**BINDURA UNIVERSITY OF SCIENCE EDUCATION**

**FACULTY OF COMMERCE**

**DEPARTMENT OF BANKING AND FINANCE**

# *THE IMPACT OF DIGITAL FINANCE ON THE BANK CUSTOMER SATISFACTION IN ZIMBABWE-CASE OF CBZ BANK.*

**RESEARCH PROJECT**

**B200901B**

**DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS OF THE BACHELOR OF COMMERCE HONOURS DEGREE IN BANKING AND FINANCE OF BINDURA UNIVERSITY. FACULTY OF COMMERCE.**

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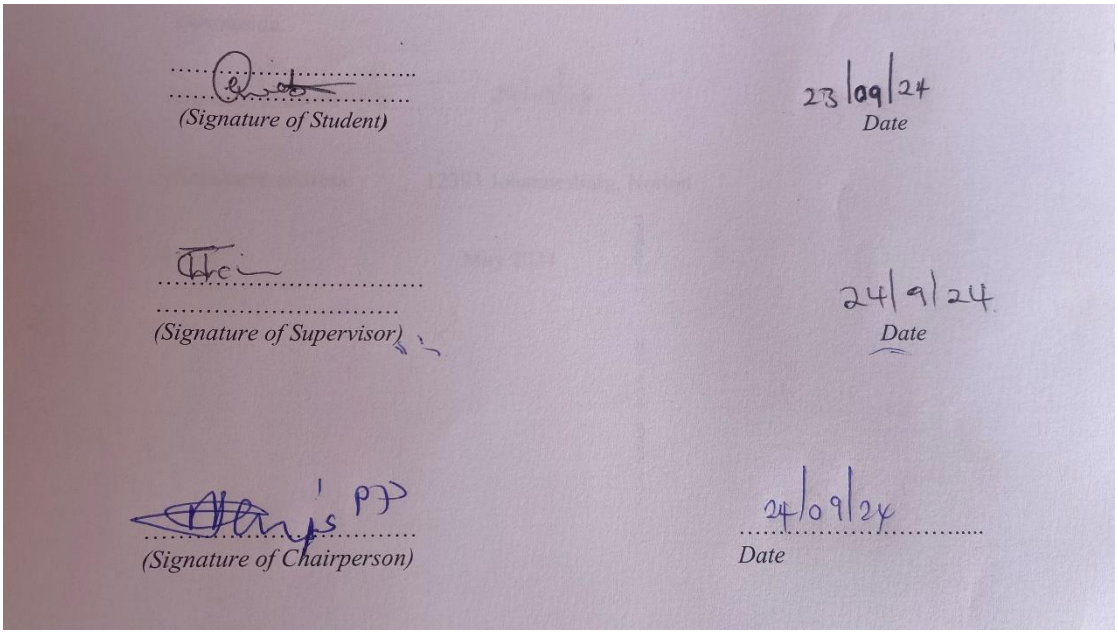
# APPROVAL FORM

I, the undersigned certify that I have read and recommend to Bindura University of Science Education for acceptance; a project entitled "**Impact of digital finance on the bank customer satisfaction in Zimbabwe,**" submitted by B200901B in partial fulfilment of the requirements for Bachelor of Commerce Honours Degree in Banking and Finance.



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# DEDICATION

This research is dedicated to my sisters and friends for their unwavering love and support throughout this research project. They gave me the zeal to continue pushing, and they motivated me to continue soldiering through the challenging situation. I love you so much with all my heart, and I am grateful for your presence in my life.

# ABSTRACT

Digital finance is crucial to customers as it boosts security for their cash, it's more convenient compared to keeping money at home and traveling with the money. However, the provision of digital finance involves the participation of different players such as banks/financial institutions, mobile network operators, financial technology providers, regulators, agents, chains of retailers and clients. Digital finance mechanisms also need improvement of infrastructures to make the services user-friendly, secure, and cost effective. This research study looked at the impact of digital finance on bank customer satisfaction in Zimbabwe and was carried out at CBZ Bank Bindura. The study objectives were to examine the impact of digital finance on bank customer satisfaction, to determine the various forms of digital finance, the factors that influence adoption of digital finance, to evaluate the extent of digital finance usage in Zimbabwe and the benefits of digital finance over traditional banking. Explanatory research design was employed. A simple random sampling technique was utilized in a 218-sample size selection from CBZ bank customers. Data was collected using questionnaires. SPSS version 21.0 was used to analyse the primary data and it was presented in form of figures and tables. Both descriptive statistics and regression analysis was performed to determine the impact of digital finance on the bank customer satisfaction at CBZ bank. For this study, a positive correlation between customer satisfaction and digital finance (usage, perceived benefits and awareness is established. The study therefore recommends that banks employ robust reliable systems that reduce failed transaction or errors, invest in cyber security systems to prevent fraudulent activities and continuous supervision of customer preferences in order to satisfy and retain customers.

