforms according to the 85% respondents in chart 5.24. This is key for the clients as they know that their money is safe. There are clear channels of communication in the event you want to seek assistance on digital platform related matters. As is shown in chart 5.25 where 72.3 % of the respondents said so though there is need to improve on the channels of communication as a significant number (27.7%) said there was no clear channels of communication for seeking assistance on digital platform related matters. 97.8% of the respondents are likely to continue using their banks digital platforms in the future as shown in Chart 5.26.

According to Kingu (2021), banks and financial institutions prioritize the development of user-friendly and intuitive interfaces for their digital platforms. This strategic investment aims to enhance the ease of navigation and utilization of these services by customers. Overall, these findings shed light on the significance of convenience in digital banking services and the efforts made by banks and financial institutions to improve the user experience.

The suggestions are for the following according to the findings in table 5.6: improving the website or mobile application were making the applications more user friendly, introducing contactless ATM withdrawals, improving ATM tapping internet security, improving on response rates, integrating mobile banking and online banking into one, the introduction of an offline version, network improvement, introduction of call center , inclusion of investments options , like bonds and treasury bills, lowering of transaction fees and account opening options. This agrees with Veseli-Kurtishi et al. (2020), that the availability of digital banking services has significantly reduced the barriers to entry for customers seeking to open new accounts. This implies that digital platforms should offer account opening options to enhance accessibility. Currently, only Standard Chartered Bank provides this service on its digital platform. 80.5% did not have any suggestions.

The bank official interviewed provided insights on the evolution of customer adoption of digital banking services and the presence of any demographic trends or patterns. It was observed that digital adoption has been more prevalent in urban areas compared to rural areas. However, it is worth noting that digital adoption has also played a role in bridging the gap between urban and rural areas. A study conducted by (Nader, et al., 2019) demonstrates that the advent of the internet and smartphones has significantly expanded the reach of digital banking services, making them accessible to a wider range of individuals, including those residing in remote or underserved areas. Consequently, this development has played a crucial role in narrowing the banking gap within certain regions. From Table 5.19 you will note that the age group of 20-40 years is more inclined towards utilizing digital services, and this trend is further reinforced in urban areas due to the availability of infrastructure supporting internet services. Young individuals exhibit a rapid adoption of online banking, while the older generation faces challenges in accepting digital services as a banking method. On the other hand, the new generation has wholeheartedly embraced digital banking. It is important to highlight that clients from all regions of the country are utilizing digital services.

The bank has implemented a comprehensive marketing approach to encourage customer adoption and engagement with digital services. This approach encompasses various strategies, including above the line marketing through billboards, radio, and television, below the line marketing through text messages and one-to-one engagements, and through the line marketing via social media platforms such as Facebook, LinkedIn, YouTube, Tiktok, and Instagram. These strategies are continuously reinforced through ongoing campaigns aimed at promoting awareness and motivating clients to utilize digital services (Table 5.20).

Information from Table 5.20 also indicates that one effective strategy employed by banks is the utilization of multiple platforms for marketing purposes as mentioned above. By diversifying their marketing efforts across these channels, banks are able to reach a wider audience and increase the likelihood of customer engagement.

Furthermore, banks that incorporate financial literacy into their marketing strategies tend to experience higher rates of customer adoption of digital services. By providing educational resources and information on financial literacy, banks are able to empower customers to make informed decisions and confidently embrace digital strategies.

One of the banks respondents had this to say about the strategy they have as a bank;

*“Currently SCB is the only bank that allows clients to self-onboard end to end for saving and current accounts digitally. These accounts have no minimum balance requirement or management fees. This is a benefit accrued to clients for self-onboarding”*(Table 5.20).

Additionally, offering cash back incentives to customers who utilize digital channels for transactions is another effective strategy employed by banks. This incentive serves as a motivator for customers to engage with digital services, as it provides a tangible benefit for their usage(Table 5.20).

The bank has implemented a multifaceted marketing approach to encourage customer adoption and engagement with digital services. Through above the line, below the line, and through the line marketing strategies, ongoing campaigns, and the incorporation of financial literacy and cash back incentives, the bank aims to promote awareness and encourage clients to utilize digital services(Table 5.20).

The bank has effectively responded to concerns regarding security and customer trust by implementing various measures. These include conducting fraud and risk awareness campaigns to educate customers, as well as implementing security measures such as PINs, password protection, and biometrics for accessing customer funds. In order to keep up with the ever-evolving nature of cyber-crime, the bank consistently upgrades its digital applications. Furthermore, the bank has made significant investments in cyber security to further enhance its protective measures. Additionally, the bank prioritizes customer education by raising awareness about cybersecurity and cyber threats. To ensure the utmost security, the bank has implemented a double authentication security process, requiring client authorization before any transaction can take place (Table 5.21).

