ELECTRONIC BANKING SERVICE AND COVID-19 IN NIGERIA: IMPACT OF DELIVERY CAPACITY ON CUSTOMERS

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Abstract
The banking sector is the hub of the global economic growth and development. However, the disastrous effects of the pandemic COVID-19 with the associated regulatory social distancing have important bearing on the socioeconomic lives of the global community. The assessment of the survival of the banking industries in the delivery capacity to customers during the pandemic is the focus of the paper. Primary and secondary sources of data was adopted using content analysis questionnaire. 50 bank customers were randomly selected from five Commercial banks in Ilorin and data was collected through structured questionnaire. The study utilized regression method of analysis through STATA statistical package. The correlation coefficient R^2 for each of the e-banking channels during the period showed that there are variations which was explained before COVID-19 than during the period. Due to the world crisis of COVID-19 pandemic, there was growth of inflation, increased unemployment and decline in foreign investment. The study recommended that there should be a strict compliance with social distancing during the bank transactions to reduce the spread and avoids contacting the pandemic.

Keywords: COVID-19; Customer Satisfaction; Electronic Banking; Service Delivery Capacity; Nigeria

Introduction

The occurrence of corona virus pandemic, that is, COVID-19 has dramatically changed the way and manner, functions and attitudes of individual, firms, government and the design, quality and service delivery. ICT is a phenomenon that no reliable organization can ignore. Electronic banking (e-banking) is a banking services which encourages bank customers to transact businesses financially through the bank website which can be referred to as retail or virtual banking system. The Central Bank of Nigeria (2003) reported that ATM, Debit and Credit Cards, Telephone Banking, Mobile Banking and Internet Banking services are sources of banking system. Al-Hajri (2008) posited that banks must improve service delivery to satisfy customers' needs by providing a qualitative service with electronic banking products.

The banking industry in Nigeria faced with challenges of customer satisfaction with e-banking service delivery. As the convenience, easy to use, accessibility, network base have become vital information dissemination and accumulation for customers of the bank so as to facilitate effective communications between information seeker and provider (Mustapha, 2018). The most critical area where people converge is the bank (ATM) in which every bank customers need to perform financial transaction in order to meet up with their daily needs such as food, health care and so on. Poor network coverage and insufficiency of ATM are peculiar to some commercial banks in Ilorin. Such banks like unity bank has only one ATM at Baboko market which is a residential area compare to two ATM points at their headquarter that will be less congested considering the marketers and other customers in the area. WEMA bank is also a good example with single branch and three ATM points.

Electronic banking has been the only alternative to customers in other to access their

fund during the world crisis of corona virus. Though, in developing countries such as Nigeria, many customers are still having negative attitude towards the use of e-banking services. Despite the acclaimed benefits of e-banking, some people are generally awkward to use the ATMs (Aghadale, Karimi & Abasaltian, 2015). The aged and illiterate customers are in these categories. They belief that e-baking lacked security, inconvenience and ease of use. However, lockdown which was as a result of corona virus pandemic has made many of these customers to engage and rethink that the use of electronic banking is inevitable.

The COVID 19 pandemic has spread-out public concerns that the corona virus could be transmissible by cash transactions (Raphael, Ciulio & Jon, 2020). Angelakis, EI Azhar, Bibi, Yasir, Al-Ghamdi, Ashshi, Elshemi and Raoult (2014) postulated that pathogenic agents such as bacteria, fungi, parasites and viruses can survive in paper money. Thomas, Vogel, Wunderli, Suter, Witschi, Koch, Tapparel and Kaiser (2008) expressed that virus including human influenza can hold on for hours and days on paper money.

Against the backdrop of possible differences in e-banking service delivery and covid-19 crisis, this study examined electronic banking service and covid-19 in Nigeria: impact of delivery capacity on customers. Specifically, the study examined the effect of e-banking service delivery capacity on customers during covid-19 lock down and also assessed the effect of e-banking service delivery capacity on customers during covid-19 relaxation. It was hypothesized that there will be no significant effect of e-banking service delivery capacity on customers during COVID-19 lockdown and that there will be no significant effect of e-banking service delivery capacity on customers during COVID-19 relaxation.