# ACKNOWLEDGEMENTS

Firstly, the greatest respect and gratitude are reserved for the Almighty God, who made it possible for me to successfully pursue my studies and who gave me the wisdom to successfully complete this research, for “I can do all things through the Almighty who strengthens me.” Philippians 4 vs. 13. I am particularly grateful to my supervisor, for the mentorship and guidance which allowed me to advance my academics and enabled me to gain practical experience from the application of theory. Additionally, I extend my gratitude to Bindura University of Science Education (B.U.S.E) where I received my education, for providing the necessary skills and knowledge that have been crucial in my learning journey. Furthermore, I would also like to give thanks to the customers of the investigated bank, without whose support this research project would not have been possible. Lastly, I would like to extend my warm gratitude to my sisters for using their power to empower me because charity begins at home. Much appreciation goes on, as they taught me to always focus on the best and let the rest go. I would also like to thank them again for showering me with their unconditional love. They told me to be satisfied with all l have and to bring peace of mind and comfort to me when I was about to be swallowed by the storms of life. Good and bad times came along, but they stood by me at all costs. They taught me how to remain caring at all times, with or without. I feel privileged and blessed to be their sister and have them by my side always. I owe all I have achieved and will achieve to my sisters.


## ACRONYMS

NFIS: National Financial Inclusion Strategy

NPS: Net Promoter Score

USSD banking: Unstructured supplementary service data

ATM: Automated Teller Machine

TAM: Technology Acceptance Model

TCI: Transaction Cost Innovation

SDL: Service Dominant Logic

SPSS: Statistical Package for Social Sciences

ANOVA: Analysis of Variance

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# CHAPTER

# INTRODUCTION

## 1.0 Introduction

The research study intent to analyse the impact of digital finance on the bank customer satisfaction in Zimbabwe; a case of CBZ bank. This chapter forms the basis forms of this study. The chapter outlined aspects such as the background of the study, statement of the problem, research objectives, research questions, and significance of study, assumptions, limitations and delimitations.

## 1.1 Background of study

Digital technologies are developing at a rapid rate, which has changed the financial services industry globally and in Zimbabwe. Digital financial services such as online banking, mobile banking, digital wallets, and online payment platforms are becoming more and more popular worldwide. Numerous factors contributed to this change, such as the widespread use of smartphones, the expansion of fin Tech companies, and the need for more convenient, easily accessible, and customized financial services. The inclusion of digital finance into the banking sector saw the deployment of cost saving digital means, reach areas that were once financially excluded.

Digital financial technology facilitated the financial sector development of many developed countries around the world by increasing the speed of financial transactions as well as, payments and by increasing the transmission of financial market information to market participants (investors and shareholders) (Bech et al, 2017). According to Bradley and Stewart (2002), the US banking industry entered the Internet era in 1995 when Wells Fargo made it possible for customers to check their account balances online and Security First Network Bank became the first bank to operate exclusively online. Banks have been more and more visible on the Web ever since and one of the primary drivers for banks embracing Internet banking is the potential for increased productivity. However, the internet has facilitated easier customer reach and service, regardless of geographical distances. Tiwari and Buse, (2015), highlighted that, it reduces costs for banks when they perform standard and low-value transactions (like bill payments,

balance inquiries, and account transfers) online and in a paperless setting. Customers want an effective digital experience and are willing to switch banks in order to stay up to date with the latest developments in the market financial services. Financial service providers now provide self-service portals where customers can get assistance without having to visit physical banks.

Digital financial services started to take off in Africa around 2005(AFR, 2021). More than 514 fin Tech companies offering digital financial services on the African continent existed in 2021. By 2020, there were 171 mobile money services available in Africa, with 562 million registered users and 161 million active users, (GDI, 2021). According to GSMA, (2021) report West Africa and East Africa showed the greatest advancement in the introduction of mobile money on the African continent. The actors in the African digital finance ecosystems faced a number of challenges, including low funding, regulatory issues, a lack of knowledge of the local digital finance markets, and the need to find talent. The use of digital technologies in the finance sector started in the early 2000s during the dot.com bubble (AFR, 2021). Following the global financial crisis of 2007–2009, digital financial innovations gained significance as financial service providers started utilizing these technologies to handle international payments, manage customer accounts, reduce costs, and maximize profits.

Studies carried out in South Africa states that it has the most developed digital ecosystem in Africa due to high levels of internet and mobile penetration. One example is from University of Cape-town which carried out a study on the impact of mobile money in South Africa (Alhassan et al, 2020). The study found that mobile money users were very satisfied with financial services provided than those who did not use them and had a positive perception on financial institutions. In March 2009, the total number of mobile customers in South Africa increased by 3.8% to over 51.9 million, while the mobile penetration rate increased by 107%. Additionally, Ondiege (2010) provides an example for Vodacom (Nedbank M-PESA), the largest mobile phone provider in South Africa. In order to create an M-PESA mobile cash transfer service that is successful in Kenya, Vodacom collaborated with Nedbank. In their findings, Nyangosi et al. (2009) emphasize that ATM banking is one of the first and most widely used electronic business customer services in Kenya.

However, the Central Bank of Kenya reports that in recent years, mobile banking adoption and usage have exceeded expectations. The number of commercial banks'

branch networks increased from 530 in 1999 to 1,102 by the end of June 2011. The number of ATMs has increased from 262 to 2,021 units. In the same period, the number of deposit accounts increased from around 1 million with 16,673 employees to 12.8 million with 28,846 employees. Only 19% of Kenyan adults have access to a formal bank account, and banking services are mostly provided to urban population groups in the country. Mobile providers in the country can access financial services through M-PESA and MKESHO from Safaricom and ZAP from Zain (Ondiege, 2010).