The banks have implemented various measures to ensure the safety of customers while utilizing digital services. These measures include conducting fraud and risk awareness campaigns, which aim to educate customers about the different types of digital fraud, as well as provide guidance on how to avoid and report such incidents. Additionally, customers are required to authenticate themselves through personal identification numbers (PINs), passwords, and biometric access before they can access funds for any customer-initiated transactions. To further enhance security, the banks regularly send out email and SMS broadcasts containing information on how to secure access to digital platforms. Moreover, customers are required to confirm any payment through the use of an OTP and a two-level pin. In the event of any transaction, the client receives an OTP, and if there is any attempt to log into the online banking

platform, the client is promptly notified. Furthermore, the banks have implemented additional security checks, such as 2FA, and notifications are sent to the customer's email and phone to ensure the utmost security (Table 5.22).

The assertion made by (Veseli-Kurtishi, et al., 2020) aligns with the notion that digital banking platforms frequently utilize data analytics and artificial intelligence to deliver tailored financial guidance, suggestions for products, and notifications to their clientele.

In general, the adoption of digital banking services is a global trend that is expected to continue growing as technology evolves, and consumers increasingly prioritize convenience, accessibility, and security in their financial transactions (Hanafizadeh, et al., 2014). However, it is important to note that different regions and demographics may exhibit varying levels of adoption and acceptance of digital banking (Ibid, n.d.).

The utilization of digital banking services has been progressively rising in recent years, propelled by technological advancements, evolving consumer preferences, and the convenience provided by digital platforms (Kingu, 2021). This statement agrees with the findings in Several key factors have contributed to the adoption of digital banking services, including accessibility, 24/7 availability, cost savings, enhanced security, user-friendly interfaces, mobile apps, personalization, remote account opening, integration with fintech services, the COVID-19 pandemic, security features that protect their money and give them confidence that the transactions are safe and market competition. Thus, said digital banking has been adopted well since the ratings of the key factors are good.

## **6.6 Other factors to Consider**

The impact of regulatory frameworks and compliance requirements on the development and deployment of digital banking services in Zambia is a significant consideration. These frameworks and requirements serve as guidelines and standards that banks must adhere to in order to ensure the provision of customer-centric products and services. The regulatory framework is further strengthened by the data provided by banks, which allows for adjustments and improvements to be made in line with the recommendations of the Bankers Association of Zambia. This continuous evolution of the regulatory framework is crucial in a dynamic industry such as banking (Table 5.23).

One notable aspect of the regulatory framework is the National Payments Act, which actively encourages the adoption and utilization of digital banking services. This act serves as a catalyst for the growth and development of digital banking services in Zambia.

The impact of regulatory frameworks and compliance requirements on digital banking services can be twofold. On one hand, these frameworks can potentially stifle innovation by imposing strict regulations and limitations. On the other hand, they can also accelerate innovation by providing a supportive environment for Digitalization. In the case of Zambia, the current regulatory framework encourages Digitalization, which is beneficial for the advancement of digital banking services.

Regulatory frameworks and compliance requirements play a crucial role in shaping the development and deployment of digital banking services in Zambia. These frameworks provide the necessary guidelines and standards for banks to ensure customer-centricity, and their continuous evolution supports the growth of digital banking services. The National Payments Act further encourages the adoption of digital banking services. While regulatory frameworks can potentially hinder innovation, the current framework in Zambia promotes Digitalization, which is advantageous for the advancement of digital banking services.

The bank ensures compliance with regulations and a seamless customer experience for its digital services by ensuring that its staff are well-informed about the applicable regulations and promptly notifying the regulator of any developments in the digital financial space. Additionally, the characteristics of digital services are presented to the regulator for approval, as they are considered as product features. Non-compliance with these regulations may result in penalties. Furthermore, the digital services adhere to the same mandatory Anti-Money Laundering (AML) requirements. The bank also ensures compliance by ensuring that all systems meet the requirements set forth by the various regulations and by investing in technology that aligns with the specified regulations (Table 5.24).

#### **A. How the conceptual model has been used**

The conceptual model in the image represents a framework for understanding the relationship between different variables, such as efficiency, customer satisfaction, and reliability. This model can be applied to various industries, including digital banking in Zambia.

In the context of digital banking in Zambia, the model can be used to analyze the factors that influence customer satisfaction and loyalty. For example, the efficiency of digital banking services, such as the speed and ease of transactions, can impact customer satisfaction. Similarly, the reliability of the digital banking platform, including the availability of services and the security of customer data, can also play a crucial role in customer satisfaction. By using this conceptual model, researchers can identify the key factors that contribute to customer satisfaction and loyalty in digital banking in Zambia. This information can then be used to develop strategies for improving the digital banking experience and increasing customer satisfaction.

Mwansa, and Mwansa, (2016), initiated a study into the factors influencing customer satisfaction in digital banking: A case study of Zambia's mobile banking services. This study investigates the factors influencing customer satisfaction in digital banking in Zambia, using the conceptual model of efficiency and customer satisfaction. The authors identify key factors such as ease of use, security, and responsiveness of the mobile banking services, and propose strategies to improve the customer experience.

Moreover, Chilufya, C. (2019) in his paper on the factors influencing customer satisfaction in digital banking: A case study of Zambia's digital banks examines the factors influencing customer satisfaction in digital banking in Zambia, using the conceptual model of efficiency and customer satisfaction. The author identifies key factors such as convenience, speed, and accessibility of digital banking services, and suggests strategies to enhance customer satisfaction and loyalty. This study explores the factors influencing customer satisfaction in digital banking in Zambia, using the conceptual model of efficiency and customer satisfaction. The authors identify key factors such as reliability, trust, and responsiveness of the digital banking services, and propose strategies to improve customer satisfaction and retention.