Literature Review

E-banking is a platform in which bank customers perform services such as balance inquiry, credit transfer, and other businesses according to an instruction sent via internet (Amin, Baba, & Muhammad, 2007). Ojokuku and Mustapha (2015) expressed that e-banking is the provision of a variety of card and electronic accessories services for banking transactions. Burr (1996) also described e-banking as an electronic link between bank and customer which help to prepare, manage and control financial transactions through a debit card, an ATM or banking by telephone are forms of electronic banking. If an individual create an online account with his/her bank, the individual can access his bank accounts from anywhere, at any time as long as he/she has an internet connection. In general, electronic banking includes any baking services or feature that is computer-based and accessible using electronic devices. However, despite the positive contributions of E-banking, there is negative effect of E-banking to Nigeria populace, which has to discourage some Nigerians not to embark on E-banking transaction (Adewoye, 2013).

The following e-banking products identified by Ojokuku and Sajuyigbe (2012) :

The Card System: This is also refers to as smart card, electronic wallet or electronic purse purposely meant for self service. It is designed for card holder who is authorized to withdraw cash, pay bills and transfer funds on the ATM. The cheap card allows the card holder to make transaction and settlement of financial obligation in such places as restaurants, petrol station hotel, airline, supermarkets and others. Devices are sophistication constructed for every user. This card can be a credit card or debit card.

Telephone/Mobile Banking: The bank makes Provision for this service through a classic telephone line. This gives room for customer to obtain the necessary information on dialing or calling a number given to them by bank. The bank customer using this service can obtain information concerning the banking productions. They can use this medium for bank payment system and request for example stock market transaction.

SMS Banking: This system makes use of short text sent through the customer handset. SMS banking can be either used for both passive and active operations. A customer can automatically receive information of his account balance. SMS is sent immediately after performing a certain operation. Other operations that can be performed on SMS banking are: get BVN, get statement and airtime payment.

Automated Teller Machine (ATM): An electronic gadget that gives room for a bank customer to withdraw cash from his account through a machine called cash dispenser, and the account will be debited immediately and SMS alert will be sent instantly for notification of transaction. A fundamental advantage of this is that, it is a self-service and can found in many locations. It is usually in stores, shopping malls, fuel stations, restaurants etc. It is convenient and saves customers time, in delivery of services.

Home Banking: This form of banking gives room for a customer to do or perform a financial transaction at home or in the office. The benefit attached to home banking includes: security, control, easy to use, openness of the system, wide communication potential, networking, and automated data diffusion and to define a combined signature specimen. A home banking system involves software's: bank computer software and software in the client's computer.

Point of Sale Terminals: POS is a technique which handles card activation, cheque verifications, credit authorization, cash deposit and withdrawal, and cash payment. It allows electronic fund transfer (ETF) at the terminal. EFT on POS assists a customer's account to be debited instantly with the cost of goods bought in an outlet such as a supermarket or petrol station. It deals with institutions for processing. The cost of goods is debited on the buyer's account and credited on the seller's account.

Internet Banking: This system allows customer to perform financial transaction at home, office and (or) internet café, although the latter is not recommended for security reasons. In order to handle his account, a user just needs an internet browser such as MS Explorer, fire fox, opera and so on. A customer cannot avoid visiting the bank though, because he must have an identification code. Having opened the web site of the bank, a customer will enter his ID and password for proper identification and can perform passive or active operations. A maximum of services are provided with an internet banking service.

Electronic Cheque Presentment (ECP): Electronic cheque presentment deals with the electronic transfer of cheque information to the client bank. This will enabled to fasting the cheque clearing process in which a digital image of the check will sent electronically instead of the active, which allows banks to minimize costs in cheque sending and storage.

Electronic Bill Payment Presentment (EBPP): A process of communicating bill to customers via internet. The billing is an interface between the firm website and their agency.

Concept of Customer Satisfaction

Customer satisfaction is when the products have equal or exceed performance expectations of customer. In banking industry, various techniques were used to meet the needs and expectations of customer. Saha and Zhao (2005) defined customer satisfaction as the performance expectations, psychological reactions and the consumption experience with a product or service. In another language, it is a feedback on a psychological feature and emotional evaluation where some consumption standards are compared to the actually perceived performance. Also, if the performance perceived is less than expected, customers will be at disadvantage which would possibly result in negative behaviour and where the perceived performance goes beyond expectations, customers will be satisfied and this would lead to positive behavior (Saha & Zhao, 2005).

Alabar (2012) contended that e-banking platform enhances and improves organization customer base, increase the use of more volatile customer mix and increase the firm's image. Oliver (1981) argued that customers are satisfy when he has direct comparisons between their expectations and perceptions of the product. Expectations and perceptions have been found to be a source of influence to customer satisfaction as well as subjective dis-confirmation under various condition (Churchill & Surprenant, 1982). Customer satisfaction is a person's perceived performance when comparing a product (or outcome) with their expectations (Oliver, 1981).