The banking sector in Zimbabwe has undergone significant change in recent years due to the increasing use of digital financial services. The Reserve Bank of Zimbabwe has actively advocated for the use of digital financial services as a means of promoting financial inclusion and reducing reliance on cash-based transactions (Reserve Bank of Zimbabwe,2022).

One of the biggest banks in Zimbabwe, CBZ Bank, has a significant role in digital financial innovations and it was the first bank to adopt digital finance in 2012. The liquidity crisis 0f 2015 forced other banks to adopt digital finances in-order to retain and attract new customers through offering incentives for customers to use digital financial services, (Manyika et al., 2016). According to Bara and Mudzingiri, (2016), financial institutions provides a wide range of services, such as digital wallets, online banking, mobile banking and these have successfully drove the adoption of digital finance among banks.

Zimbabwean banks partnered with telecommunication companies such as Econet Wireless, Netone, and Telecel to provide digital financial services as a way to leverage the extensive distribution of networks. Partnership between banks and telecommunication companies has been very important for the growth of digital finance in Zimbabwe. Customers can access banking transactions, account administration, balance requests, online loan applications, and payment suspension requests through mobile banking (Dube et al., 2011). This study aims to address the knowledge gap in research on digital finance by determining the impact of digital finance on customer satisfaction in Zimbabwe.

### 1.2 Problem statement

In Zimbabwe, the financial landscape has been rapidly changing with the introduction and adoption of digital finance solutions. Digital finance is associated with many factors

that affect customer satisfaction. However, a lot of customers are hesitant to use digital finance due to perceived demerits such as high transaction costs and increased fraud that occur during transactions. This results in customers being less secure about their financial transactions and personal information leading to decreased customer satisfaction which could affect the banks revenue and profitability. When customers use digital finance their key expectation is lower fees and good services. On the other hand, commercial banks in Zimbabwe have promoted the use of digital finance as means to enhance customer experience, facilitate online shopping, improve quality of services and quick transferring of funds as well as reduce costs for customers. This research study seeks to evaluate the impact of digital finance on the bank customer satisfaction in Zimbabwe, a case of CBZ bank.

### 1.3 Objectives

The general study objective is to examine the impact of digital finances on the bank customer satisfaction in CBZ bank specifically seeking;

- To identify the forms of digital finance.
- To determine factors that affect the adoption of digital finance
- To examine the extent of digital finance usage in Zimbabwe.
- To find out the perception of customers towards digital finance.
- To identify the benefits of digital finance over traditional banking.

### 1.4 Research questions

- What are the various types of digital finances used by CBZ?
- Explain the factors that affect the adoption of digital finance?
- What are the bank customer' perceptions towards digital finance?
- What is the extent of digital finance usage in Zimbabwe?
- What are the benefits of digital finance over traditional banking?

### 1.5 Assumptions of the study

The research study was based on the following assumptions:

- Participants would provide truthful and accurate information regarding digital finances.
- The economic conditions were not going to change during the time of study.
- Responses of the target population would not be influenced by their superiors.
- All the information required for the research would be available.

- Every customer knows how to use digital finance.

## 1.6 Significant of the study

Digital finance has evolved to be an important aspect modern finance, with financial technology, open banking, and embedded finance being its main areas of application. The research study was greatly important to different stake holders such as the Reserve bank of Zimbabwe, the Zimbabwe commercial banks, the university, researchers, other companies and CBZ bank customers.

### 1.6.1 Reserve Bank of Zimbabwe

The research study provide valuable insights into the use of digital finance by commercial banks in Zimbabwe which would help the Reserve bank of Zimbabwe to develop policy and regulations around digital finance.

### 1.6.2 CBZ bank

The research study might help CBZ bank with valuable insights into the future of digital finance and to improve its digital offerings so as to increase customer satisfaction. CBZ bank will be able to understand the merits and demerits of digital finance so that it can improve its services for the bank and its valued customers. They will also be aware of digital financial services in-order to make strategic decisions.

### 1.6.3 Commercial banks

The study is beneficial to the commercial banks with technologies and strategies that are effective in improving customer satisfaction. Commercial banks will find acknowledgements effective in determining how best to increase customer satisfaction from this study. However, digital finance affects all commercial banks in Zimbabwe, hence this study is going to benefit these banks.

### 1.6.4 Customers

The study will be significant to CBZ customers' in-order to increase trust and clearness between the bank and its customers by showing an understanding of digital financial services offered by the bank.

### 1.6.5 The researcher

In addition, it is also important to researchers, as it adds more to existing body of knowledge. It will also help the researcher to improve the knowledge on the subject and equip the researcher with necessary research skills. The study also benefited other scholars who may be interested in pursuing a study in digital finance for future studies.

### 1.6.6 Bindura University

The research study will make valuable contribution to existing literature, particularly for current and future students. Having more literature available in the library will be beneficial not only to the university but also to students interested in conducting related research. Moreover, the research's impact will extend beyond its immediate scope, benefiting the academic community and potentially inspiring further research in the field.

## 1.7 Limitations of the study

Any research has its own inherent limitations and so this study is no exception. However, measures will be put in place to safeguard against any bearings that might have adverse effects on the outcome of the study.