The conceptual model is a visual representation of the factors that influence customer satisfaction and loyalty in digital banking. It is a tool that helps to identify and understand the relationships between these factors, and how they impact customer satisfaction and loyalty. By analyzing the model, researchers can gain insights into the key drivers of customer satisfaction and loyalty in digital banking, and develop strategies to improve these factors.

In the context of digital banking in Zambia, the model can be used to study the specific factors that influence customer satisfaction and loyalty in this market. For example, the model can help to identify the most important factors that contribute to customer satisfaction and loyalty, such

as efficiency, reliability, and ease of use. By understanding these factors, digital banking providers can develop targeted strategies to improve customer satisfaction and loyalty, and ultimately increase their market share and profitability.

## **B. What the Correlation Analysis further interprets**

Each correlation coefficient within the matrix represents the strength and direction of association between two specific variables, offering researchers a quantitative basis for interpreting the data and drawing conclusions. Here's how the correlation matrix could be discussed in the findings section:

- i. **Education Level and Glitches During Transactions:** The correlation coefficient of -0.173 between education level and glitches during transactions suggests a weak negative correlation. This indicates that as education level increases, there is a slight tendency for reported glitches during transactions to decrease. While this correlation is statistically significant, its practical implications may be limited due to the relatively small magnitude of the coefficient.
- ii. **Frequency of eBanking Use and Customer Satisfaction:** The correlation coefficient of 0.483 between frequency of eBanking use and customer satisfaction indicates a moderate positive correlation. This suggests that as the frequency of eBanking use increases, there is a corresponding increase in customer satisfaction levels. This finding underscores the importance of providing seamless and convenient eBanking services to enhance overall customer satisfaction.
- iii. **Customer Satisfaction and Likelihood to Recommend:** The correlation coefficient of 0.567 between customer satisfaction and likelihood to recommend eBanking services highlights a strong positive correlation. This implies that higher levels of customer satisfaction are associated with a greater likelihood of recommending eBanking services to others. This finding underscores the pivotal role of customer satisfaction in driving positive word-of-mouth referrals and fostering customer loyalty.
- iv. **Glitches During Transactions and Likelihood to Recommend:** The correlation coefficient of 0.032 between glitches during transactions and likelihood to recommend eBanking services suggests a negligible positive correlation. This indicates that while there is a slight tendency for users who experience fewer glitches to be more likely to

recommend eBanking services, the practical significance of this relationship may be limited.

## **6.6 Interview Summary**

In Summary the bank respondents said the relationship between digitalization and customer satisfaction in Standard Chartered Bank Zambia is a topic of interest. Digitalization has proven to offer numerous advantages to customers, such as convenience and cost-effectiveness compared to traditional channels. Additionally, it has empowered local communities by involving local businesses in the provision of digital banking services, thereby creating additional revenue streams and employment opportunities. In the banking sector, Digitalization is considered a strategic focus, and banks that fail to prioritize it risk losing their purpose. Without Digitalization, the banking industry would become stagnant and eventually phased out. Customers appreciate the freedom that digitalization provides, allowing them to conduct banking activities at their convenience. (Bank Of Zambia, 2021) stated that the global adoption of Digitalization has been significantly expedited by the COVID-19 pandemic, as banks have actively pursued contactless methods to handle their financial affairs and conduct transactions, all while adhering to the necessary social distancing protocols.

## **6.7 Conclusion**

In conclusion, the effect of Digitalization on customer satisfaction in Standard Chartered Bank Zambia is subject to a range of influencing factors. The enhancement of satisfaction can be achieved through the facilitation of convenience, accessibility, speed, customer alerts for their transactions, and real-time feedback. However, it is important to acknowledge that certain challenges such as technical issues, limited human interaction, privacy concerns, and the learning curve associated with technology adoption can potentially hinder customer satisfaction.

## **CHAPTER 7:**

### **CONCLUSION AND RECOMMENDATION**

#### **7.1. Introduction**

This study centered its attention on the effect of digitalization on customer satisfaction within Standard Chartered Bank Zambia. It aimed to provide a comprehensive understanding of the factors that contribute to the smooth functioning of digital platforms, as well as the challenges faced by users. The previous chapter presented a detailed discussion and analysis of the study's findings. In this chapter, the conclusion and recommendations are presented, along with proposed areas for future research. The objective is to gain a comprehensive understanding of the issues surrounding Digitalization and its effect on customer satisfaction. The aim of the study is to investigate the effect digitalization has on customer satisfaction in the banking industry in Zambia by determining the factors that lead to customer satisfaction in digitized banks, determining how easy it was to access the digital banking platforms and establishing how the adoption of digital banking services impacted customer satisfaction levels in the bank. The study was guided by the following questions:

- i. What factors have led to customer satisfaction in Standard Chartered Bank Post digitalization?
- ii. How easy is it to access digital banking platforms?
- iii. How has the adoption of digital banking services impacted customer satisfaction levels in Standard Chartered Bank Zambia?

