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DEPARTMENT OF BANKING AND FINANCE

AN INVESTIGATION ON THE IMPACT OF FINANCIAL TECHNOLOGY ON CUSTOMER SERVICE DELIVERY IN THE ZIMBABWEAN BANKING SECTOR: A CASE OF FIRST CAPITAL BANK (BINDURA BRANCH)

DISSERTATION RESEARCH PROJECT

BY

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DEDICATION

I dedicate this piece of work to my family members for their prayers and sacrifices, my fiancé Munashe Mutemaringa for the encouragement and giving me a shoulder to lean on during the course of my study at Bindura University.

ABSTRACT

The purpose of this study was to investigate the impact of financial technology on customer satisfaction for the purpose of enhancing services delivery from First Capital bank. The study sought to address the following objectives, to establish fintech services that are used at First Capital Bank, to determine the impact of fintech services on customer satisfaction at First Capital Bank. To examine the effects of fintech on customer service delivery, to determine the benefits of financial technology on customer service delivery and to identify the challenges associated with fintech in customer service delivery at First Capital Bank. The case study approach was used. A population and sample size of 120 respondents was used for the study. Findings showed that First Capital bank has adapted to the modern way of banking and that using fintech has benefits to both the bank and the customers. The conclusion was that the bank is affected by technological innovation and that its customers are not fully aware of the services and products that are offered by fintech. The study recommended that modern technology and awareness campaigns must be considered. This research also recommends that further study be carried out on the impact of fintech in rural areas. So as to account for the unbanked population as well as to know the number of people who have already adopted it and if they are being satisfied by its services. Also, a study on the safety of using fintech in Zimbabwe.

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LIST OF ACCROYNMS

FINTECH	Financial Technology
IT	Information technology
ATM	Automated Teller Machines
POS	Point of Sale
ZIPIT	Zimswitch Instant Payment Interchange Technology
SWIFT	Society of Worldwide Interbank Financial Technology
EFT	Electronic Funds Transfer
USSD	Unstructured Supplementary Service Data
RTGS	Real Time Gross Settlement
TAM	Technology Acceptance Model
RBZ	Reserve Bank of Zimbabwe

CHAPTER 1

INTRODUCTION

1.1 Introduction

The chapter outlines the background on the impact of financial technology in bank performance and customer service delivery issues as they affect banks, and provides an overview of the banking industry and background in Zimbabwean banking sector. The main aim of the study is to evaluate the contribution of financial technology to bank performance and service delivery in customer satisfaction. In today's world rapid dynamic global economy is characterized by electronic commerce (e-commerce) which is the use of computers to do business. This study seeks to lay foundation for the subsequent chapters by outlining, defining and addressing basic concepts of the research

1.1.2 Background of the study

Globally

The financial sector has experienced periods of rapid growth over the past centuries. The first bank was established in 1472, and many businesses followed (Alt and Puschmann, 2016). Financial institutions, especially banks, are often referred to as service providers because they help primary market companies do business, and over time they have formed a secondary market for financial service providers (such as mortgage loans) brokers, commercial banks and merchant bankers (Zhu et al, 2004). Previous work on the evolution and historical analysis of financial technology (fintech) suggests that the legacy of fintech is longer than the existence of fintech itself (Arner et al., 2016) paint a broader picture of the fact that fintech already existed in the 19th century. From the above story, fintech is considered to have started with the rise of financial institutions. Initially, the first applications of the technology used by banks were based on physical media, where the storage of information was done by means of paper and coins (Alt R, 2018). It is the only transport route and is limited to a regional scope, however, with the

innovation of ICT, this has changed. These developments led to the digitization phase of FinTech, which lasted until 1967. The historical background suggests that the financial revolution in Europe in the late 1600s, involving stock companies and banks, played an important role in the industrial revolution (Charles Moore, 2000). The first industrial revolution was based on water and steam powering the transportation and production of goods, followed by a second industrial revolution driven by the implementation of electricity. Thanks to engineers like Thomas Edison and Nikola Tesla, expansion and mass production became possible, and eventually smaller electronic devices were born. The third industrial revolution brought about the combination of information technology and electronics to automate everything from production to business processes. This was largely driven by the personal computer revolution. Currently, the quaternary industry uses digital technologies to facilitate and automate systems, and fintech, mainly focused on the financial sector, is expected to generate rapid growth (Nead, 2019) By 1966, a global telex network was in place, providing the basic communications needed to build the next phase of fintech development (Ben Woolsey and Emily Starbuck Gerson, 2009). This is known as the development of traditional digital services, which began with the deployment of the first ATM by Barclays Bank in 1967 which is now First Capital Bank, and the main development has included advancements in payment. The interbank payment system (CHIPS) was created in 1970 (Brian Welch 1999). Three years later, the need for domestic cross-border payments gave rise to the Society for Worldwide Interbank Financial Telecommunication (SWIFT), founded in 1973. The emergence of internet then propagated continuous development of fintech with banks offering use the World Wide Web to offer online account checking in 1995 by Wells Fargo and by 2005 first direct banks without physical branches had emerged with the likes of ING Direct which was launched in Canada (Charles Riggs 2008).

1.1.3 The Zimbabwean situation.

After the global economic crisis of 2008, fintech integration was the driving force especially in Zimbabwe, the central bank specifically mentioned that "Zimbabwe has not been spared by these technological innovations (Fintech), and they are radically changing the financial landscape (RBZ 2018). The country has made significant progress since adopting financial innovations in the early 1990s when Standard Chartered and CABS installed the first automated teller machines (ATMs) Other forms of electronic innovation followed, including electronic funds transfer (EFT)

systems, personal computer banking, and eventually Internet banking. While the former is convenient for customers and banks, its slow adoption has led banking institutions to adopt other technologies to bridge the gap. Other financial technologies that followed include the ZIMSWITCH payment technology created in 1994 by a partnership of several banks. The core business of this financial innovation is to provide interoperability between various financial services in Zimbabwe to date; the payment system has successfully brought together more than two dozen different financial institutions. After Zimbabwe's 2008 economic crisis, the country rose with advancements in the telecommunications network industry this led to the development of mobile money systems, which not only improved online banking services on mobile phones, but also provided money flow facilities known as "bank to wallet" services. All three of which were provided later, the main networks are One Wallet, Tele-cash and EcoCash, the first being the first to be created in 2011 (Sibanda 2014) estimates that by mid-2014, Ecocash had 3.5 million users, Telecash had over 600,000 users, and One Wallet had 200,000 users. 90% of customers have signed up for mobile money and 10% have not subscribed to any mobile money platform. Among users who signed up for mobile money, the majority subscribed to Ecocash (80%), followed by Telecash (8%) and OneWallet (2%) (Dube and Gumbo, 2017). According to the Reserve Bank of Zimbabwe [RBZ] 2017 monetary policy statement, mobile money payments in Zimbabwe accounted for 81.2% of all electronic payment transactions in 2016, the majority from the banks of their respective customers, which increases the dominance of retaining Mobile Money Serve There is a volume of transactions. In the 2019 Currency Statement, it was highlighted that "The Reserve Bank recognizes the important role of FinTech and innovation, and the need to harness and capitalize on advances in technology to enable the financial services industry to offer a wide range of products and services" (RBZ 2019). Thus, the above revelations raise questions and research on how these forms of financial technology or fintech may impact customer service delivery.

1.2 Statement of the problem

The use of fintech in Zimbabwe has brought a new dimension to the banking industry and has become a popular business strategy as a competitive tool. Banks are forced to align ICT with their business strategies. The traditional method of banking was associated with long and winding queues at the banking premises with customers leaving without being attended to or

their queries heard, delays in acquiring the bank statement, lots of paperwork when it comes to opening accounts, withdrawals, depositing money into the account and the use of cheque books for transfers. This has caused many banks in Zimbabwe to adopt the use of fintech and they are coming up with new product packages in line with the new banking system. This has seen competition rising in financial institutions causing them to direct their strategies towards increasing customer satisfaction and loyalty through improved services. However, not all the customers in Zimbabwe are IT literate hence issues of network breakdown on the swipe machines can never be fully understood, resistances to changes in technology among customers may create doubts in their minds thereby affecting the level of satisfaction. Therefore, because of these existing problems, this study seeks to determine the impact of fintech on customer satisfaction.

1.3 Objectives of the study

The aim of the study is to determine the impact of fintech on customer satisfaction. The objectives emanate from the primary objective and covers aspects brought forward in a bid to achieve the primary objective

i. To examine the effects of fintech on customer service delivery.
ii. To determine the benefits of financial technology on customer service delivery
iii. To identify the challenges associated with fintech in customer service delivery

1.4 Research Questions

These are questions which the proposed research study seeks to answer and emanate directly from the research objectives.

1. What are the various forms of financial technology?
2. Which role is played by fintech in customer satisfaction?
3. Is fintech useful in day to day operations?
4. What are the challenges associated with fintech?

1.5 Statement of the Hypothesis

H_0: Fintech has an impact on customer satisfaction, $r > 0.5$

H_1: Fintech has no impact on customer satisfaction, $r < 0.5$

1.6 Justification to the study

1.6.1 To the researcher

The research will improve the researcher's ability to conduct a research, thereby preparing the researcher for future practical tasks such as problem solving in the finance sector in line with fintech. This will improve the researcher's confidence, to be able to interview customers as well as interacting with the First Capital Bank staff members for data collection. It will help the researcher to analyze and interpret data collected. In addition to the above, the research was done in partial fulfilment of the Bachelors in Commerce Honors Degree in Banking and Finance.

1.6.2 To the customers:

The research will enlighten the customers on the benefits of a fintech as well as bring out the challenges they are facing when it comes to use and accessibility of the new banking system.

1.6.3 To the University:

The research will provide important information to future scholars as it will form the basis for future research and literature review. It will also provide further knowledge to the topic as far fintech is concerned.

1.6.4 To the organization of study:

The research will help the bank in study **(First Capital bank)** as well as other banks in the country to understand the impact of fintech on customer satisfaction whether good comments or complaints. It will also help them to identify the challenges that their customers face and be able to come up with strategies to overcome these challenges as well as improving or modifying the loopholes in financial technology.