Effect of Corona Virus on Electronic Banking

Corona viruses are zoonotic in nature. It is disease that can be transmitted between animals and people (NCDC, 2020). The covid- 19 pandemic has distinct the world from uncommon difficult and largely unknown amniotic fluid. Banks and its clients, employees and societies they serve are facing the same difficulty. Banks take significant role to ensure and improve the basic services, while protecting the wellness of their employees. Current capabilities and an effective allocation of resources will be a key to meeting shifting demand of their customers. Aggarwal (2020) stressed that the covid-19 crisis has resulted in an unprecedented disruption to the economic life, and will lead to major challenges in the operations of most industries, including banks. Banks need to face the bull by the horns in this economic hardship and starts resuming normal operations. The industries that are affected and will take a longer time to rebound are travel, tourism, hotels and airlines. While those that will be less affected and would rebound faster are pharmaceuticals, e-commerce, FMCG.

Banks have been trying to upgrade their retail customers towards online banking and other digital channels as much as possible, and rely less on branches. Covid-19 pandemic will give a drive to these efforts. Thus, there is a movement towards bank branches being downsized to smaller setups with fewer employees. The environmental health officers association proclaimed that the surge in number of people struggling to patronize banks ATM is a source of community transmission of covid-19. The rat race going on in many ATM outlets is not good for fight against communal transmission of the pandemic. Awonuga, (2020) lamented "social distancing was being ignored at several automated teller machines ATMs points across the country."

Carney (2020) expressed that the recent covid-19 situation has made the digital way of life to quickly shift from a value-added to an essential. As enhanced precautions are being taken around physical interactions in order to keep everyone safe, banking service continue to be easily accessible and seem less for customers, as they carry out most of their transactions and manage their finances digitally in a safe and secure manner.

The following are some of the monetary policy of Central Bank of Nigeria (CBN) (2020) during covid-19 period.

1. Reducing interest rates on all applicable CBN interventions from 9 to 5 percent and introducing a one-year moratorium on CBN intervention facilities.
2. Creating a NGN50 billion (USD139 million) targeted credit facility, and liquidity injection of NGN3.6 trillion (stimulus package in the form of loans) (2.4% of GDP) into the banking system.
3. NGN100 billion to support the health sector, NGN2 trillion to the manufacturing sector, and NGN1.5 trillion to impacted industries in the real sector.
4. NGN50 billion targeted credit facility through NIRSAL Microfinance Bank for households and MSMEs.

Empirical Review

Chavda (2021) conducted an investigation on the effectiveness of e-banking during covid-19 pandemic. The purpose was to evaluate the effectiveness of e-banking environment during covid-19 pandemic. The study used segment permits the peruse approach to assess a general knowledge about the theme. Primary data was used with the aid of structured questionnaire. Table, pie chart and bar chart was used to analyse the data. The study revealed that about 72% of respondents were using e-banking. This could be as a result of lockdown and convenience during pandemic. It was also revealed that some of the respondents were facing loyalty and security challenges. Thus, it was recommended that banks should improve their online banking services in order to attract more customers to assess e-banking in any situation.

Haq and Awan (2020) investigated on the impact of e-banking service quality on e-loyalty in pandemic time through interplay of e-satisfaction. The study explore e-banking service quality and its impact on e-banking loyalty through a mediating impact of e-banking satisfaction. Primary data was used with the aid of an adapted questionnaire by using e-mail and messaging applications. The study revealed that reliability and website design enhanced increase e-banking loyalty. It was concluded that e-banking had influence on conventional banking during the pandemic in the

area of safety, security, trust, reliability, website designs and customer support.

Al-Zatari and Reehan (2021) conducted an investigation on using online banking in the period of covid-19 pandemic. The paper reviewed the research conducted about online banking services, specifically focused on effect of covid-19 pandemic as a marketing channel. The study used systematic literature review of previous studies and looked at period before and after covid-19 pandemic. The study revealed that covid-19 pandemic had a positive impact on the online banking services market. It was concluded that availability of security, privacy, ease of use and trust are the most important factors that affect quality of online banking services.

Methodology

The study focused on Deposit Money Banks in Ilorin. Ilorin was chosen for the study because it is the commercial nerve centre of Kwara state, Nigeria and has not been the focus of previous similar studies in this area. This study used a survey research design. The target population of this study consist of all bank customers of the commercial banks in Ilorin. Ten (10) customers were randomly selected from the customers using electronic banking in the five randomly selected commercial banks making a total of fifty (50) e-banking customers. 50 copies of questionnaire were administered; however, only 44 were completed and retrieved from the respondents given a retrieval rate of 88% which is enormous. The questionnaire entitled e-banking service delivery and covid-19 questionnaire (EBSDCOVID-19) contain ten items. The rating scale used were a five points Likert scale of strongly agree (5 points), agree (4 points), undecided (3 points), disagree (2 points) and strongly disagree (1 point) respectively. The data were analyzed using regression analytic method through STATA statistical package.