#### **7.2 Conclusion**

The conceptual framework of this research effectively demonstrates the interconnection between the independent and dependent variables. Figure 2 provides a visual representation of this framework. The independent variables selected for this study encompassed the adoption of technology, efficiency, reliability, and user friendliness. On the other hand, the dependent variable focused specifically on customer satisfaction.

In relation to the charts, Chart 14 indicates that the services offered are reliable. Additionally, Chart 15 highlights the efficiency of the service. Furthermore, Chart 21 demonstrates that the service is user-friendly and has significantly improved satisfaction levels. Moreover, the aforementioned charts, including Chart 22, provide evidence of the successful adoption of technology. Lastly, Charts 11 and 12 indicate high levels of client satisfaction.

# I. What factors have led to customer satisfaction in Standard Chartered Bank Post digitalization?

The effect of Digitalization on customer satisfaction is a complex phenomenon that has resulted in various changes and improvements. It is evident that Digitalization has both positive and negative effects on customer satisfaction. However, the positive effects of Digitalization cannot be overlooked.

One of the most significant positive effects is the convenience and 24/7 accessibility that digital banking offers. Customers can access their accounts and conduct transactions at any time and from anywhere, leading to higher satisfaction.

Additionally, digital banking has streamlined processes, resulting in quicker service delivery, which has improved customer satisfaction. The cost-saving aspect of online banking has also contributed to higher satisfaction. Furthermore, Digitalization has promoted financial inclusion by offering banking services to previously underserved populations, which has positively impacted customer satisfaction.

Finally, digital banking has introduced innovative features and services that have enhanced the customer experience and satisfaction. As a result, customers are likely to recommend the bank and digital platforms to others because of the quality of products and services offered.

The implementation of Digitalization in the banking industry has brought about several negative effects that need to be addressed. One of the primary concerns is the technological barriers faced by some customers, particularly those residing in rural areas, the visually impaired and the elderly. These customers may have limited access to the internet or lack familiarity with digital tools, resulting in lower satisfaction due to difficulties in using digital services.

Another significant issue is the rising concern about data security and cyber threats as digital services become more prevalent. If customers perceive these services as less secure, it negatively affects their satisfaction. Additionally, instances of service disruptions, technical issues, or system outages can lead to dissatisfaction among customers, thereby affecting service quality.

Despite these challenges, Digitalization has had an overall positive effect on customer satisfaction in the bank. The convenience, accessibility, speed, and innovation associated with digital banking services have improved the overall customer experience. However, it is crucial

to address the issues related to technological barriers, security concerns, and occasional service disruptions to ensure that Digitalization continues to enhance customer satisfaction.

## II. How easy is it to access digital banking platforms?

The primary focus of digital banking platforms is to provide a user-friendly experience and seamless navigation, ensuring that users can easily access the required information and carry out transactions efficiently. Nevertheless, there may be occasional disruptions and delays in online transactions, which can be attributed to network or internet issues as discussed earlier in the context of Digitalization and customer support. Despite these challenges, the digital platforms are equipped with effective communication channels to assist clients in need. In conclusion, although clients may face occasional difficulties, the process of accessing digital banking platforms remains uncomplicated.

## III. How has the adoption of digital banking services impacted customer satisfaction levels in Standard Chartered Bank Zambia?

Digital banking services have gained widespread acceptance due to a multitude of influential factors. These factors encompass accessibility, round-the-clock availability, cost-effectiveness, heightened security measures, user-friendly interfaces, mobile applications, personalized experiences, remote account opening capabilities, integration with fintech services, the impact of the COVID-19 pandemic, and market competition. Consequently, the positive ratings of these key factors have contributed significantly to the successful adoption of digital banking.

### **7.3 Research Contribution**

The research on the effect of Digitalization on customer satisfaction in Standard Chartered Bank Zambia has yielded significant contributions to the field, the industry, and society. It has provided a deeper understanding of the local dynamics, allowing for the identification of unique challenges and opportunities related to Digitalization and customer satisfaction within the specific geographic and cultural context of Zambia. This research will provide information to banks and financial institutions in Zambia on how to enhance their digital services, thereby improving the overall customer experience and meeting customer needs more effectively.

### **7.3 Theoretical Contribution**

The study's primary theoretical contribution lies in its ability to elucidate the knowledge gap surrounding the effect of Digitalization on customer satisfaction within the bank. Additionally, it confirms the existence of various factors that contribute to customer satisfaction through the utilization of digital platforms.

The confirmation of the findings indicates that the implementation of Digitalization within the bank has resulted in enhanced levels of customer satisfaction. The studies conducted by Aduda & Kingoo (2012), Harb et al. (2022), and African Banker (2022) have provided evidence that digital banking services that are reliable, secure, and fast have a positive impact on customer satisfaction. These studies highlight the importance of ensuring that digital platforms are able to meet the expectations of customers in terms of reliability, security, and speed.