1.6.5 To the country

Zimbabwe particularly and the majority of the sub-Sahara has been at slow pace, this mainly has been due to regulatory issues something which this study hopes will benefit the appropriate regulators. Moreover, with the concept of disruptive technology being expected to develop further, elements such as cryptocurrency and block chain networks are tipped to be the future, in developing countries such as Zimbabwe this study may provide the input to the scholars in gaining knowledge on the extent to which banking information technology may further impact customer service delivery with respect to that regard (future adaptation of these fintech services).

1.7 Assumptions to the study

The study makes the following assumptions:

- The participants will give true and fair views of the study and report back on time.
- The data received from the respondents will be adequate to deduce findings, conclusions and recommendations.
- The limitations encountered by the researcher will not negatively affect the validity of the research findings.
- The results will be generalized to all the commercial banks using the same system in Zimbabwe since First Capital bank (formerly Barclays Bank of Zimbabwe) is one of the major commercial banks in the country.

1.8 Delimitations of the Study

This study focuses on the impact of fintech on customer satisfaction with particular focus on First Capital bank. The research is limited to First Capital bank because it is one of the leading commercial banks in the country and it contributed significantly to the expansion of the Zimbabwean banking sector. The main respondents will be a selection of the customers who bank with First Capital bank and are located in Bindura. The research will cover the period from 2017 up to date

1.8.1 Scope of the study

This section seeks to define clear parameters of the proposed study. These parameters include both the geographical framework as well as the time periods being covered in context. Therefore, the proposed study is going to focus on the particularly on the Zimbabwean financial system's banking sector whilst making references to other Sub-Saharan financial institutions where necessary. This is basically due to the fact that the development of financial technologies is at different stages in developed and in developing countries therefore how fintech is influencing customer satisfaction in Zimbabwe could end up differing on its impact in western countries and Europe at large. In addition, the proposed period of data analysis will be commencing from the results of the 2008 global financial crisis to as late as 2021, this is because the global financial crisis revolutionized the third phase of financial technologies.

1.8.2 Limitations of the Study

The researcher's goal is to come up with a good proposed study back up with quality evidence within limited resource and also cost parameters. The major limitation was that some of the respondents were unwilling to participate in the study which can result in high non response rate. To overcome this challenge, the researcher let the respondents know that this was only for scholarly purposes and assuring them on the confidentiality with which their responds were to be treated. Some of the information provided by the respondents might not be accurate as they lacked full information about the fintech in banking system. To solve this challenge, the researcher made use of validity and reliability tests. To solve this, the researcher distributed questionnaires in time before the due date, the researcher will do everything possible to ensure that the quality of the research will not be compromised by any of these factors to a greater extent. Limitations involving the proposed research data might also include not venturing into the territory of the crypto currency and block chain network. This will be mainly due to its lack of effective adaptation into the Zimbabwean financial system hence have no visible effect pertaining customer service delivery.

1.9.0 Definition of terms

- **Financial Technology (fintech**)- any business that uses technology to modify, enhance or automate financial services for businesses of consumers. For example, mobile banking or trading platforms such as crypto-currencies such as bitcoin, doge coin and ether.

- **Customer Service Delivery:** Companies can tailor service delivery to meet the specific needs of their customers through function or price. Engaging in thoughtful, customer-focused service delivery may also help distinguish an organization from its competitors by providing higher quality service. Measuring and improving service quality can increase your organization's profits and reputation.
- **Customer Satisfaction:** It is a measure of how products and services supplied by a company meets customer expectations,

1.9.1 Chapter Summary

This initial chapter is often regarded as the foundation of the whole research as it also explains the origins of the study at hand as well as highlighting the problem underlining the research, it works as an index whereby the researcher communicates with the reader on what he or she explains to accomplish or uncover through the objectives and questions whilst also illuminating the roadmaps of the study by highlighting its scope, limitation, the problem statement, research objectives and questions. It also looked at the assumptions, justification of the study, delimitations and limitations of the study.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

It is of outermost importance to refer to past studies and research in the related areas of the subject in to discover and fill up gaps. This chapter is therefore focused on providing proper understanding of the area of study by critically giving analysis of what has been studied so far as the impact of Fintech on customer service delivery is concerned. The chapter will attempt to put forward sound and comprehensive theoretical and empirical literature review necessary to aid the researcher in analyzing how Fintech impacts customer service delivery.

2.1 Definition of terms

This section seeks to define the key terms and their concepts in reference to the current study. The primary terms include financial technology and customer service delivery.

2.1.0 Financial Technology (Fintech)

Ernst and Young (2015) define fintech as innovation in financial services with technology as a key enabler "Financial Technology" or Fintech refers to the use of technology to provide financial solutions in banking (Al-Jabri and Sohail, 2012). It comes from two different words, finance and technology, which can also be defined as the new technologies that support financial services. It has recently been predicted that banks will allocate social media platforms where customers can use their mobile devices to take advantage of fintech banking investment opportunities (Drew, Andrew & Neil, 2017). Fintech can also represent all applications that use analog and primarily digital computing to provide financial solutions (Arner et al., 2016). The Center-Forward organization (2017) believes that the term can be used for various technological innovations related to concepts such as financial literacy, education, equity investing, cybersecurity, and block chain technology, money banking retail, cryptocurrencies such as Bitcoin and Ripple among other novelties. In another context, they can also be defined as

companies that provide financial services combined with modern technology, which in turn provide web-based and application-oriented solutions that are user-friendly, automated, transparent and efficient FinTech (European Banking Federation, 2015).

In addition, Fintech is regarded as “disruptive” and “revolutionary” and armed with “digital weapons”, that will “tear down” barriers and traditional financial institutions as these start-ups are seen as direct competitors to banks in the latter case (World Economic Forum, 2017), fintech typically offer a range of technological solutions aimed at facilitating convenience, faster turnaround times and operational efficiency. However, some scholars have pointed out that the payment system space is the most advanced part of defining fintech mechanisms (Douglas & Janos, 2015). This fintech financial system combines transactional technology in transactions in different markets (Friedman, 2006). Some previous research has addressed questions similar to this article, which discusses fintech. The study sheds light on the focus of fintech on satisfying bank customers. In a market economy, where customers are the top priority for business performance to thrive, companies target customer attitudes by delivering exceptional service. The pursuit of customer satisfaction has led to improvements in the distribution channels of technological services in the banking sector. This innovation includes service characteristics such as availability, cost, consistency and accessibility. The impact of this innovation has recently been the subject of empirical research by academics.

2.1.1 Customer satisfaction

Awoke and Mekonnen (2015) identified the return on customer satisfaction and service quality together, which can be summarized as follows: By supporting ongoing care and promoting loyalty, it can create lasting benefits, reduce costs and attract new customers, increase motivation word of mouth isolates/eliminates customers from competition and reduces the cost of failure. Paschaloudis (2014) pointed out that customer satisfaction or dissatisfaction with the use of electronic banking services is the result of a continuous process of measurement and control, which is the most powerful criterion for evaluating banking services Customer satisfaction helps banks to enrich and adjust the e-banking services offered according to comfort, flexibility and speed, and services at lower cost. Kanyurhi (2017) points out that customer satisfaction is defined as a multidimensional paradigm with five elements: appearance, reliability, price, accessibility and flexibility, social and customer improvement. Further, he said that the presence

of dimensions of social inclusion and client enhancement, accessibility and flexibility suggested that measures of scale should be context and sector specific. This study shows that the value assigned to the incidence factor confirms that microfinance is prone to "mission drift", targeting the least poor clients. Appearance and social dimensions appear simultaneously on the same scale, demonstrating that social and financial objectives must coexist at all stages of MFI development.

2.2 Theoretical Literature Review

Theoretical reviews are going to be discussed below as they help the researcher in guiding the research by determining the sources of independent and dependent variables and their composites. The framework will also assist the researcher in selection of the appropriate research design and ultimately data analysis. The following theories of technology are going to be reviewed; Financial Intermediation Theory, Technology Adoption Model (TAM), Innovation Diffusion Theory and its precedence the task technology fit (TTF) theories as well as the conceptual framework

2.2.0 Financial Intermediation Theory

The financial intermediation theory was established by Gurley and Shaw (1960) and it is based on agency theory as well as information asymmetry. This theory explains the importance of financial intermediaries in the economy. The financial intermediation in the banking industry is described as a process whereby banks collect or take deposits from units in surplus otherwise known as depositors and lend them out to deficit units known as borrowers (Scholtens & Wensveen, 2013). These two argued that a well-functioning intermediator is necessary for the creation of financial goods and services. Intermediary presence is key in covering all direct and indirect costs. This theory is of much relevance to this study as financial technology facilitates service delivery and operation of banks in Zimbabwe via the e-banking tools among other functions. Banks also use Fintech in enhancing efficiency in its operations. Financial technology eliminates or reduces information asymmetry through the provision of data analytics software. These have led to an immense increase in trust and confidence by both banking institutions as well as their clients due to transparency and free flow of information. This has since resulted in cost reduction, customer loyalty as well as provides banks with a competitive edge.

2.2.1 Technology Adoption Model (TAM)

Investment in technology has seen rapid growth over the years; this has resulted in organizations being forced to accept and utilize the benefits derived from its acceptance. The Technology Adoption Model (TAM) was established by Davis (1989) and has been of very much use in the study of technological acceptance by various organizations. TAM is a theory that models how different users accept to use a presented technology. The theory goes on to explain that when users are presented with a piece technology they initially consider a number of factors before they can eventually consider to use this technology (Fishbein & Ajzen, 1975). It goes on to state that a user considers two elements before adopting any given technology which are, perceived usefulness (PU) and perceived ease of use (PEOU) (Davis, 1989). The PU is the degree in which the user believes that utilizing of that particular system will enhance the job performance of their task at hand and the PEOU is whereby the user believes that the system will be free from effort. With reference to TAM banking institutions would have to evaluate the cost of the technology, if it's then acceptable adaptation would become option number one to them. This among other things will enhance innovation, credit scoring thus increasing efficiency and effectiveness and eventually have a positive impact on customer satisfaction.

