

THE IMPACT OF INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) INNOVATIONS ON CUSTOMER'S SATISFACTION IN NIGERIAN BANKS

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ABSTRACT

This work is on the impact of information and communication technology (ICT) innovations on customer's satisfaction in Nigerian banks. It is a quantitative research design which involves questionnaires and structured interviews for collecting the primary data from three indigenous banks: UBA Plc, Zenith Bank Plc and Diamond Bank Plc. It examined the impact of ICT innovation on customer satisfaction in the Nigeria banking industry; and also the investigation of the impact of ICT innovation on bank customers' perception of e-banking in Nigeria. Descriptive statistics and chi-square were used in the data analysis. The study observed, among others, that even though ICT innovations enhances bank customer relationship, the issue of insecurity and lack of confidence on electronic products and services delivery of banks are the major obstacles. It concludes that Nigerian banks' ICT innovations are driven by the need to satisfy customers' demand and to sustain efficient bank customer relationship.

Keywords: Impact, Electronic banking, Consistency, Information and Communication.

INTRODUCTION

The business environment is extremely dynamic and it is undergoing rapid changes as a result of technological improvement, increased awareness and demands of banks to serve their customers economically and efficiently. The banking industry of the 21st century operates in a complex and competitive environment characterized by these changing conditions and highly unpredictable economic environment. Information and Communication Technology (ICT) is at the forefront of this global change curve of the banking system in Nigeria today. The application of Information and Communication Technology (ICT) techniques policies and implementation strategies to banking services has become a subject of great importance and concern to all banks and indeed a prerequisite for local and global competitiveness in the banking industry. Information and Communication Technology (ICT) is the automation of process, controls, and production using computers, telecommunications, software and ancillary equipment such as automated teller machine and debit cards (Kamel, 2005). It is a term that generally covers the harnessing of electronic technology for the information needs of business at all levels. Some banking services that have been revolutionized through the use of ICT include account opening, customer account mandate, transaction processing and recording (Irechukwu, 2000). ICT products in use in the Nigeria banking system include: Automated Teller Machine (ATM), Smart Cards, Telephone Banking, MICR, Electronic Funds Transfer, Electronic Data Interchange, Electronic Home and Office banking (Agboola, 2001). A decade ago, the Nigerian banks and indeed the financial services industry embraced electronic banking, Information and Communication Technology. Sanusi (2002) traced the introduction and commencement of e-payment products in Nigeria to the year 1996; when the CBN granted All States Trust approval to introduce a closed system electronic purse called ESCA. Since then, many more sophisticated electronic banking products have evolved to improve service delivery and customer satisfaction. Nigerian banks today are significantly into new electronic delivery channels for banking products and services with a view to delivery of better services and satisfying customers the more.

STATEMENT OF THE PROBLEM

One of the benefits banks derive from electronic banking products and services delivery through ICT is improved efficiency and effectiveness in rendition of products and services delivery to their customers, which will also impact significantly on the overall performance of the bank. The customers also enjoy convenient and fast delivery of services via the various e-channels, without necessarily having physical contact with the banks. Despite the developments in ICT innovations (Use of ATM, tele banking, internet banking, among others), the Nigerian banking industry seem not to have achieved their aims, the existence of cash economic long queues still exists in banking halls, and customers seldom patronize the electronic banking products and services in Nigeria.