- The respondents may not return all the questionnaires. This was reduced by a good questionnaire management system, self-administered questionnaires and use of simple language that the respondents would understand.
- Respondents may respond in a way that they think is expected rather than being honest. To prevent this, the researcher will assure the participants that there are no right or wrong answers and their responses will be kept confidential.
- Data confidentiality- the research will face this limitation since customer's financial information is sensitive and CBZ ensures this data is kept confidential.

## 1.8 Delimitations

The main focus of the research study was on the impact of digital finance on the bank customer satisfaction in Zimbabwe; a case of CBZ bank.

### 1.8.2 Time frame delimitation

The research study period on the impact of digital finance on the bank customer satisfaction in Zimbabwe; a case of CBZ bank was from 2015 up until now.

### 1.8.3 Geographical delimitation

All commercial banks in Zimbabwe are now involved in digital finance, however, this research study was limited to CBZ Bank head office branch in Harare province Zimbabwe.

## 1.9 Definition of terms

### 1.9.1 Digital finance

It is the provision of financial services conveyed through personal computers, mobile phones, internet and cards connected to a dependable digital payment system (Manyika et al, 2016).

### 1.9.2 Digital Wallets

**A**ccording to Shetty et al, (2014), digital wallets refer to digital services that allow customers to make financial transactions through the use of computers or mobile devices.

### 1.9.3 Mobile Banking

Njanike et al (2011) define Mobile banking (m-banking) as, the use of portable electronics such as mobile phones to access banking and financial services, this includes facilities to access customized information, conduct bank transactions, bill payment and account management.

### 1.9.4 Customer satisfaction

This refers to how well banks or companies are meeting customers' needs and expectations with the products and services being offered (Kotler, 2012).

### 1.9.5 Financial Technology

Gomber et al (2017) defined financial technology as the application of technology to the provision of financial services such as banking, investing, insurance and lending.

## 1.10 Chapter summary

The chapter highlighted the background and statement problem of digital finance. The research study objectives were formulated, together with research questions deriving from the objectives and they related to the impact of digital finance on customer satisfaction in Zimbabwe. The beneficiaries to which the study was of value were discussed, as well as the delimitations and limits of the study. The literature for the

relevant theoretical and empirical work on digital finances and its effect on customer satisfaction in Zimbabwe will be reviewed in the next chapter.

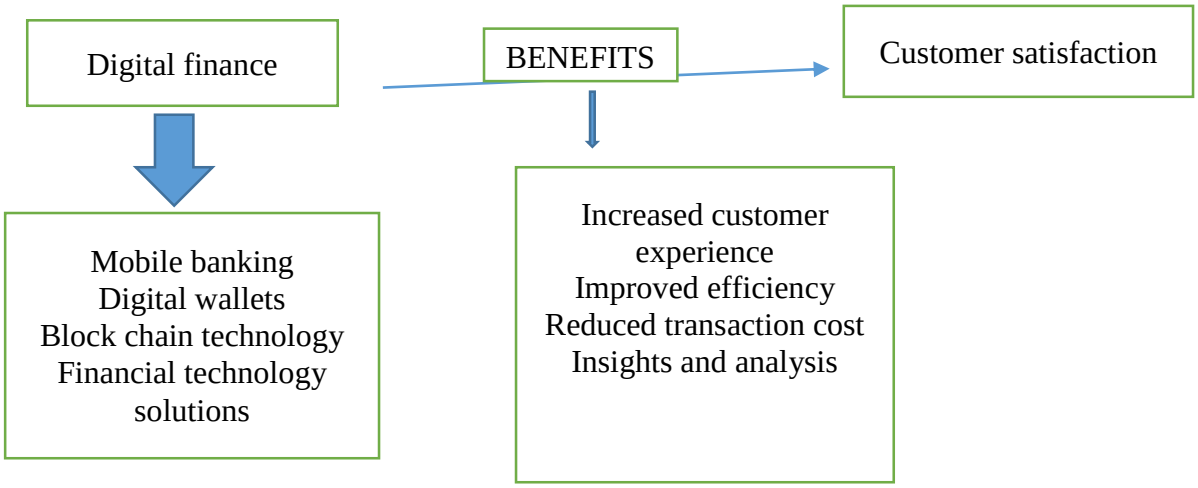
# CHAPTER II

## LITERATURE REVIEW

### 2.0 Introduction

This section reviewed the existence of the research on the impact of digital finances on bank customer satisfaction in Zimbabwe; a case of CBZ bank. Furthermore, it includes information about the banking sector in Zimbabwe and through electronic journals, text books, articles as well as publications related to the research under study, the literature review provides a thorough picture of the study.

**Conceptual framework**




### 2.1 An overview on digital finances

Everything is going digital and so are financial services. The use of digital finance will benefit people who may not have access to traditional banking particularly, those living in remote areas as well as improving efficiency and effectiveness of the financial system. According to Siddik and Kabiraj, (2020) and Ozili, (2018), digital finance is the adoption of digital devices and technology to facilitate financial transactions and interactions between economic participants such as households, consumers, financial institutions, organisations and government authorities. This includes the use of mobile

phones, internet and other digital tools to access financial services such as banking, insurance and payments. Gomber et al, (2017), highlighted those digital finances also encompasses a wide range of newly developed financial products, financial services providers, financial businesses, innovative and Fin Tech companies that deliver software and interaction related to digital finance. According to Manyika et al, (2016), digital finance refers to financial services provided via personal computers, mobile phones, internet and cards connected to dependable digital payment system such as online electronic payment system, mobile payment applications and digital wallets.