2.2.2 Innovation Diffusion Theory

The theory was first introduced by Rogers (1983) and developed by a host of other scholars, the theory considers factors that influence innovation diffusion and these are relative advantage, compatibility, complexity, observability and image (Moore and Benbasat, 1991). The theory designated the organization as political due to departmentalization. This might be true as marketing, finance and research and development departments affect innovation although the theory is silent about it. Hence there is a call for a systems thinking approach as people live in webs of interdependence likewise firms should not see other departments as static snapshots to the forest but see interconnections and interrelationships (Senge, 1990). Bowonder et al. (2010) also commended firms to take innovation as an integral part not only confined to Research and Development. The factors that influence innovation diffusion are more of implementation and adoption structure and there seems to be no relationship among the factors. Some authors have raised the issue of size and industry as barriers to innovation yet the theory did not consider these. Dube (2009) in his study on adoption of Internet Banking in Zimbabwe concluded that

size is irrelevancy in innovation adoption as both small and large banks were being innovative

2.2.3 The Theory Task Technology Fit (TTF)

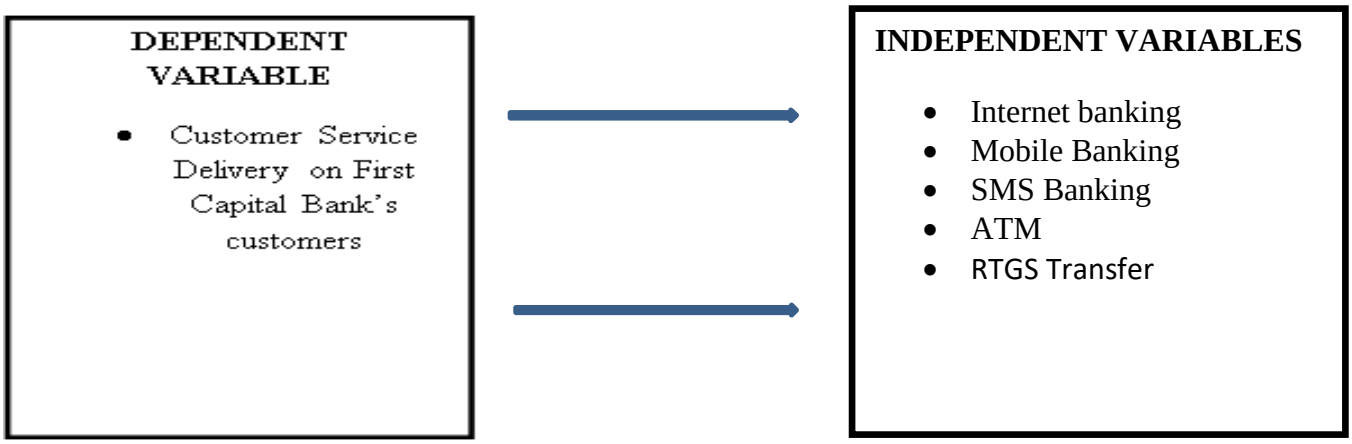
Just like strategy regarding technology innovation to be successful it must pass the fit test. The theory was formed by Hue and Thompson (1995) to support the innovation diffusion theory. The theory predicts the success of technological innovations. The theory comes at the behest of Innovation Diffusion weakness by bringing in the importance of human element and time in the implementation process. Davis (1989) in his individual behavioral intentions study also highlighted the importance of human element in innovation. The TTF also highlights the critical areas which need innovations. Value chain analysis theory (Porter, 1985) supports the TTF Theory by discouraging firms from diverting funds to activities that do not add value to the firm and to practice in resource priority matrix

2.3 Conceptual framework

A conceptual framework to develop as it will show the relationship between two concepts of the study. This research study's aim is to show the impact of Fintech on customer service delivery of First Capital bank customers in Zimbabwe. It conceptualizes that financial technology (Fintech) component which include ATMs, internet banking, mobile banking, RTGS and SMS banking technologies impact on customer service delivery ascertained through efficiency and competitive advantage of the First Capital Bank. The conceptual model can be shown diagrammatically below:

Figure 1 (Conceptual model)

Source: Author 2022I



2.3.0 Automated Teller Machine (ATM)

It is argued that failure in the user acceptance of any new technology has long been an impediment to success in the implementation of such new technology (Davies, 1993). Barron (2000)'s definition of an ATM was that it is an electronic device which allows a bank's customers to make cash withdrawals and check their account balances at any time without the need for a human teller. An automated teller machine is a computerized machine that provides the customer of banks the facility of accessing their accounts for dispensing of cash to carry out other financial transactions without the need of actually visiting a bank branch (Khan, 2010). ATM is an innovative service delivery mode that offers diversified financial services like cash withdrawals, funds transfer, cash deposits, payment of utility bills, cheque book requests and other financial enquiries (Muhammad, 2010). In Zimbabwe, the initial visible form of financial technology innovation was early in the 1990s when the Central Africa Building Society CABS and Standard Chartered Bank installed the country's first Automated Teller Machines. ATMs offer customized services, reduce waiting time on customer service delivery and provides vital information required by customers in the least possible time (Lovelock, 2000). He further emphasizes that quality of ATMs service and the impact they could have on customer service delivery or satisfaction depends on a number of factors that include secure and convenient location of the automatic teller machines, functionality, user friendly system and an adequate number of the ATMs. Mobarek (2007) stated that speed of operation and waiting time are important consideration of ATM service quality. On the other hand, Zambara, (1999) states that commercial banks in Zimbabwe introduced ATMs in order to avoid mistakes of manual systems,

improve on security of both the bank and their customers, reduce the time taken for customers to finish the transaction and increase the banking time of their customers.

2.3.1 Internet banking

Sathye (1999) stated that the internet is transforming the banking and financial industry in terms of the nature of core of core products/services and the way these are packaged, proposed, delivered and consumed. Internet banking can be defined as systems that enable bank customers to get access to their accounts and general information about the bank products and services through the use of the bank's website, without intervention or inconvenience of sending letters, faxes, original signatures and telephone conformations (Henry, 2000). On May 18, 1995, Wells Fargo became the first bank to offer internet banking to customers, replacing programs involving desktop computers, hard drives, and bank-provided floppy disks. Wang (2005) viewed internet banking as a process of innovation whereby customers manage their own banking transactions without visiting bank tellers. He also states that internet banking allows non-customers to visit virtual banks via the public network while phone banking or PC banking provide only closed networks limited to the existing client, its difference from online banking is that internet banking provides universal connection from any other location worldwide and therefore is universally accessible from any internet linked computer or device (Bradley and Steward, 2003). Henry and Yibin (2003) identified three functional levels or kinds of internet banking that are currently employed in the market place and these are: Informational, Communicative and Transactional. These can be illustrated as the following: Informational (Websites are identified as the first level of internet banking. Typically, the bank has the marketing information about the bank's products and services on a standalone server. The risk is limited as informational systems typically have no path between the server and the bank's internal network. Communicative or Simple transactional (Websites allow some interaction between the bank's systems and the customer. The interaction is limited to e-mail, account inquiry, loan application or static file updates (name and address). It does not permit any funds transfers.

Advanced Transactional (Websites allow bank customers to electronically transfer funds to or from their accounts, pay bills and conduct other banking transaction online like the First Capital Bank On The GO App in Zimbabwe. However, acceptance and use of internet banking is still limited in Zimbabwe because it is a new industry (Mafirakureva, 2012). He further states that the

country's mobile subscriber base continues to grow as more and more consumers are familiarizing with internet banking. According MPS of 2012, argued that there is an accelerated growth of internet banking in Zimbabwe due to the recent launch of broad band internet by Econet, Netone, and Telecel among others that has expanded the availability of internet in the country.

2.3.2 Mobile Banking

Tawari et al. (2010) defined mobile banking as a transaction whereby there is a transfer of rights to use goods and services, which is initiated and completed by using mobile access to telecommunication networks with the help of an electronic device. Scholars have further explained that mobile banking is the provision of financial services with the assistance of mobile tele communication devices. It is usually performed via text (sms) or the internet but it can also be performed using special computer programs called applications that are downloaded onto the phone or tablet, (Banerjee, 2015). Mobile banking also can be defined as an account management tool which can be accessed through mobile phones (Bolyai, 2003). According to MPS of 2012, mobile phone penetration in Africa has leapfrogged and Zimbabwe is no exception with a subscriber base estimated to be over 5 million.

Siciliano (2013) interprets mobile banking or text (SMS) banking as banking that takes place using a mobile phone rather than using a laptop or desktop computer. The difference between mobile banking and online banking is that online banking refers to any banking transactions that can be conducted over the internet, generally through a banks' website under a private profile, and with a desktop or laptop computer. On the other hand, mobile banking allows you to perform many of the same services as online banking using a tablet or smart phone instead of a desktop or laptop. People assume that online banking is the same as mobile banking but the two are different. Porteous (2010) classified mobile banking into transformational mobile banking and additive banking. Transactional mobile banking is the provision of financial services using mobile phones to reach the financially excluded population and additive banking is whereby mobile phones are an additional channel used to "aid in" banking services the already banked. It has increased provision of financial services with a wide choice of services geared towards to all levels of society (Vaidya, 2011).

In Zimbabwe, cell phone or mobile banking can be described as the latest services in financial technology innovation by commercial banks in conjunction with mobile network operators. The recent high growth and penetration of mobile banking is transforming cell phones into banks in pockets and also providing opportunities for commercial banks to deliver their financial services even to people in rural areas and improve bank performance key indicators (Ondiege, 2010). The increasing application of wireless technologies in most developing economies has provided commercial banks with the opportunity to provide their services anytime, anywhere.