Results and Discussion

Multivariate Regression Analysis Result on the Effect of E-Banking Service Delivery Capacity and Customers during COVID-19 Lock down/Relaxation

The model summary in table 1 the results of multivariate regression reveals that 87% of variation in the dependent variable (customer during covid-19 lockdown) and 88% of variation in the dependent variable (customer relaxation during covid-19) was explained by variation in explanatory variables (e-banking service delivery capacity) while the remaining 13% and 12% were explained by other factors which are not included in the model. This indicates that the result of the model of good fit and is useful for making predictions, since R^2 is approximately 1. Furthermore, the F statistical values are 90.8 and 98.4; P-value is $0.000 < 0.05$ (level of significance). Since, the P-value is $0.000 < 0.05$ (critical value), the null hypotheses are not accepted and the alternative hypotheses are accepted. These imply that e-banking service delivery capacity factors have significant impact on customers' lockdown/relaxation during COVID-19.

Table 1: Model Summary [a b]

Model	Obs	Parms	RMSE	R. sq.	F	P
1	44	4	.441	0.872	90.8	0.000
2	44	4	.439	0.881	98.4	0.000

a. Dependent variable: electronic banking service delivery capacity
b. Predictors: (constant), ATM, POS, Others
Source: Researcher's Computation, 2020

Table 2, shows that the coefficient value of e-banking service delivery capacity variables where ATM. POS and other e-banking service were statistically significant and this affect the customer during covid-19 lockdown with probability value less than 0.05. As such, it is sufficed to say that e-banking service delivery capacity has significant impact on customer during covid-19 lockdown. Therefore, the null hypothesis was not accepted while the alternative hypothesis was accepted. This outcome is in line with the findings of Carney (2020) where he averred that covid-19 has made the digital way of life to quickly shift from a value added to an essential.

Table 2: Coefficients [a]

Variables [a]	Coef.	Std. Err.	T	p>/t/	Beta
ATM	.849	.117	7.25	0.000	1.086
POS	-.146	.188	-0.78	0.441	.234
Others	.069	.195	0.36	0.723	.464
(Constant)	.543	.320	1.69	0.100	1.193

a. Dependent variable: electronic banking delivery capacity
Source: Researcher's Computation, 2020

Table 3, reveals that the coefficient value of e-banking service delivery capacity variables where ATM. POS and other e-banking service were statistically significant and this affect the customer during covid-19 relaxation with probability value less than 0.05. As such, it is sufficed to say that e-banking service delivery capacity has significant impact on customer during covid-19 relaxation. Therefore, the null hypothesis was not accepted while the alternative hypothesis was accepted. This outcome is in line with the findings of Carney (2020) where he averred that covid-19 has made the digital way of life to quickly shift from a value added to an essential.

Table 3: Coefficients [b]

Variables [b]	Coef.	Std. Err.	T	p>/t/	Beta
ATM	.725	.116	6.21	0.000	.961
POS	.296	.187	1.58	0.122	.675
Others	-.175	.194	-0.90	0.373	.218
(Constant)	.550	.320	1.72	0.094	1.198

a. Dependent variable: electronic banking delivery capacity
Source: Researcher's Computation, 2020

Summary of the findings

i. Electronic banking service delivery capacity has significant effect on customers during covid-19 lockdown ($R^2 = 0.872$, $F = 90.8$ and $P = 0.000 < 0.05$).

ii. Electronic banking service delivery capacity has significant effect on customers during covid-19 relaxation ($R^2 = 0.881$, $F = 98.4$ and $P = 0.000 < 0.05$).

Conclusion and Recommendations

The study concludes that e-banking service delivery capacity has become necessary weapon during the period of covid-19 and its fundamentally changing the banking operations worldwide. Covid-19 pandemic has influenced the economy including banking sector in the area like inflation growth, increased unemployment, fall and decline in foreign investment. Currently, due to covid-19 situation, e-banking service delivery capacity in Ilorin, Kwara and Nigeria in general has changed the ways and manners services are rendered by banks to their customers. The study recommends that management of the banks should abide by the CBN guidelines on covid-19 by making provision for hand hygiene at the entry of the premises, maintaining social distancing at the ATM points and POS and the management of the banks should develop a schedule for cleaning buttons and faces of ATM machines.

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