Furthermore, Brusnahan (2019), Balkan (2021), and Kingu (2021) have found that the convenience, accessibility, and user-friendliness of digital platforms also play a significant role in influencing customer satisfaction. Customers are more likely to be satisfied when they find digital banking services to be convenient and easily accessible. The user-friendliness of these platforms also contributes to customer satisfaction, as customers prefer interfaces that are intuitive and easy to navigate.

In addition, Muluka (2015) has emphasized the relationship between the adaptability of digital banking and customer satisfaction. The ability of digital banking services to adapt to the changing needs and preferences of customers is crucial in ensuring their satisfaction. Higher levels of adaptation lead to greater customer satisfaction, as customers feel that their needs are being met effectively.

Moreover, Namwanja (2022) and Veseli-Kurtishi et al. (2020) have highlighted the importance of continuously improving security measures in digital banking. Enhancing security measures is essential to ensure the integrity of online transactions and increase consumer confidence. Customers are more likely to be satisfied when they feel that their personal and financial information is protected. It is recommended that banks clearly communicate their security provisions on their websites to enhance their credibility and reputation.

Overall, these studies provide valuable insights into the factors that influence customer satisfaction in digital banking. Banks should focus on providing reliable, secure, and fast services, as well as ensuring convenience, accessibility, user-friendliness, adaptability, and strong security measures. By addressing these factors, banks can enhance customer satisfaction and build a positive reputation in the digital banking industry.

### **7.3.1 Practical Contribution**

The findings of this research have important policy and regulatory implications. Policymakers and regulators in Zambia can utilize these findings to gain insights into the role of Digitalization in the banking sector. This knowledge will influence the development of policies and regulations that encourage responsible Digitalization and protect consumer interests.

Additionally, the research has implications for business strategy within the banking industry. Banking institutions can use the research to refine their digital strategies, making informed decisions regarding technology investments, customer engagement, and service design. This can ultimately enhance their competitiveness in a rapidly evolving financial landscape, ensuring customer loyalty and growth.

Furthermore, the research sheds light on the relationship between Digitalization and customer satisfaction, enabling Zambian banks to stay competitive. By identifying best practices and areas of improvement, the research helps banks ensure customer loyalty and growth, thereby maintaining their competitiveness.

Moreover, the research contributes to financial inclusion in Zambia. By uncovering ways in which digital banking services can reach underserved populations, the research promotes financial access and contributes to the overall goal of financial inclusion.

Lastly, the research highlights the importance of customer education in effectively using digital banking services. By reducing resistance to Digitalization and increasing customer satisfaction, customer education plays a crucial role in the successful implementation of digital banking services.

## **7.4 Recommendations**

The researcher's recommendation was based on various issues that were uncovered by the study findings, as outlined below.

### **7.4.1 Enhancing Internet Security**

Enhancing the security of ATMs to mitigate the risks associated with tapping, skimming, and other fraudulent activities is of utmost importance in safeguarding the interests of both the banking institution and its customers. By adopting a comprehensive approach that encompasses a range of security measures and remaining abreast of emerging threats and technological advancements, banks and ATM operators can effectively fortify the security of their ATMs. Additionally, it is imperative to provide regular training to both staff and customers to ensure the maintenance of a secure ATM environment.

### **7.4.2 Providing Real-Time Responses to Digital Banking Inquiries**

To meet customer expectations for prompt and efficient service in digital banking, it is imperative to provide real-time responses to inquiries. Banks can employ various strategies and technologies to ensure this:

One effective approach is the implementation of AI-powered chatbots or virtual assistants, which can instantly address common customer queries.

Another strategy is to offer a live chat option on the bank's website or mobile app, enabling customers to engage with live agents in real-time. This feature proves especially beneficial for handling more intricate inquiries that necessitate human assistance.

Additionally, banks can allow customers to send text messages to a dedicated customer support number, ensuring quick and convenient assistance.

By adopting these strategies and technologies, banks can effectively deliver real-time responses to customer inquiries in digital banking, thereby meeting customer expectations for prompt and efficient service.

#### **7.4.3 Integrating Mobile Banking and Online Banking into A Single Application**

By consolidating mobile and online banking functionalities within a unified application, often referred to as a unified or all-in-one banking app, financial institutions can enhance the overall banking experience for their clientele, thereby fostering heightened levels of customer satisfaction and loyalty. Moreover, this integration can yield cost savings and operational efficiencies for the institution, as customers progressively gravitate towards digital platforms to fulfill their banking requirements.

#### **7.4.4 Incorporating Investment Options Such as Bonds on Digital Platforms**

By integrating investment options like Treasury bills and bonds into the digital platform, banks can effectively address a wider spectrum of customer financial requirements, augment their financial literacy, and establish the institution as a comprehensive solution for diverse financial services. This strategy has the potential to enhance customer engagement and loyalty, while simultaneously expanding revenue opportunities.

The advancement of Digitalization in the banking sector of Zambia is an ongoing process that is heavily reliant on the ability of banks to adapt to the changing needs of their customers, prioritize the implementation of strong security measures, and provide support and education to those who may not be familiar with digital tools. In light of the industry's transformation, it is crucial to address these challenges in order to maintain and improve customer satisfaction in the digital age.

### **7.5 Limitations of the Study**

During the investigation into the effect of Digitalization on customer satisfaction in the bank, certain limitations were recognized.