2.3.4 Short Message Service Banking (SMS)

Tiwari (2007) defines Short Message Service Banking as the delivery of banking and financial services ranging from the stock market transactions, administration of bank accounts and accessing customized information via telecommunications devices. The swelling of application of wireless technologies in which mobile phones are just one of the many examples has provided banks with the opportunity to provide their services anytime, anywhere (Birch, 1999). The SMS banking channels can be linked to host systems through various means depending on the volume of messages to be pushed for example simple modems or leased lines using communication protocols. The SMS deliverables range from account enquiries to transaction processing tasks. The list of features includes account balance enquiry, the famous bank to wallet or wallet to bank facility min-statement and purchasing mobile airtime. According to Adagunodo et al. (2007), the SMS services can be categorized into push SMS and pull SMS. Push SMS is sending message from an application (SMS server) to the mobile application. Push services include periodic account balance reports for example monthly reports of salaries and other credits to the account, large value withdrawals on account or from ATM and onetime passwords authentication. Pull SMS refers to sending a request and then getting a reply hence, it is a full duplex scenario where a user sends a request to the banking application and the application responds with the information required. Pull SMS includes account balance enquiry, transfers between customer's own account say from a savings to a current account and bill payments.

Shetty (2005) argues that SMS banking has greater potential to boost the ease of banking than other electronic channels such as ATMs and POS due to its anytime, anywhere aspect and due to the fact that texts are cheaper than actual mobile data especially in Zimbabwe. It can therefore be alleged that SMS banking is a lucrative banking option and is likely to cover up gaps left by

other previous banking solutions such internet and online banking. Moreover, for SMS banking to be effective there is need for network coverage and in most third world economies network coverage especially in remote areas is hindering commercial banks to deliver financial services via this channel. However, as for the main challenges of SMS banking like network coverage, solutions to the problem are at advanced stage as some operators have launched the 4G network and Interactive Voice Responses facilities and such services boost the accessibility, user friendliness and effectiveness of SMS banking (Dube et al., 2011).

2.3.5 Real Time Gross Settlement (RTGS)

According to Nzaro & Magidi, (2014) RTGS is a funds transfer system where the transfer of money or securities takes place from one bank to another on a real time and on a gross basis. It is a transfer that is processed instantly, it does not have to wait or have any delays. 'Real time' means payment transaction is not subjected to any waiting period and 'gross settlement' means the transaction is settled on one on one bunching or netting with any other transaction (Nzaro & Magidi, 2014). RTGS is most suitable for high value transactions. In Zimbabwe RTGS are controlled by the Reserve Bank of Zimbabwe (RBZ).

2.3.6 Other forms of Fintech

2.3.6.1 Cryptocurrencies

Trautman (2014) defines cryptocurrencies as a subset of digital currencies, which may either have centralized institutions or are based on a decentralized network. Bryans (2014) is of the idea that, for a centralized currency scheme, the digital currency is issued by one institution, which ensures that the digital coins can be exchanged back to fiat currencies or can be used to buy and sell digital goods. A fiat currency or money is a government issued that is not backed by a commodity such as gold (Ib Ravin, 2015). One good example for this centralized digital currency is the Linden Dollar, issued by Linden Lab, which can be used in the online virtual world Second Life. Its hares some characteristics with fiat currencies. Like in the traditional money system, a central institution serves as a source of trust.

According to Bryans (2014) a cryptocurrency is a digital token produced by cryptographic algorithms. This token is then transported across cyberspace using protocols such as peer-to-peer networking. Its value is mainly a derivative of demand and supply for such tokens and an

important part of their appeal resides in the decentralization of the system of which they exist. The general discourse on cryptocurrencies has led to varying levels of support for the innovation, where some regulators have been very wary of it while the Financial Technology communities have argued about the inevitable widespread use of cryptocurrencies (Bryans, 2014). The main benefits as cited by Harvey (2015) include the security features, ease of use on mobile devices, relatively cheap costs of production and transmission via the block chain transmission protocol and low long-term inflation risks. Global financial corporations such as Citibank are developing their own cryptocurrency due to these perceived benefits of utilizing the aforementioned protocols (Madore, 2015).

Cryptocurrency and other digital money such as bank deposits are typically files on computers that a person consider having a certain value and is seen as money. The nature of money consists of building trusts among the strangers who use money to trade. One must be confident that others are willing to accept their money in the future and that the money will keep a certain value so that it can be used for future trades (Camera, 2017). Money has three functions. According to Asmundson and Oner (2012) these functions are store of value that is saving, unit of account provide a common base for prices and medium of exchange that is trade.

With traditional money people attach a certain value to a paper banknote and the government and central banks make sure that the money remains valuable and that trust is remained. For private cryptocurrency there is not an authority that fulfils this task of maintaining stability and thus it is one of the reasons that the value of private e-currencies is very volatile. Two important distinctions that should be made are the differences between sovereign and non-sovereign digital currency (Camera, 2017).

With sovereign digital currency the digital form of cash is meant, which can be for example commercial bank deposits at the central bank, but also a Central Bank issued Digital Currency regime. Whereas no sovereign currency is private currency, such as Bitcoin. For this research non-sovereign private e-currency is compared with a sovereign version of e-currency, the Central Bank Issued Digital Currency regime.

2.3.6.2 Bitcoin and Blockchain Technology

Bitcoin is a communication peer-to-peer protocol that enables a payment system and use of virtual currency (Christin and Moore 2015). Bitcoin was introduced in 2008 by a group of anonymous developers or single developer named Satoshi Nakamoto (Nakamoto, 2008). Although the concept of cryptocurrencies was described and suggested firstly in 1998, Bitcoin became the first "practical" proof of the theory in function (Kelly 2014). Now that the literature on cryptocurrencies has been established, the most famous example of a cryptocurrency, namely Bitcoin is used to explain the mechanics of an e-currency. Bitcoin was introduced over a decade ago in 2009 and since then the usage of Bitcoin has been growing rapidly even commencing operation in Zimbabwe. Bitcoin had 6.56 million users in 2016 and 11.05 million one year later in 2017 (Weber, 2017).

Bitcoin works with a Blockchain, a Blockchain is a new technology that uses encryption. The Blockchain is a ledger that is updated constantly and maintained by computers. Thus, eliminating the traditional role of a middleman, for example banks that are supervised by authorities from the central bank namely the RBZ. An important feature of the Blockchain is that it is public and everyone can see it as it acts as a public ledger, which is updated after every transaction. Everyone owns their own copy of the ledger, although this might imply a lack of privacy, this is not entirely true as the transactions and accounts in the Blockchain are anonymized by recoding it, a technical computerized process. The main advantage of the public ledger is that you do not have to trust a third party or middle man anymore. Every transaction becomes a block which is then checked by others' computer and approved, these verifiers are the so-called miners (Dwyer, 2014).

After it is approved the transaction is added to the chain of blocks that is the Blockchain and goes through. Every transaction is public and if someone tries to corrupt it, the mathematics behind it would flag it and prevent a consensus among all the ledgers and thus basically preventing fraudulent transactions. So, the middlemen, banks for example are partly replaced by cryptographic verification (Swan, 2015). The existing Blockchain technology used for private e-currencies could also be the basis for a central-bank issued cryptocurrency. Bitcoin's main function seems to be as a means of payment, transaction costs for Bitcoins are kept very low, making it easy and affordable to transfer sums of money with fast speeds all over the world (Sauer, 2016).

Transactions are executed almost instantly and anytime. (Bitcoin,2017). However, Bitcoin is still considered as a complement and not a substitute for traditional currency (Sauer, 2016). Nowadays Bitcoins are mainly used for speculative purposes rather than a mean of payment, resulting in a lot a volatility that is much higher than similar derivatives (Hay, 2017).

2.4 Benefits of FINTECH

There is improved account management as customers can view as well as download their account statements online and have access to banking statements from previous transactions carried out. The customers now carry out their transactions in the comfort of their own homes or offices wherever they are without having to visit the banking premises hence, providing self-service features for the convenience of the customers. Account balances can as well be accessed online thereby making banking much easier for the customers. This helped a lot in the Covid-19 era.

To add on there is security in the use of fintech as customers are given a Personal Identification Number (PIN) which he or she is supposed to change to his or her own thereby personalizing it. The PIN should be the customer's own secret and should be used whenever the customer wants to transact. For online transactions a password is used, it will be made up of a combination of numbers, letters and special features. With these passwords and PINs, a customer is secured and has reduced risks of identity theft since transacting can be done online and in the comfort of one's home without any other person looking, one can input his or her password or PIN. This is different from traditional banking whereby one would input his or her PIN with other customers in a queue behind and can see what would have been inputted as the PIN. Hence fintech provides its customers with more security. There is also security in the sense that customers no longer have to carry hard cash for shopping since they can buy using plastic money, that is, debit cards, Visa cards or mobile money as hard cash attracts robbers.

There are reduction of travelling costs, with fintech all transaction costs are reduced and since the banking is done in the comfort of one's home or office, there are no travelling costs incurred. The normal transaction fees are less than $0.20 depending on the amount to be transferred. Checking account balances with some banks is free. The account balances to remain now differ from bank to bank and also depending on the type of account, for example, Ecobank's minimum

balance should be RTGS $5000.00, First Capital Bank RTGS $300.00 among others on all current accounts.

Fintech is convenient since the banking is done online, it is fast, that is if the customer has a strong internet base. There are no hustles involved since it is mostly self-service. The customer quickly gets feedback from the current transaction as to how much has been deducted and how much is remaining in the account.

2.5 Challenges of Fintech

According to Daft & Richard (1982) in Kwarteng (2015), the rise of electronic banking may be a smart thought however with respect to customers they may confront some risk connected with the specific type of innovation. The challenges of fintech are as follows:

Lack of technological knowhow is the most common challenge that customers face when it comes to fintech. The customers find it difficult to access the internet as well as to navigate their way in the system in order to transact. This is because most customers are IT illiterate hence the challenge arises since electronic banking works online. Also the bank employees themselves may even lack the skills and experience to adapt to software technologies and educate their customers (Kwarteng, 2015). Sometimes the lack of technological know-how is caused by the ignorance to learn about the new banking system as well as failure to accept the innovations and try to stick to the traditional methods.

Moreso, there are challenges in accessing the internet; the system can be down thereby preventing all transactions from being processed or the system itself from being accessed. This possesses a huge challenge to both the customer and the banker because the banker sometimes is not in a position to do anything but wait for the network to stabilize. It also goes back to the lack of technological skills on the part of the banker to try and fix the network challenges.