According to Davies and Claire (2018), digital finance is the digitalisation of the financial services industry such as banks and credit card companies. Digital finance also encompasses digital technology usage to improve financial services by reducing costs, increasing access and improving security. In Zimbabwe, all commercial banks currently offer a number of digital finances. Digital finance can be seen through various technologies and approaches such as decentralized finance, Fin Tech finance, internet finance, block-chain finance, artificial intelligence finance and embedded finance (Hou et al, 2016). These approaches were developed as a result of digital revolution and the increased use of digital technologies in financial services. On the other hand, digital finance is mainly divided into two categories that is Transactional digital finance and investment digital finance. Transactional digital finance refers to services such as mobile money and digital wallets that allows customers to pay bills, store and transfer funds and make payments. Investment digital finance refers to services like Robo-advisors which provide investment advice and portfolio management. Technological improvements have driven commercial banks in Zimbabwe to adopt digital finance solutions such as internet banking and mobile banking in-order to deliver their banking services.

## 2.2 Various forms of digital finance

### 2.2.1 Mobile banking

Traditional banking models are becoming increasingly obsolete as digital technologies have made it simple for customers to access financial services without having to visit a bank. Customers can pay utility bills, send money and access other financial services from the comfort of their homes, due to the rise of internet and mobile banking.

World Bank (2019) defined mobile banking (m-banking) as adoption of mobile devices such as mobile phones or tablets to access banking services. Mobile banking services may include facilities to conduct banking transactions, account balance checking, bill payments, transferring of funds, mobile baking applications with additional features such as access to customized information and budgeting. Mobile money services such as Eco-cash by Eco-net Wireless, Tele-cash by Telecel and One-money by Netone are available on mobile networks in Zimbabwe. According to Nyatanga and Zengeni (2017), CBZ bank is one of the commercial banks in Zimbabwe that pioneered mobile banking. In 2009 the bank launched the CBZ Touch which allows customers to check their bills, retrieve their accounts, and conduct transactions using their mobile phones. It provides services such as balance inquiries, utility bill payments, SMS alerts for credit and debit transactions on a single account, mini statements, and money transfers.

### 2.2.2 Digital wallets

Digital wallet, also called e-wallet, describes services that allows people to store money fulfilling major tasks related to physical wallet that is speeding up cash and credit payments, keeping identification information (for example, ID card and driver's license) and keeping transitory tokens such as bus passes and vouchers (Phyu, 2018). Through mobile payment systems and digital wallet applications, digital wallet systems enable the widespread usage of digital wallet transactions by numerous bank customers and retail suppliers. As a result, financial transactions have become increasingly effortless, secure and comfortable, changing the way we make payments in the current digital era.

The MPESA in Kenya, the Eco-cash mobile payment system in Zimbabwe, and the MasterCard Pay Pass in the United States and other countries are excellent examples of digital wallets. According to Ebringer et al. (2000), functions can be carried out digitally so that digital wallets are able to replace physical wallets. Contini et al. (2011) and Shetty et al. (2014) investigated the possibility that the combination of mobile phones and digital wallets will not replace traditional payment functions and analogue wallet items like identity cards or tickets.

### 2.2.3 Block chain technology

The creation of cryptocurrency bitcoin is where the concept of block chain originated (Nakamoto 2008). According to Swan (2015), block chain technology refers to digital system for recording and verifying transactions without requiring authorization. The technology provides a transparent and tamper-resistant way of storing and verifying data, making it suitable for various applications beyond cryptocurrencies like Bitcoin (Nakamoto 2008). Block-chain technology allows consumers to pay each other directly and digital currencies use block-chain technology, such as Bitcoin and Ethereum.

### 2.2.4 Financial technology solutions

According to Gomber et al. (2017), financial technology is the description of the integration of established business practices in the financial services sector (transaction banking, wealth management) with recent internet-based technologies (mobile Internet, cloud computing). Zavolokina et al. (2016) provide an interesting article about many definitions and uses of the term "financial technology" by various authors and institutions. Financial technology companies provide new products and solutions that can meet the needs and desires of customers that traditional financial service providers have not taken into account in the past. One illustration of this is the introduction of a card reader for smartphones and tablets. In this way, street vendors and travel agents are able to accept cash and credit cards. Start-ups and Information Technology companies that focus on low-cost and flexible Internet-based business models are targeting established financial services providers. Experts in the field of finance believe that one-day banks can be used for deposits, while all other activities should be carried out by using the services of financial technology companies (Hemmadi, 2015). The trend toward financial technology appears to be continuing as new opportunities for simplification, adaptability, and individualization emerge along with the advancement of mobile devices, big data analysis, cloud processing, and data storage (Dapp, 2014).

## 2.3 Impact of digital finance on customer satisfaction

Digital finance has many positive impacts on individuals, service providers and the economy as a whole.