These limitations included sampling bias, as the study was restricted to only one bank, potentially resulting in biased outcomes due to the sample not being representative of the entire Zambian banking industry or its customer base.

Additionally, the small sample size of only 400 respondents affected the statistical power of the study and limited its ability to detect significant effects.

Furthermore, the study was subject to sample selection bias, as it relied on customers who were more inclined to use digital banking services, thereby failing to represent the views and experiences of customers who were less digitally engaged.

### **7.6 Area of Further Study**

In order to gain a comprehensive understanding of the effect of digitalization on customer satisfaction, it is recommended that a future study be conducted. This study should specifically target individuals who have not fully embraced technology, such as the visually impaired, the elderly, and those residing in rural areas. By surveying these groups, their unique perspectives and opinions can be gathered, shedding light on their views and perceptions regarding the effects of digitalization. This valuable insight will contribute to a more holistic understanding of the subject matter and aid in the development of strategies to enhance customer satisfaction in the banking sector.

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## **APPENDICES**

### **Appendix II – Survey Questionnaire**

Dear Respondent,

The questionnaire presented is purely for academic purposes. It is a requirement for the partial fulfillment for the award of a Master of Business Administration – General. All answers in this work will remain confidential. Your time and cooperation will be highly appreciated.

**Tick (✓) on all answers that are applicable to you**

#### **Section A – Demographic Information**

1 . What is your gender

- a) Male
- b) Female

2. What age group do you belong to?

- a. 20 – 29
- b. 30 – 39
- c. 40 – 49
- d. 50 – 59
- e. 60 – 69
- f. 70 – 79

3. What is your level of Education?

- a. Doctorate
- b. Masters
- c. Bachelors
- d. Diploma
- e. College Certificate
- f. Grade 12

#### **Section B – Digital Banking and Customer Satisfaction**

4. How often do you interact with your bank through digital channels (e.g., online banking, mobile banking, banking apps)?
- a) Daily
  - b) Weekly
  - c) Monthly
  - d) Rarely
  - e) Never
5. What digital banking services do you frequently use? (Please select all that apply)
- a) Online banking
  - b) Mobile banking app
  - c) ATM services
  - d) Bill payment
  - e) Fund transfers
  - f) Account opening
  - g) Loan applications
  - h) Others (Please specify): [Open-ended response]
6. What motivates you to use digital banking services? (Select all that apply)
- a) Convenience
  - b) Time-saving
  - c) Access to services 24/7
  - d) Reduced need for physical visits to the bank
  - e) Security features
  - f) Loyalty rewards
  - g) Other (please specify): \_\_\_\_\_
7. What do you like the most about the digital banking services you use? (Open-ended)
8. Have you faced any challenges or difficulties while using the digital banking services?
- a) Yes
  - b) No
9. How would you rate the level of customer support provided for digital banking services (e.g., online chat, email support, phone support)?
- a) Excellent
  - b) Good
  - c) Average

d) Poor

10. Are your queries or concerns promptly addressed by the customer support team?

a) Yes,

b) No

11. How would you rate the quality of products/services provided by your bank?

a) Excellent

b) Good

c) Average

d) Poor

12. How would you rate the availability and responsiveness of customer support for digital platform-related queries or issues?

a) Excellent,

b) Good,

c) Average,

d) Poor,

e) Very poor)

13. On a scale of 1 to 10, how satisfied are you with the overall experience of being a customer of your bank? (1 = Very Dissatisfied, 10 = Very Satisfied)

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14. How satisfied are you with the services provided by your bank?

a) Very satisfied

b) Satisfied,

c) Neutral,

d) Dissatisfied,

e) Very dissatisfied)

15. How likely are you to recommend your bank's digital platforms to others?

a) Very likely,

b) Likely,

c) Neutral,

d) Unlikely,

e) Very unlikely

### **Section C- Accessibility of Digital Platforms**

16. How convenient do you find the digital banking services in terms of accessibility and ease of use?
- a) Very convenient
  - b) Somewhat convenient
  - c) Neutral
  - d) Somewhat inconvenient
  - e) Very inconvenient
17. How satisfied are you with the speed and efficiency of transactions conducted through the digital platforms?
- a) Very satisfied
  - b) Satisfied
  - c) Neutral
  - d) Dissatisfied
  - e) Very dissatisfied
18. Are you able to find the information or services you need easily on your digital platforms?
- a) Yes
  - b) No
19. Do you encounter any issues or delays when performing transactions online?
- a) Yes
  - b) No
20. Are you provided with real-time updates and notifications regarding your transactions?
- a) Yes
  - b) No
21. How responsive have the customer service representatives been to your needs or concerns?
- a) Very responsive
  - b) Somewhat responsive
  - c) Neutral
  - d) Somewhat unresponsive

e) Very unresponsive

22. Which aspect of the products/services do you find most satisfying? (Please select all that apply)

a) Quality

b) Price

c) Customer service

d) Convenience

e) Variety of options

f) Other (Please specify): [Open-ended response]