To add on, the current power shortages in the country now pose as a challenge on the part of the customers. Electronic devices of customers have power problems hence they can no longer transact at their own convenience. Also whenever power is back at the banking halls, it disturbs processes as they switch from generators to ZESA power.

According to Daft & Richard (1982), poor electronic banking planning and investment decisions can increase a financial institution's strategic risk. Strategic risk is a possible source of loss that might arise from the pursuit of an unsuccessful business plan (www.businessdiction.com).

There are also high establishment costs as well as the costs of buying the technology itself is expensive. Setting up the technologies is expensive and requires experts to do it as well as experienced people to use it.

Most customers lack the proper knowledge on how to use the new banking system. The bank employees as well are not fully equipped with the knowledge of fintech therefore; they cannot educate their customers on how to use the system properly. The technology involved are rather complex and many banks in developing countries have inadequate working capital, technical expertise and infrastructure in order to properly implement fintech. Sometimes the system itself is not applicable all the time; there are always interferences with the system as it is still under development. Other challenges include incompatibility with other mobile phones in order to transact online, for instance, itel kg56 does not have internet access. There are high risks of fraud and account hacking by robbers who use the internet to rob people of their funds online hence, it is not 100% secure.

2.6 Empirical Literature Review

This looks at the previous studies that have been undertaken by other scholars and authors in relation to the impact of fintech on customer satisfaction.

2.6.0 Maseke (2018). Impact of mobile banking on customer satisfaction: Commercial banks of Namibia.

Maseke (2018) carried out a survey to find out the impact of mobile banking on customer satisfaction with particular reference to the Namibian commercial banks in Keetmanshoop. The study surveyed 60 customers using mobile banking across all four commercial banks in the study. The survey found that the majority of the respondents and users of mobile banking were

Customer has never heard of internet banking	Customer has heard of internet banking and what it is	Customer understand how internet banking could be useful to them	Customer knows the steps necessary to transact	Customer tries the service	Customer habitually uses the e-banking banking service

adults aged 25 years and below. The most frequently used service was airtime purchases and the least was the allocation of funds. They registered for mobile banking because they were influenced by the mobile banking advertisements. The overall satisfaction rate was 75% in the banking sector and it can be concluded that mobile banking is reliable, convenient, cost effective, available on different mobile networks and service is compatible with mobile devices. However, some concerns were that customers were unable to reverse or cancel funds that were wrongly transferred and that electricity purchases were not supported for the Keetmanshoop municipality as well as the unavailability of service on pay days (Maseke,2018).

2.6.1 Toor, Hunain, Hussain, Ali, & Shahid (2016). Impact of E-banking On Customer Satisfaction: Banking Sector of Pakistan.

Toor et al (2016) undertook a study to investigate the impact of E-banking on customer satisfaction in Pakistan. They looked at the five service quality dimensions; reliability, responsiveness, assurance, tangibles and empathy which were derived from the SERVQUAL model. The study surveyed 264 E-banking users from different cities in Pakistan. The e-banking facilities used include ATMs, POS networks, internet banking, mobile banking, Call Centre and the financial institutions were also adding their contribution to the country's payments infrastructure through branchless banking. From the study, the volume of E-banking transactions rose by 100% since the year 2011, the volume of transactions increased by 62% and internet banking had increased by 3%. It can be concluded from the statistics that there has been increased divergence to online services from traditional banking and that out of the five SERQUAL model, only responsiveness, reliability and assurance evaluate e-banking service

quality. Most of the customers get to benefit from only a few basic operations offered by e-banking such as withdrawals on ATMs, account enquiries and POS transactions. However, there is still more room to create awareness amongst the customers in order to ensure full exposure of e-banking in Pakistan (Toor et al, 2016)

2.6.2 Baber (2020), influence of Fintech on client retention in Islamic banks of Malaysia.

Baber (2020) aimed to discover the influence of Fintech on client retention in Islamic banks of Malaysia. A questionnaire was designed to collect data from 325 customers by strata sampling. Results revealed that payments, compliance services, and advisory of Fintech influence the customers' retention while financing service has no significant impact on customer retention. Moreover, Pooya, Khorasani, and Ghouzhdi (2020) measured the impact of technology readiness and the quality of e-services on customer satisfaction. A questionnaire was designed to collect data from a sample that included 410 customers. Equation modeling was executed to assess the hypotheses. The outcomes showed that technology readiness has a remarkable and positive impact on customer satisfaction.

2.6.3 Woldie , Hinson, Iddrisu, & Boateng (2008), Internet banking: an initial look at Ghananian bank consumer. Case of Ghananian banks.

Woldie et al (2016), undertook a study to examine how internet banking can improve the relationship between clients and banks in Ghana. A sample of 180 clients was used. The results from the study indicated that 68% of the respondents know about internet banking and 33% of the customers have never heard about it. The majority of the customers indicate that even with the adoption of electronic banking, they still prefer to bank manually (Woldie et al, 2016).

2.6.4 Fonchamnyo (2013) ‘Customers’ Perception of E-banking in Cameroon: An Emperical Assessment of an Extended TAM’.

Fonchamnyo (2013) carried out a study to identify the drivers to the customers’ perception of e-banking adoption in Cameroon by looking at an extension in the Technological Adoption Model (TAM). A sample of 210 customers was used. The results from the study showed that perceived security, trust, costs of service, usefulness, and accessibility have significant influence on the customers’ attitudes towards adoption of e-banking. In addition to that, characteristics such as

age, education, monthly income and marital status have significant influence on the adoption of e-banking. It was concluded that the young people adapt to e-banking quickly than the old people and also that higher income earning customers are more likely to adapt to e-banking than low income earners (Fonchamnyo, 2013).

2.6.5 Baadah (2010) 'Customer adoption of internet banking in Gaza Strip'

Baadah, (2010) undertook a study to identify the factors that encourage customers to adopt internet banking in Gaza Strip. A sample of 497 customers was used to examine the factors influencing the adoption. The research study was based on the Technology Acceptance Model (TAM) which includes two factors; the perceived usefulness and perceived ease of use. The research concluded that the quality of internet connection, the awareness of internet banking and its benefits, the culture influence and computer self-efficiency have significant effects on the perceived usefulness and perceived ease of use of internet banking acceptance. Other factors such as education, trust, perceived ease of use and perceived usefulness also have important impact on the attitude and adoption of internet banking (Baadah, 2010).

2.6.6 Nyoni, Chiguvi, and Nhlane (2017), e-service on client satisfaction in Botswana.

Nyoni, Chiguvi, and Nhlane (2017) investigated the impact of E-service quality on client satisfaction in the Botswana banks, intended to realize the connection between satisfaction and E-service quality. The collected data of 150 customers were investigated by using regression analysis. The results showed a significant link between E-service qualities and customer satisfaction.

2.6.7 Dube, Chitura & Runyowa (2008), Adoption and use of internet banking in Zimbabwe. An Exploratory study.

Dube *et al*, (2008) undertook a research to examine the adoption and use of internet banking in Zimbabwe, it was an exploratory study. A sample of 16 banks was used and only 12 banks responded to the questionnaires. Fifty percent of the respondents indicated that they did not view lack of expertise as a challenge in their bid to adopt and use internet banking. The results from the study identified challenges such as compatibility with legacy systems, cost of implementation and security concerns among others that fraught banks from adopting internet banking. The

Zimbabwean banks should vigorously promote the usage of internet banking among customers while policy makers such as the government and the Reserve Bank of Zimbabwe (RBZ) should increase investments targeted at infrastructure development so as to encourage banks and individuals alike to adopt the innovation (Dube *et al*, 2008).

2.6.8 Kigen (2010), The impact of mobile banking on transaction costs of microfinance institutions.

Kigen (2010) undertook a study to analyze the impact of mobile banking on the transaction costs of microfinance institutions. The results from the study showed that mobile banking reduces the transaction cost of microfinance institutions though it was only beneficial to them with banks feeling less impact. Reduced cost is a benefit of mobile banking which also falls under paperless or e-banking and it means an increase in the actual income assuming other things hold constant (Kigen, 2010).

2.6.9 Nyoni (2018), Towards a Cashless Zimbabwe. An Empirical Analysis.

Nyoni (2018) undertook a research to examine the benefits and convenience of a cashless economy in Zimbabwe. A cashless economy in other words is electronic banking, the use of plastic money. A sample of 567 respondents was used and 83% of the respondents opined that the cashless economy is beneficial in the sense that it facilitates faster transactions. 77% of the respondents thought that a cashless economy is beneficial in that it reduces cash related corruption. The results from the findings established the following benefits: faster transactions, reduction in cash related corruption, easy cash collection, saves customers' banking time and reduces queues as well as congestion in banking halls (Nyoni, 2018).

2.6.10Wambari (2009), Mobile banking in developing countries. A case study of Kenya.

Wambari (2009) carried out a study to establish the importance of mobile banking in developing countries, to get to know the challenges associated with mobile banking as a business tool and appreciate its advantages and disadvantages. The results from the study proved that the adoption of mobile banking is a product of social process which has economic benefit. The results further showed that the challenges of mobile banking to be the application's incompatibility with other mobile phones (Wambari, 2009).

2.7 Knowledge Gap

The electronic banking field has attracted many researchers and various studies in different countries have been carried out concentrating on different issues such as adoption, technologies involved and service delivery among others. Most of the studies on customer satisfaction have been carried outside Zimbabwe in countries with unique technological advancements and macro-economic conditions. The acceptance of technology in Zimbabwe is quite slow as compared to other countries. Very little has been done about the impact of fintech on customer's satisfaction in Zimbabwe. The question still exists whether fintech is satisfactory to the Zimbabwean customers who live in a cashless economy. Therefore, this research fills this gap by studying the situation whether fintech brings satisfaction or not to customers in the Zimbabwean banking sector.