### 2.3.1 Benefits to customers

**Increased customer experience**

Customers today expect a digitized smooth experience from the world around us. Their interactions should be effortless and tailored to each individual's needs. According to Lauer and Lyman (2015), digital finance makes it easier for customers to manage their accounts, make payments and access their financial information leading to increase in customer satisfaction as they can complete their tasks easy and more quickly. Digital finance also provides customers with more personalized and customized experience based on their individual needs and preferences. Since the market is becoming more and more competitive, financial institutions needs to invest more in digital tools to keep their customers satisfied and provide them with the services they expect.

**Reduction in transaction costs**

Despite the fact that this has yet to be demonstrated in the Zimbabwean case, digital finance offers customers the advantage of lowering transaction costs (Durai and Stella, 2019). In traditional banking systems customers used to travel to banks to make transactions and this was time consuming and costly. According to Nagle et al, (2020) and Ozili, (2018), customers can save money by using digital finance to avoid paying for transportation costs and time when visiting banks. According to Stoica et al. (2015), digital financial services lower costs for customers by making it easier for them to make payments using mobile phones and to inform them when a payment has already been made. As a result, digital financial services are implemented to reduce transaction costs linked with the transfer or transaction of actual currency, particularly for customers from remote areas.

**Financial Education and Tools**

Digital finance platforms often provide educational resources, financial calculators, and budgeting tools to help customers manage their finances effectively. According to World Bank, (2016), these resources empower customers to make informed financial decisions, leading to higher satisfaction with their financial well-being.

**2.3.1.1 Benefits to service providers**

According to Ozili, (2018), digital finance generates revenue to services providers through transaction fees, subscription fees (monthly subscription or per transaction fee) and interest on deposits. For example, CBZ generate revenue from digital payments,

through interest income on deposits into accounts and charges merchants a transaction fee for each payment. Therefore, digital finance can be a rewarding business model for financial service providers.

**More efficiency**

Efficiency is a key advantage of digital finance for service providers such as banks and other financial institutions. Service providers can concentrate more on enhancing the efficiency of their financial products and services because of digital finance, rather than spending as much time on soft issues like human-side challenges. (Wang et al., 2020). According to Liu et al, (2016), by removing the manual and time-consuming processes, digital financial tools allow service providers to process transactions more efficiently, with fewer errors. This reduces the amount of workers needed leading to cost savings and improved productivity as they focus more on value added tasks.

**Insights and analysis**

According to Manyika et al. (2011), financial service providers have access to and manage large data sets, which has great potential but isn't very useful without analytic tools. The analysis of data service providers can yield important insights into the needs, preferences, behaviour of their clients. This will assist them in creating new products and services as well as enhancing customer experience (Deloitte, 2018). The use of digital financial solutions by financial institutions may contribute to the generation of precise and clean data. These can be utilized in order to identify new business opportunities and grow the institution's customer base.

### 2.3.1.2 Benefits to the economy

Since the inception of digital finance, it has been a key tool for advancing financial inclusion. Nowadays, non-financial and financial needs can be accessed online by people in rural areas and smaller cities (Koh et al, 2018), thereby increasing the convenience and safety of using digital payments such as mobile payments and peer to peer payments as well as insurance products.

Li et al, (2020); Guo et al, (2021) suggested that digital finance can result in financial stability in the economy as people are able to invest, save more and increase consumption spending thereby promoting economic growth. This reduces poverty and inequity among the economy as more people have the opportunity to build security and

create more wealth. CBZ has partnered with a lot of organisations including financial technology companies to improve its services and products for example a partnership between CBZ bank and Cassava Fintech resulting in a larger customer base and more service provision leading to increased financial inclusion in Zimbabwe. As argued by Ozili (2018) and Durai and Stella (2019), digital finance has the potential to enhance financial inclusion by providing access to financial services and products and bringing those without bank accounts into the formal financial system.

Digital finance benefits the economy as a whole by focusing on creating more efficient services for customers and developing more methods of financial advancement in an easy-to-use way (Abbasi and Weigand, 2017). Through digital finance, paying utility bills, school fees and buying airtime is made so much easier since all information is tracked through banking applications and payments are made by just a few clicks. Durai and Stella (2019) emphasized that focus on creating more efficient services leads to more convenient access to services and reduced transaction costs resulting in increased customer satisfaction. This can lead to increased economic growth and individual financial empowerment in developing nations like Zimbabwe.

### 2.3.2 Challenges and solutions of digital finance

Durai and Stella (2019) argued that, while digital finance provides many benefits, it also poses significant risks such as privacy concerns and cyber-attacks. As explained above, digital finance is of greater importance to customers, government and companies. However, high cost of transaction, access to technology and inclusion, policy and regulatory barriers, lack of financial knowledge and security problems are still the major concerns.

#### Access to technology and inclusion

There are billions of people globally who are unable to obtain financial services. In Zimbabwe, many people in rural and remote areas do not have access to mobile phones and reliable internet which makes it hard for them to acquire digital financial services (World Bank, 2016). This is as a result of lack of financial literacy, lack of financial services designed for rural population requirements and limited access to technology.
However, to address this challenge it is important to improve technology, infrastructure and increase awareness through educational facilities and this is done by financial

institutions and government. In Zimbabwe, CBZ and other financial institutions have invested in new technologies such as USSD banking which enables access to digital financial services without the use of internet.