### **Section D – Attitude towards Technology**

23. How would you rate the ease of navigation and user-friendliness of your digital platforms?

a) Excellent,

b) Good,

c) Average,

d) Poor,

e) Very poor

24. How secure do you perceive the digital banking services provided by your bank?

a) Very secure

b) Somewhat secure

c) Neutral

d) Somewhat insecure

e) Very insecure

25. How confident are you in the security measures implemented by your bank to protect your personal and financial information on digital platforms?

a) Very confident,

b) Confident,

c) Neutral,

d) Not confident,

e) Not at all confident

26. Do you feel that your privacy is adequately maintained while using your digital platforms?
- a) Yes,
  - b) No
27. Are there clear channels of communication for seeking assistance on digital platform-related matters?
- a) Yes,
  - b) No
28. How likely are you to continue using your bank's digital platforms in the future?
- a) Very likely,
  - b) Likely,
  - c) Neutral,
  - d) Unlikely,
  - e) Very unlikely
29. How likely are you to recommend your bank to others?
- a) Very likely
  - b) Somewhat likely
  - c) Neutral
  - d) Somewhat unlikely
  - e) Very unlikely
30. Do you have any suggestions for improving the website or mobile app? If yes, please provide details. [Open-ended response]

**The end.**

**Thank you for participating.**

### Appendix III – Interview Guide

The following set of questions will be used to guide the researcher

Dear Respondent,

The questionnaire presented is purely for academic purposes. It is a requirement for the partial fulfillment for the award of a Master of Business Administration – General. All answers in this work will remain confidential. Your time and cooperation will be highly appreciated.

**Tick (✓) on all answers that are applicable to you**

#### **Section A- Introduction and Background:**

1. Can you briefly introduce yourself and your role within the bank?
2. How long have you been involved in the banking industry, and what is your experience with digitalization initiatives?

#### **Section B -Digitalization and Customer Satisfaction:**

3. Could you provide an overview of the digital banking services your bank offers to customers?
4. What were the main motivations behind implementing these digitalization initiatives?
  - a) improving efficiency
  - b) enhancing customer experience
  - c) staying competitive
  - d) Other(specify)

5. How have these digital services evolved over the years, and what factors influenced these changes?
6. In your opinion, how has the introduction of digital banking services affected customer satisfaction within the Zambian banking industry?
7. Can you share any specific examples of how customers have responded to the digital services?
8. How does the bank measure customer satisfaction regarding digital banking? Are there any key metrics you track?
9. Is there any additional information or insights you'd like to share about the relationship between digitalization and customer satisfaction in the Zambian banking industry?

### **Section C- Accessibility of Digital Platforms**

10. What challenges or obstacles has your bank faced during the process of implementing and promoting digital banking services?
11. On the flip side, what benefits or positive outcomes have you observed as a result of digitalization for both customers and the bank?
12. How do you envision the future of digital banking services in Zambia? Are there any emerging trends or technologies that you believe will shape the industry?
13. What strategies does the bank plan to implement to continuously improve customer satisfaction in the context of digitalization?

### **Section D –Attitude Towards Technology**

14. How has the customer adoption of digital banking services evolved? Have you noticed any demographic trends or patterns in terms of who is more likely to adopt these services?
15. How does the bank encourage customers to adopt and engage with digital services? Are there any strategies or incentives you've found to be effective?

16. With the rise of digital transactions, how has the bank addressed concerns related to security and customer trust?
17. Can you elaborate on the measures the bank has taken to ensure that customers feel safe while using digital services?
- She
18. How do regulatory frameworks and compliance requirements impact the development and deployment of digital banking services in Zambia?
19. How does the bank ensure that its digital services comply with these regulations while also delivering a seamless customer experience?

**The end.**

**Thank you for participating.**



**THE UNIVERSITY OF ZAMBIA**  
**DIRECTORATE OF RESEARCH AND GRADUATE STUDIES**

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**APPROVAL OF STUDY**

*IORG No. 0005376*  
*HSSREC IRB No. 00006464*  
**REF NO. HSSREC-2023-SEPT-19**

22<sup>nd</sup> September, 2023

Ms. Changu Chibwe  
The University of Zambia  
P.O. Box 32379  
**LUSAKA**

Dear Ms. Chibwe

**RE: "THE EFFECT OF DIGITIZATION ON CUSTOMER SATISFACTION IN  
THE ZAMBIAN BANKING INDUSTRY."**

Reference is made to your submission of the protocol captioned above.

The HSSREC resolved to approve this study and your participation as Principal Investigator for a period of one year.