2.8 Chapter Summary

This chapter gave a theoretical account of fintech and customer satisfaction. It also reviewed the conceptual framework of fintech and customer satisfaction. The effect on customer satisfaction has been revealed backed up by the empirical study carried out by past researchers. The next chapter highlights the methodology of the study Kwarteng (2015) discovered the relationship between electronic banking and the quality of customer services in Ghana. Sixty-Nine customers and 29 bank employees were chosen through a purposive sample from three selected DMBs. The study showed a low level of client satisfaction as customers' experience difficulty in accessing electronic banking services. Moreover, in the same context, Addai, Ameyaw, Ashalley, and Quaye (2015) deliberated to inspect the association between electronic banking services and customer satisfaction utilizing the purposive sampling technique to choose a sample of 150 bank customers in Ghana. The study formed robust proof of empirical backing of the positive impact of reliability, availability, and convenience of electronic banking on satisfaction.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

This chapter highlights the methodology which can be used in data collection, analysis and the methodology that can be used in data collection, analysis and presentation. It also includes research design, target population, sampling design, data collection and data analysis.

3.1 Research design

According to (Mugenda & Mugenda, 2009), research design is the plan of conducting the study in order to answer the research questions and achieve the objective of the study. According to Polit & Beck, (2006), a research design includes an outline of what the investigator will do from untying the hypothesis, or research questions, and their operational implications to the final analysis of data. In this case, the researcher will use descriptive research design. Such a design requires direct observation amongst its advantages hence was it was directly linked to customers. This research design had been adopted due to its ability to provide further insight into research problem by describing the variables of interest which include the measure of Fintech and customer service delivery or satisfaction. The research design used primary sources of data derived from questioners handed to bank customers. The data obtained was compared with past studies to ascertain validity and authenticity.

3.2 Descriptive research

The descriptive design was used because it gave the researcher a chance to present an account of data and information gathered. The descriptive design was very useful to the researcher in describing fintech and how the customers are reacting to it so as to determine their satisfaction levels. Descriptive research also applies to the study where both qualitative and quantitative data was employed to gain in depth understanding of the impact of fintech on customer satisfaction. Descriptive research is used to portray an accurate profile of persons, events or situations under

study and is also designed to provide a picture of a situation as it unfolds (Gray & Sutherland, 2013).

3.3 Target population

According to this study, a population is the entire collection of study subjects from which a selected sample will be drawn so as to effectively study the group. This study's population are the users of fintech (electronic banking) in the country, based in Bindura. A total population of 200 comprised of First Capital bank (electronic) banking customers hence, forming the basis for the study Questionnaires distributed to customers who bank with First Capital Bank. Managers and employees are excluded from the study since the researcher wanted to focus on customers only as she titled her work on customer's satisfaction. According to Kothari (2004), population is a group of individuals who have one more characteristic in common. A study population can also be defined as a group of people, elements or events which are of interest to the researcher and what is going to be investigated (Kotler & Armstrong, 2011).

3.4 Sample size

A sample is preferred because it simplifies the study and increases the intensity of the data gathered since it is difficult to study every member of the population. Cited in Hewan (2014) proposed that the rules of thumb for determining the sample size which more than 30 and less than 500 are appropriate for the most research. The sampling frame included customers from First Capital bank, Bindura branch (any customer who uses e-banking). Sampling reduced the cost and time spent on the research. The sample size will be deduced from the study population with the help of convenient sampling. Douglas (2006) defined a sample as a list or other devices used to define a researcher's population of interest. Kumar (2011) refers to a sample as a selected subgroup of the population which the researcher is interested in.

3.5 Sampling techniques

The idea of sampling is that by selecting some of the elements in a population, the researcher may draw conclusions about the entire population. The researcher used non-probability sampling technique known as convenient sampling method in the study. Non-probability sampling is also referred to as deliberate sampling, purposive sampling and with this technique the sample is

selected deliberately by the researcher (Cooper & Schindler, 2003). The purpose of this technique is to reduce the costs associated with sampling and to save time, thus enhancing the speediness with which the research is completed. This research conducted using both probability and non-probability sampling technique. One type of Probability sampling named simple random sampling (lottery method) applied to select customers in a bank queue and non-probability sampling applied to the customers who pay their bills at the Bindura branch. The researcher selected the respondents that were easily accessible to her, that is, those who were nearest. Because of shortage of time and money, samples were selected using purposive sampling since the target population size is not known. Questionnaires were distributed to the customers and the researcher personally distributed the questionnaires by giving to each customer who can fill by themselves.

3.6 Data collection techniques

3.6.0 Data sources

There are two sources of data collection. These are primary and secondary source of data. Primary data involves the collection of data that does not already exist. In order to get the service quality level of First Capital Bank from the customers' point of view, this research conducted using primary data. The researcher used one method in collecting the primary data. The use of questionnaires. The survey was basically conducted using questionnaires. The data collected from secondary source served as a support for the data which was collected and analyzed using primary sources of data. Secondary sources of data have been proved by many researchers to be used as evidence of resulted pulled from the use of primary data.

3.6.1 Primary data

Primary data was specific to the objectives of the study and helped to provide the relevant and up to date information with regards to the topic under study. The researcher will gather first-hand information concerning the impact of fintech on customer satisfaction, the benefits and challenges of internet banking and the customers' perception towards its adoption. This is data that is collected and used for the first time or data obtained by carrying out a research for the first time. Primary data is collected for the first time and thus is original in character and serves the purpose at hand (Saunders, et al, 2009). In this study, questionnaires were used as the researcher's primary data sources.

However, the primary data collection was time consuming considering that a pilot study had to be carried out first before the actual data collection. It was also very costly to collect as it required meeting the relevant people so as to solicit the information. The questionnaires required printing which were costly, follow ups through texts and calls and transportation costs to meet up with the respondents were the drawbacks encountered with primary data.

3.6.2 Secondary data

This represents data that was previously used in other reports, publications, interviews or documentations among others. Cooper & Schindler, (2003) define secondary data as data that already exists somewhere, which was gathered for another purpose. The researcher extracted relevant data which was very useful to the study accessing data sources like newspapers, journals and many others.

The advantage of secondary data is that it is relatively cheaper to collect, less time taken for its collection, inexpensive and it complements the primary data as it gives a basis upon which comparisons can be made. Because secondary data is rather subjective, the data must first be cross checked for accuracy.

3.7 Research instruments

These are tools that the researcher used to gather primary information for the study. The researcher used questionnaires as research instruments.

3.7.1 Questionnaires

The researcher physically distributed the questionnaire to the respondents after seeking permission from the bank. The questionnaire contains both open and close ended questions. The researcher left the questionnaires behind then collected them later on thus allowing participants to respond at their own pace and hence making them flexible.

This is the most commonly used research instrument. Kumar (2011) defines a questionnaire as a set of questions which have been prepared to ask a number of questions and collect answers from respondents relating to the research topic. In this study, a self-administered questionnaire will be used. This is one where the respondents fill in the questionnaire without the researcher's assistance.

The advantages of a questionnaire are that; the respondents can freely express their views on paper thereby making the outcome more flexible. They are easy to interpret to the researcher especially when analysing the data from various respondents and they can measure both quantitative and qualitative data. Questionnaires protect the privacy of the participants.

However, some of the respondents took time to respond to the questionnaire hence delaying the analysis of data, the rate of return of the questionnaires was not satisfactory as some of the respondents would leave the bank with uncompleted questionnaires and some could not return them. Some were partially completed.

3.8 Data analysis

The researcher used SPSS-20 (Statistical Package for the Social Sciences) software. Specific analysis techniques named percentage, comparing mean, regression and correlation were employed based on the requirement of the specific research objectives formulated for the study. The main aim of this research is to determine fintech by service quality dimensions for services provided by First Capital Bank and to find out whether these dimensions have an impact on their satisfaction from the service. Therefore, regression and correlation are the best analysis tools.

3.9 Validity and reliability of data

Primary data was obtained from the respondents through a structured questionnaire which comprised of closed and open-ended questions. Leedy (2010) defined validity as a measure of the extent to which the research instruments are purported to measure the outcome. The purpose of designing the questionnaire is to address the data validity concerns and to ensure that it is in tandem with the research. Prior to launching the full-scale study, a pilot study was carried out in order to identify the weaknesses with the questionnaire before it was given out to the respondents. This process helped to refine the questionnaire, enhance its legibility, correct errors and minimize the chances of misinterpretation. A small group of 10 members mostly the researcher’s family and friends and this group was not allowed to respond to the actual questionnaire. Numbers of changes were made to the questionnaire after the pilot study. Since the questionnaires should contain same question in different forms which is believed to yield the same answer. This method will help when used in different phases of the research to obtain a variety of information on the same issue and use to obtain a higher degree of validity and

reliability through deeper analysis. Saunders et al, (2012) mentions validity concerning with the reality of findings. The threats to validity mentioned are history, testing, instrumentation, mortality, maturation and ambiguity about causal direction. Therefore, the set of questions that were prepared on the questionnaires were believed by the researcher to answer the research question and enabled to reach on a sound conclusion.

3.10 Data presentation and analysis

The data collected from the questionnaires would be organized, analysed and presented to produce meaningful results. The data will be presented in the form of pie charts, tables, bar graphs and the qualitative data will be presented and analysed as descriptive analysis. The researcher made use of SPSS 20 (Statistical Package of Social Sciences) software to analyse the data.

3.11 Chapter summary

This chapter is the backbone of the study since it was mainly concerned with how the entire research was carried out and how the data was gathered. Therefore, it covered important aspects such as research design, sample size, the composition of the sample, sampling techniques, research instruments, data validity and reliability and also the methods of data presentation and analysis procedures. The next chapter will focus on data presentation and analysis.

CHAPTER 4

DATA ANALYSIS AND PRESENTATION

4.1 INTRODUCTION

This chapter provides an analysis of the research findings followed by discussion which links results to the literature in chapter two of this study. The chapter looks at the questionnaires, response rate, the presentation and the analysis of the results. The results are based on the analysis of the secondary data obtained from the company documents and the primary data.

4.2 RESPONSE RATE

120 questionnaires were sent to both staff and customers of First Capital Bank and out of these 110 were successfully completed and returned for analysis. Saunders et al (1997) pointed out that a response rate that is 50 % and above of the total questionnaires administered warrants validity of the research findings. A response rate of 91.7 % was achieved warranting the validity of the research finding

4.2.1 DEMOGRAPHICS

This section provides an analysis of the research demographics. These include gender, years of experience as a customer of the bank. Contents of this section are argued to have an effect on the reliability and validity of the study findings. Following discussions under this section, appropriate inferences are drawn accordingly in this regard.