**High transaction cost**

In line with Ozili, (2020), high transactions cost can pose a significant challenge to low-income households particularly those with low level of financial literary. This is high amongst the poor and rural populations where access to resources and education is limited. These costs include cost of opening and maintaining accounts as well as sending and receiving costs. High transaction costs can discourage low-income households from using digital financial services even when they are able to access them thereby creating financial exclusion for economically disadvantaged people (Ozili, 2020).

However, to curb high transaction costs, policies such as the NFIS (National Financial Inclusion Strategy) (Reserve Bank of Zimbabwe, 2022) can be implemented to minimise costs of digital financial services, improve financial literacy as well as promoting competition among service providers. These policies could allow many people to access and use digital financial services.

**Security problems**

Security problems are another challenge of digital finance. Customer data security on digital platforms can be expensive, which lowers productivity and profitability (Ozili, 2018). Security threats such as cyberattacks and data security threat (identity theft and fraud) can pose risks to both financial systems and customers' trust. These threats can lead to data, financial losses and reputational damages making it more difficult for the financial industry to expand.

Banks and financial institutions should implement cybersecurity measures to protect customers from these threats, provide identity verification processes to avoid identity theft and also educate customers on how they can protect themselves from fraud. For example the Reserve Bank of Zimbabwe has put in place measures to protect customers through requiring digital financial transactions to be automated with one time pin (OTP).

Overall, while digital finance offers many benefits, it is important to continuously address the challenges and ensure that the digital finance environment is secure,

inclusive and customer based. However, it is possible to maximize the impact of digital finance on customer satisfaction and drive the transformation of the financial industry.

### 2.3.3 Bank customer satisfaction

Customer satisfaction is the level to which a customer is happy with the services offered by the bank or any financial institutions. According to Sugen (2016), customer satisfaction is a crucial element in the banking industry that affects customer retention, loyalty and overall success of financial institutions. There are factors Influencing Bank Customer Satisfaction which involve quality of service such as tangibles, reliability, assurance and courtesy (Marnovita, 2020), convenience, personalised customer services, effective communication, security and trust as well as transaction costs. Customer satisfaction can be measured using various means such as surveys to obtain feedback from customers regarding their experiences with the institution, Net Promoter Score (NPS) is a metric that asks consumers if they would recommend the bank to others in order to gauge how loyal they and Complaint Resolution is when the bank monitors the time taken to resolve customer complaints and the rate of satisfactory resolutions can indicate how well a bank is meeting customer expectations.

#### 2.3.3.1 Significance of Bank Customer Satisfaction

Customer satisfaction is very important because it aids customer retention as they remain loyal to a bank thereby increasing long-term profitability, improved reputation and banks that prioritize customer satisfaction gain a competitive advantage in the market by differentiating themselves based on service quality and customer-centric practices.

## 2.4 The extent of digital finance usage in Zimbabwe

A majority of banks in Zimbabwe have adopted digital finance and are providing services to serve and reach all the bank customers. Despite a high adoption rate of digital finance, its usage remains relatively low due to limited number of customers who use digital platforms. Digital finance in Zimbabwe is mainly used for mobile money services (Eco-cash), financial inclusion and remittances. World Bank (2016), pointed out the challenges faced by banks in adoption of digital finance that is security concerns, regulatory compliance, legal issues and cost of implementation. Since the launch of mobile broadband package in the last quarter of 2010 by Econet, digital finance uptake has been increased exponentially, hence over 30% of the mobile operator subscribers

now have internet access on their mobile phones and it is growing daily. According to Dube et al (2009), despite the Zimbabwean citizens' increased digital finance usage and mobile penetration, the adoption of digital finance by Zimbabwean customers still remains low because of limited connectivity, regulatory environments and preference of cash transactions.