Specific conditions will apply to this approval. As Principal Investigator it is your responsibility to ensure that the contents of this letter are adhered to. If these are not adhered to, the approval may be suspended. Should the study be suspended, study sponsors and other regulatory authorities will be informed.

| REVIEW TYPE                                   | ORDINARY REVIEW                                    | APPROVAL NO.<br>HSSREC-2023- SEPT-019            |
|-----------------------------------------------|----------------------------------------------------|--------------------------------------------------|
| Approval and Expiry Date                      | Approval Date:<br>22 <sup>nd</sup> September, 2023 | Expiry Date:<br>23 <sup>rd</sup> September, 2024 |
| Protocol Version and Date                     | Version - Nil.                                     | 23 <sup>rd</sup> September, 2024                 |
| Information Sheet,<br>Consent Forms and Dates | □ English.                                         | To be provided                                   |
| Consent form ID and Date                      | Version - Nil                                      | To be provided                                   |
| Recruitment Materials                         | Nil                                                | Nil                                              |
| Other Study Documents                         | - Questionnaire<br>- Interview Guide               |                                                  |
| Number of Participants<br>Approved for Study  |                                                    |                                                  |

### **Conditions of Approval**

- No participant may be involved in any study procedure prior to the study approval or after the expiration date.
- All unanticipated or Serious Adverse Events (SAEs) must be reported to HSSREC within 5 days.
- All protocol modifications must be approved by HSSREC prior to implementation unless they are intended to reduce risk (but must still be reported for approval). Modifications will include any change of investigator/s or site address.
- All protocol deviations must be reported to HSSREC within 5 working days.
- All recruitment materials must be approved by HSSREC prior to being used.
- Principal investigators are responsible for initiating Continuing Review proceedings. HSSREC will only approve a study for a period of 12 months.
- It is the responsibility of the PI to renew his/her ethics approval through a renewal application to HSSREC.
- Where the PI desires to extend the study after expiry of the study period, documents for study extension must be received by HSSREC at least 30 days before the expiry date. This is for the purpose of facilitating the review

process. Documents received within 30 days after expiry will be labelled "late submissions" and will incur a penalty fee of K500.00. No study shall be renewed whose documents are submitted for renewal 30 days after expiry of the certificate.

- Every 6 (six) months a progress report form supplied by The University of Zambia Humanities and Social Sciences Research Ethics Committee as an IRB must be filled in and submitted to us. There is a penalty of K500.00 for failure to submit the report.
- When closing a project, the PI is responsible for notifying, in writing or using the Research Ethics and Management Online (REMO), both HSSREC and the National Health Research Authority (NHRA) when ethics certification is no longer required for a project.
- In order to close an approved study, a Closing Report must be submitted in writing or through the REMO system. A Closing Report should be filed when data collection has ended and the study team will no longer be using human participants or animals or secondary data or have any direct or indirect contact with the research participants or animals for the study.
- Filing a closing report (rather than just letting your approval lapse) is important as it assists HSSREC in efficiently tracking and reporting on projects. Note that some funding agencies and sponsors require a notice of closure from the IRB which had approved the study and can only be generated after the Closing Report has been filed.
- A reprint of this letter shall be done at a fee.
- All protocol modifications must be approved by HSSREC by way of an application for an amendment prior to implementation unless they are intended to reduce risk (but must still be reported for approval). Modifications will include any change of investigator/s or site address or methodology and methods. Many modifications entail minimal risk adjustments to a protocol and/or consent form and can be made on an Expedited basis (via the IRB Chair). Some examples are: format changes, correcting spelling errors, adding key personnel, minor changes to questionnaires, recruiting and changes, and so forth. Other, more substantive changes, especially those that may alter the risk-benefit ratio, may require Full Board review. In all cases, except where noted above regarding subject safety, any changes to any protocol document or procedure must first be approved by HSSREC before they can be implemented.



Should you have any questions regarding anything indicated in this letter, please do not hesitate to get in touch with us at the above indicated address.

On behalf of HSSREC, we would like to wish you all the success as you carry out your study.

Yours faithfully,



*Dr. J. I. Ziwa*

DR. J. I. Ziwa  
CHAIRPERSON

**THE UNIVERSITY OF ZAMBIA HUMANITIES AND  
SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE - IRB**

cc: Director, Directorate of Research and Graduate Studies  
Assistant Director (Research), Directorate of Research and Graduate Studies  
Assistant Registrar (Research), Directorate of Research and Graduate Studies



## THE UNIVERSITY OF ZAMBIA

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Graduate School of Business  
P.O. Box 32379  
Lusaka, Zambia

27<sup>th</sup> November, 2023

### TO WHOM IT MAY CONCERN

RE: INTRODUCTORY LETTER FOR CHANGU CHIBWE

This letter serves to introduce Changu Chibwe a bonafide student in our Master of Business Administration (MBA) General Programme at the University of Zambia – Graduate School of Business (UNZA-GSB). In partial fulfilment of their Postgraduate studies, the students are required to undertake a Dissertation (Research). The Topic for his research is ***"The effect of Digitization on Customer satisfaction in the Zambian Banking Industry"***.

This entails that students collect data from various Institutions in line with the research they are conducting. This research is purely for academic purposes and the student is ethically bound to treat the provided information with strict confidentiality.

We will appreciate the assistance that you will render Ms Chibwe to collect the data and the information from your institution that will assist her to carry out this research. Should you have any queries or would like further information about her, please contact the UNZA-GSB on the above e-mail address or telephone numbers.

Yours Faithfully,

**Dr Austin Mwange**  
**ACTING DIRECTOR – GRADUATE SCHOOL OF BUSINESS**

cc Acting Assistant Registrar – Graduate School of Business  
Accountant – Graduate School of Business

*"Towards Improving Service and Excellence in Higher Education Beyond Fifty Years"*