Table 4.1 Distribution of Respondents by Gender

Gender	Quantity	Percentage
Male	66	60%
Female	44	40%

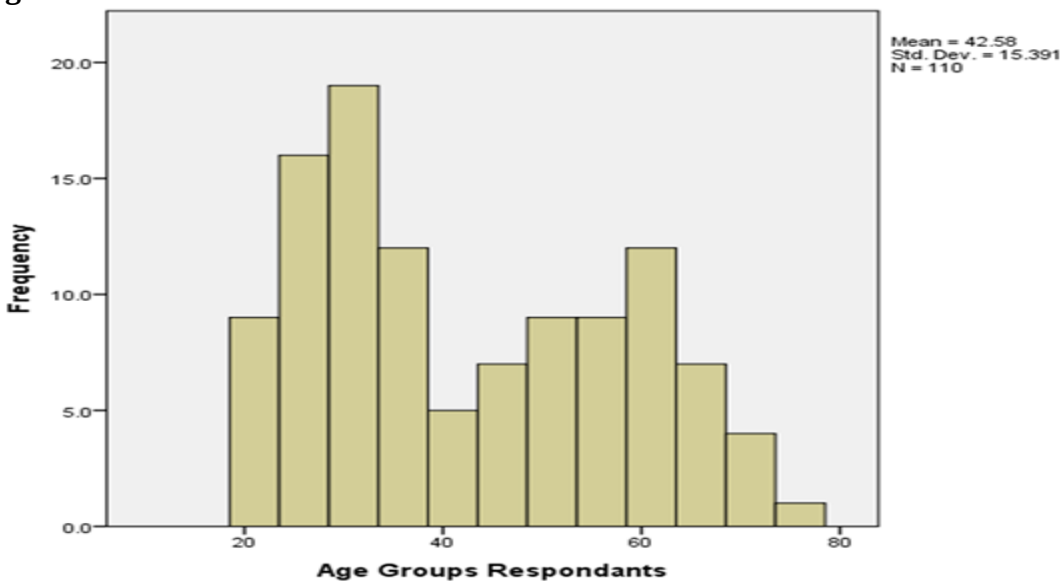
Source: Author 2022

The table above shows that 60% of the total participants were males and 40% were females. The percentage of male participants is higher than that of the females. Therefore, the researcher concludes that males are the most users of fintech. The results are similar with the study by Cheng et al (2006), who discovered that the highest response rate of internet banking users was from males who had 72% as compared to females who had 28%

4.2.2 Respondent's Ages

Age of respondents who uses banks services is an important factor this study. Consequently, respondents were mandatory asked to state their ages from the specified options which contain; 21– 35, 36 – 45,46 – 55, 56 – 60 and above 61. The outcomes were presented outcomes in table signify that age of respondents varies. It was revealed that out of 110 Respondents, (44.3%) were between 21 – 35 0f age, (23.5%) were between 36 – 45 of age, (19.2%) were between 46 – 55 of age, (8%) were between 56 – 60 0f age and (5%) were above 61 years. These findings illustrate that the lowest ages were seen to be between 46-55. Nevertheless, the maximum age was observed to be of those with 18-35. Additionally, these results prove that the mean age groups were 42.58%, standard deviation at 15.39 for a sample population N of 110 people.. These findings were supported by the study done by Thomas et al, (2002) on Market Based Approach to optimal Resource Allocation in Integrated-Services Connection Oriented Networks. Findings of their study corroborate the findings of this study that young adults are chief users of banks. And thus the mean age was 42.5.

Figure 2



Source: Author 2022

4.2.3 Multicollinearity test

In order to validate data, a test for Multicollinearity was conducted. Tests whether individual independent variables were highly related to each another thereby representing the same effect on the dependent and thus inflated the results of the model. It is tested via tolerance level or the Vector Inflation Factor (VIF) levels. The researcher used the Tolerance and Variance Inflation Factors or VIF to test for the presence of this problem. According to the VIF, presence of multicollinearity is denoted if the VIF value is greater than 10 and if the values are less than 10 then the variables will be of the multicollinearity problem. (overleaf)

Table 4.2

Coefficients[a]

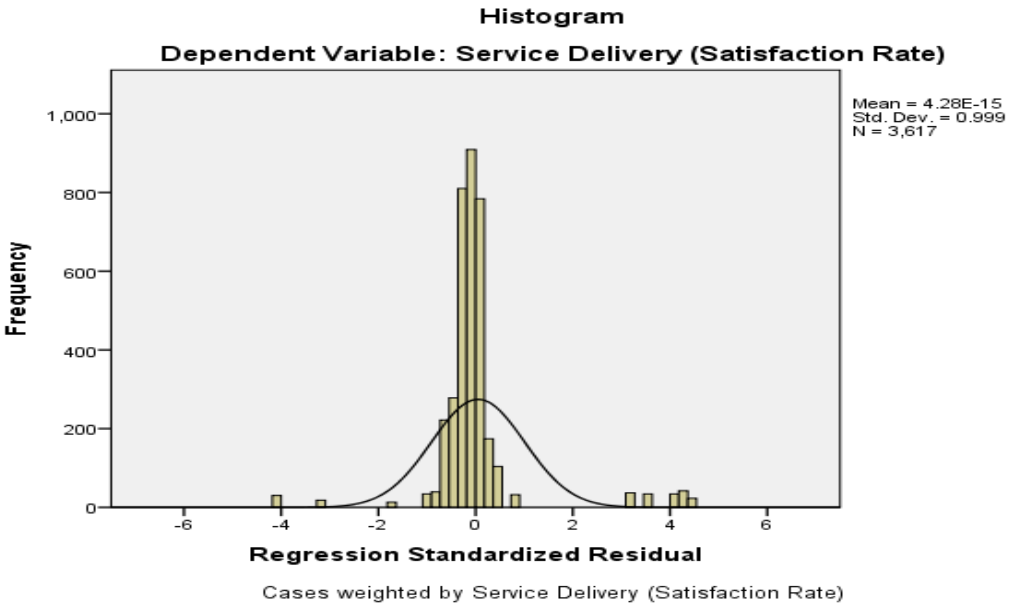
Model		Collinearity Statistics	
		Tolerance	VIF
1	Internet Banking	.534	1.871
	Mobile Banking	.662	1.510
	Point of Sale (Swipe)	.667	1.499
	ZIPIT	.817	1.225
	Automated Teller Machine	.825	1.213
	Ecocash	.761	1.314
	Real Time Gross Settlement Transfer	.729	1.371

a. Dependent Variable: Service Delivery (Satisfaction Rate)

Tolerance value must be between 0 and 1, anything below 0.2 is unacceptable, above 0.2 but less than 0.5 is moderate, up to 1 is very good. Hence in this research the tolerance values are above 0.5 so this is very good and acceptable. The Vector Inflation factor is of tolerance score because the values are less than 3. Hence all variables are acceptable as explanatory variables.

4.2.4 Normality Test

Figure 3



Based on the above figure of the histogram chart, it is seen that the histogram has a normal distribution pattern because it has a symmetrical pattern and it is bell shaped at 99.9% confidence level.

4.2.5 Correlation Analysis

Correlation measures the relationship that exists between variables. This study undertakes Pearson Correlation that measures the linear relationships of variables. A correlation of 1 shows a perfect positive correlation whilst a correlation of 0 or value closer to zero show no relationship or a weak relationship in general. Values that have a -1 shows a perfect negative relationship whilst any values close to -1 thus shows a strong negative correlation. The table below shows the values of the Pearson correlation.

In the table the main interest is on the correlation between the dependent variable and the independent variable. To start with our factor of fintech which is internet banking against customer service delivery is correlated at 0.72. The relationship is strong as it is close to one. The relationship between Fintech and customer service delivery is positive.

Table 4.3

Correlations

Model		Service Delivery
	Internet Banking	.722
	Mobile Banking	.556
	Point of Sale (Swipe)	.690
	ZIPIT	.521
	Automated Teller Machine	.549
	Ecocash	.580
	Real Time Gross Settlement Transfer	.611

The researcher analyzed that the factors of fintech which are mobile banking, point of sale, ZIPIT, Automated Teller Machines, Ecocash and Real Time Gross Settlement Transfer have a strong relationship on customer service delivery. The fintech services have the following figures; 0.556; 0.690; 0.521; 0.549; 0.580; and 0.611 respectively which is close to 1 and thus enhance customer satisfaction. All variables denote a positive relationship with independent variables which means the variables are a perfect fit in the model specified.

4.2.6 Regression Results

Table 4.4
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.982[a]	.964	.964	1.786	3.2

a. Predictors: (Constant), Real Time Gross Settlement Transfer, Mobile Banking, ZIPIT, Ecocash, Automated Teller Machine, Point of Sale (Swipe), Internet Banking

b. Dependent Variable: Service Delivery (Satisfaction Rate)

The R^2 of the model was 96.4%, which implies that 96.4 of the variation of Customer Service delivery were explained by the independent variables, whilst the Adjusted R^2 which is regarded to be more efficient than the latter was at 98.2%. Thus, only a low 1.8% encompasses variables that are excluded from this model that can also explain customer service delivery. This therefore implies that; the model is fit and significant enough to explain the dependent variable.

4.3 Interpretation of Results

4.3.1 Internet Banking

Internet banking has a positive coefficient of 0.722 which represents a strong positive relationship between fintech and customer service delivery which the researcher's expectation. This was also enhanced by the covid-19 pandemic as the only option left for customers to access the bank was through internet banking. Clients have now adopted the internet banking platforms as it is readily available. Customers can access the bank anytime be it during the public holidays when banks will be closed or at midnight to manage banking. In this research customers indicated that they were satisfied by internet banking as is it convenient to conduct transnational operations like money transfers and bill payments and it eliminates the need to wait in lines for bill payments (Naeem 2022). However, internet banking has also drawbacks which are, when the bank servers are unavailable customers cannot be able to access their accounts online to make payments. The results from the findings are similar to the study by Baadah (2010) which stated that perceived usefulness has an important impact on the adoption and attitude towards internet banking which can lead to satisfaction.

4.3.2 Mobile Banking

Mobile banking has a coefficient which represents a positive relationship between the explanatory variable and customer service delivery which is in line with the researcher's

expectations and literature. This is mainly as a result of major shocks that the Zimbabwean financial system has been experiencing over a half a decade ago. Cumulative and increasing liquidity problems faced by the population has forced individual clients and corporations to use mobile banking platforms to transact and pay day to day obligations as banking halls no longer offer desired liquid solutions for clients (Chinhengo, 2018). Hence customers now opt to use soft money and this has improved the living standard of people as the tasks can be done without visiting the bank branch, for instance during the covid-19 pandemic there were reduced face to face interactions between bank employees and bank customers since people would work from home. However, mobile banking has also its drawbacks which include network challenges, can be affected by account hacks by intelligent scammers. The results are similar to Kigen (2010), who concluded that mobile banking is convenient.

4.3.3 Point of Sale (SWIPE)

The researcher also recognized that point of sale also has a strong relationship with customer service delivery as the coefficient of the variance is 0.699. Nowadays most customers are paid in soft money (transfer) so it will be costly and time consuming to convert the money into hard cash. The customers can pay their bills or buy groceries by the use of swipe cards and there is easy. Point of Sale provides customers with more detailed receipts rather than just a slip of paper with the date and the amount of the sale. However, it can be affected by network challenges for instance if there is no electricity the system might be down. This was also discovered by Toor et al. (2016) when he looked at the five service quality dimensions; reliability, responsiveness, assurance, tangibles and empathy which were derived from the SERVQUAL model to determine the impact of E-banking on customer satisfaction in Pakistan.

4.3.4 ZIPIT TRANSFER

ZIPIT transfer was preferred by most customers as the relationship between fintech and customers' service delivery was positive with a correlation of 0.521. Customers with bank account can make payments to churches, vendors, tuck shops, barber shops, saloons, flea markets, among other merchants, by simply using a mobile phone, without the need to carry a physical ATM Card. With ZIPIT there is increased customer loyalty, funds reflect instantly and

it reduces the costs of making payments without moving funds to mobile wallets. The results are similar to the study done by Fonchamnyo (2013) who discovered that accessibility brings benefits to the service providers, society at large and the users thereby contributing to their satisfaction from the services.

4.3.5 Automated Teller Machine

The correlation of the ATM was 0.549 which showed a strong relationship between the variable and with customer service delivery. customers only had access to withdrawing their cash until 3pm the use of ATM machines, led to easy access of cash anytime and anywhere. However in the case that there is a problem with customer's bank card they cannot withdraw the money.

4.3.6 Ecocash

Most customers rated ecocash as it is convenient and easy to use. The customers have no need to visit council offices as payments can be made anytime and anywhere. This resulted in the correlation of 0.58 and this showed a strong relationship in customer service delivery. However, customers faced challenges in the system updates when huge sums of money were lost and hacked as Econet was upgrading ecocash system. Convenience increases the satisfaction levels of the customers and the results are similar to the study by Levin (2013) who discovered that mobile banking offers more convenience to the unbanked population.

4.3.7 Real Time Gross Settlement

there was a strong relationship between RTGS transfer and customer service delivery with a correlation of 0.611. The bank customers were satisfied by the service as it is a safe and secure system for funds transfer. The remitter need not use a physical cheque or a demand draft. The beneficiary need not visit a bank branch for depositing the paper instruments.

4.4 Chapter Summary

The just concluded chapter conferred the data analysis and presentation of the research. Notable takeaways from the tests of internet banking ,mobile banking, ecocash, ATMs, SWIPE, RTGS transfer and ZIPIT which are measures of fintech proved to have a positive impact on customer service delivery. The next chapter seeks to confer the possible recommendations as well as give a summary on the research before concluding the research study.

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The study was on the impact of Fintech or financial technology on customer service delivery at First Capital Bank, Bindura Zimbabwe. This chapter therefore outlined the research summary, findings, conclusions and recommendations. The findings and conclusions were drawn in line with the research objectives and research questions. The chapter ends by giving suggestions for further study.

5.1 Summary of Findings

The primary objective of the study was to assess the impact of financial technology on customer service delivery. Fintech is represented by mobile banking, internet banking, ecocash, point of sale (SWIPE), ZIPIT, RTGS transfer and ATMs. The regression analysis that was undertaken by the study showed that they were positive significant effect of financial technology on customer service delivery at First Capital Bank, Zimbabwe. The regression model that was used proved to be desirably strong as its R^2 predicted 96.4% of the customer service delivery at First Capital Banks in Bindura. In addition, they were a positive correlation on the variables which are 0.722 on internet banking, 0.566 on mobile banking, 0.690 on SWIPE, 0.521 on ZIPIT, 0.549 on ATMs, 0.58 on ecocash and 0.611 on RTGS transfer.

This proved a strong relationship between aforementioned variables thus showing a positive value as supported by literature. Thus, the primary objective of the study was fully achieved. In doing this the researcher also answered the first secondary objective which was to examine the customer's perspective on financial technology in which it performed such a duty successfully. Multiple regression provided results that were fairly in line with the expectations of the study

and the literature.

5.2 CONCLUSIONS

From the findings of the study above, various conclusions can be made. These conclusions were in line with the objectives of the study.

5.2.1 Fintech and customer service delivery

From the regression results, the study concluded that they were a strong positive relationship between financial technology and customer service delivery. This was indicated by the regression coefficient of mobile banking against the dependent variable service delivery, the coefficient was 0.722, indicating that a slight movement of 0.722 in the positive direction by mobile banking, will result in a 1% change or increase in customer service delivery. To add on, the study also concluded that since the coefficient of determination of the regression model was a high as 0.722 %, fintech had a significant among variables on customer service delivery. The final conclusion on this regard was that the increasing liquidity crisis in the country has resulted in customers adapting to the use of fintech.

5.3 Recommendations

The researcher made the following recommendations

5.3.1 To First Capital Bank

Banks should provide products that are missing in the market which are being craved for by clients. It therefore entails that banks should have a stakeholder approach and market research when they want to launch new products and services. Banks should increase their visibility in towns and have agent banking in remote areas such that they mop deposits. The banks should have a culture of innovating by rewarding and encouraging employees to be innovative. Banks should also invest in ICT or fintech after carrying out feasible studies meaning to say there is need for value- costs analysis to measure contributions by each technological innovation so to enhance strategic formulation.

In addition, banks should not have piecemeal financial technology innovations but a holistic approach as mere innovations are a flight to nowhere. Bank should also liaise with internet providers to ensure that services such as e-banking and mobile banking are always functional. In order gain momentum on the market with a new innovation bank should be aggressive in the market by opening new branches accompanied with electronic banking. The banks need to train their employees, mentoring staff and make culture that glue that binds the firm. Core competencies and technological innovation investments need to be given first priority as they significantly contribute to customer service delivery.

5.3.2 To the Central Bank (RBZ)

To the central bank in particular, bank regulations as far as technology acceptance go have been far too rigid and discourage growth. The Reserve Bank of Zimbabwe has since acknowledged the existence of various forms of financial technology such as crypto currencies at the beginning of 2019 but still by now the decision to adopt such a primary key of fintech has not been passed through. It is of great importance that the already lagging Zimbabwean banking sector is greatly assisted in its efforts to catch up as well as exploit technological benefits to increase on their profitability and performance as a whole.

Furthermore, the central banks should encourage technological integration between mobile operators and commercial banks. It is becoming more and more evident that mobile operators are more efficient and more customer oriented in offering banking products than most traditional banks. Instead of trying to suppress their creativity at the expense of population convenience, the researcher highly recommends integrating the services of the two sectors in order to not only increase financial inclusion but also boast bank performance. For instance, insurance services such as EcoSure and mobile lending are done using mobile gadgets something which the commercial banking sector is highly lacking.

5.4 Suggestions for Further Study

This research recommends that further study be carried out on the impact of fintech in rural areas. So as to account for the unbanked population as well as to know how many have already adopted it and if they are being satisfied by its services. Also, a study on the safety of using e-banking in Zimbabwe.

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APPENDIX

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT OF BANKING AND FINANCE

My name is Taonashe Mangwende, I am a fourth-year student at Bindura University of Science education pursuing a Bachelor of Commerce (Honours) in Banking and Finance. I am currently involved in research in partial fulfilment of the requirement for the award of an Undergraduate in the degree programme. The focus of the research is concerned with the impact of financial technology on customer service delivery.

I am kindly requesting for your assistance in completing the questionnaire below to the best of your knowledge. Please note that your views will be used purely and wholly for academic purposes only and shall be treated with the highest level of confidentiality. Should any issues arise, directly or indirectly emanating from this study, please feel free to contact the researcher on the contact given below.

Thank you for your assistance

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FINTECH SERVICE DELIVERY QUESTNNAIRE

AGE ☐

GENDER

FEMALE ☐ MALE ☐

YEARS OF EXPERIENCE WITH FIRST CAPITAL BANK ☐

HOW DO YOU RATE THE FOLLOWING FINTECH SERVICES OUT OF 10

INTERNET BANKING ☐

MOBILEBANKING ☐

ECOCASH ☐

ZIPIT ☐

RTGS TRANSFER ☐

ATM ☐

POS (SWIPE) ☐

TOTAL SERVICE DELIVERY OUT OF 70 ☐

SPECIFY OTHER NEW SERVICES WHICH ARE OF USE AND RATE OUT OF 10

…… ☐

……

IS FINTECH USEFUL ON YOUR DAY TO DAY OPERATIONS?

……..

WHAT ARE THE BENEFITS OF USING FINTECH?

……
……
……
……

WHAT ARE THE CHALLENGES ASSOCIATED WITH THE USE OF FINTECH?.....
.....
.....
.....
.....
.....

ANY COMMENTS ON FINTECH SERVICES

……
……

Thank you for your responses