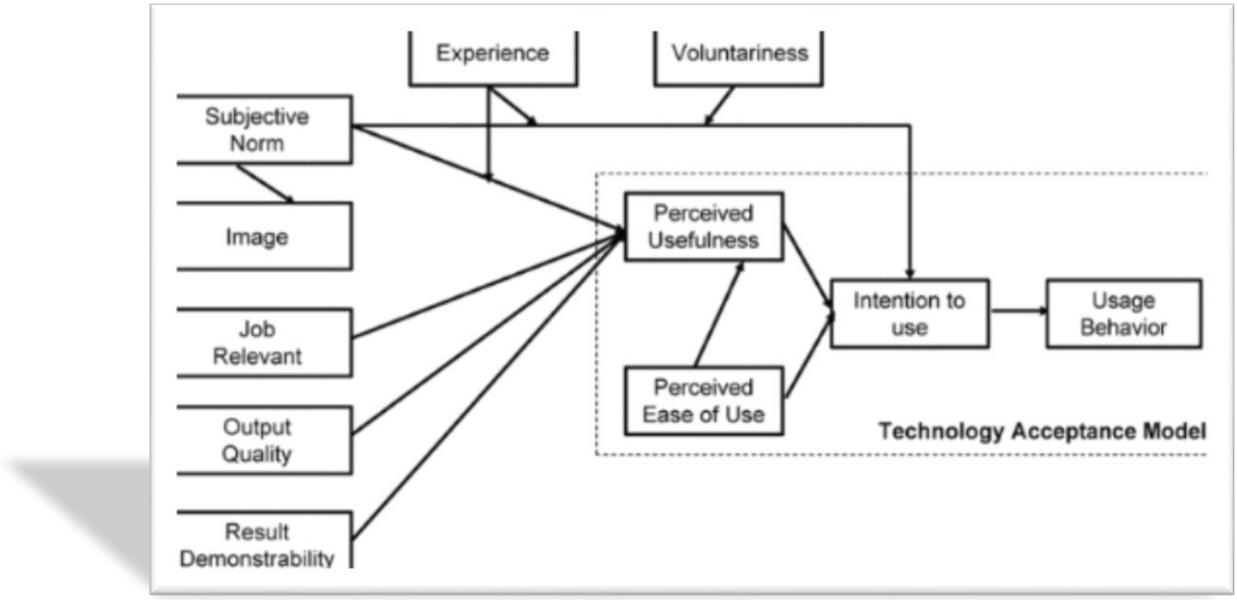
## 2.5 Theoretical framework

The increased competition in the banking industry in Zimbabwe have put pressure on banks to improve customer satisfaction. Digital finance literature consists of theories such as Technology Acceptance Model (TAM), Transaction Cost Innovation (TCI) and Service Dominant Logic (SDL).

### 2.5.1 Technology acceptance model

Davis developed the Technology Acceptance Model (TAM) in 1989 to explain the factors influencing the acceptance and use of information technologies. This theory suggests that customers will adopt behaviour according to internal external and factors in innovative innovations, if they see them as beneficial and user-friendly. In the context of digital finance, TAM aims to investigate how customers have used and responded to digital financial services. According to Safeena et al., (2014), customers' acceptance on technology is determined by their "perceived ease of use" and "perceived usefulness" of a technology. Perceived usefulness refers to how beneficial the technology is to the customer, whereas perceived ease of use refers to how easy or difficult the technology is to use (Davis, 1989). The choice of digital financial services is influenced by both perceived usability and perceived usefulness (Safeena et al., 2014).

*Figure 2.1 Technology Acceptance Model interaction:*




The TAM Model Source: Adopted from Davis et al., (1989)

### 2.5.2 Transaction cost innovation

The Transaction Cost Innovation (TCI) Theory was proposed by Raven and Roger (2011). It provides a framework for understanding the introduction of digital finance from the standpoint of transaction costs. Technology advancements that have reduced transaction costs are what have led to the emergence of digital finance. Reducing transaction costs encourages the development of financial services. According to theory, economic innovation lowers transaction costs (Kombe & Wafula, 2015). The use of digital financial services can reduce an organization's transaction costs because they enable more effective information management, coordination, and utilization. Digital finance may also contribute to lower transaction costs because it provides access to the organization's internal database and other pertinent information sources off the Internet. Consequently, a decrease in operating costs through digital financial entities may have an impact on the bank's ability to grow its rent ability (Kombe & Wafula, 2015).

### 2.5.3 Service dominant logic

Another theoretical framework that can be used to explain the acceptance and use of digital financial services is the Service Dominant Logic (SDL) Theory. The theory was developed by Vargo and Lusch in 2004. It is predicated on the idea that value is created jointly by producers and consumers. In the context of digital finance, SD logic emphasizes the need for value creation and services to be at the centre of a financial

institution in order to increase customer satisfaction. This approach aims to emphasize the significance of the customer experience and the role of technology in shaping this experience (Vargo and Lusch, 2004). The dominant logic of services was based on the service as the fundamental means of exchange. Goods serve as a means of distribution for services. All businesses are service businesses, all marketing is service marketing, all enterprises are service businesses, and value is jointly created by suppliers and customers (Vargo and Lusch, 2004).

### 2.6 Empirical evidence

Shrestha and Agarwal, (2023) carried out a study on the influence of digital finance services worth on customer satisfaction in Nepal**.** The primary data was collected using 5- Likert Scale question developed by the SERVPERF Model. In order to gather data, a sample of 335 respondents was taken and the study was descriptive, if not comparative. The variables included in the study was tangibles, endogenous variables such as customer satisfaction with the quality of e-banking services, and exogenous variables such as reliability, assurance, responsiveness, and empathy. The following techniques were used to analyse the data: multiple regression, correlation, and descriptive statistics. Shrestha and Agarwal, (2023) demonstrated that independent variable influence is positive and significant across all categories. The difference in the endogenous variables is 62.7% with an R- squared value of 0.6277. The remaining 37.3% is attributed to factors outside the scope of the model. The study demonstrates that customers from Nepal are treated fairly in Nepalese banks when using the digital banking system. In Nepal, assurance was shown to be the most significant factor in determining customers' satisfaction with online banking services, followed by reliability and empathy.

In their study, Muluka et al (2021), investigated the effect of digital banking on customer satisfaction case of National Bank of Kenya, Bungoma County. The study used descriptive survey design and gathered data from a sample size of 417. The data was collected using multiple methods that includes interviews, questionnaires and document reviews. Their study found that the most important factors influencing customer satisfaction were ease of use, transaction cost and availability of digital banking services. Additionally, Muluka and colleagues (2021) discovered a significant correlation between transaction speed and customer satisfaction. The purpose of the

study was to determine the impact of transaction speed on customer satisfaction in Kenya. The study concluded that banks would need to invest more in advanced technologies and systems in order to reduce the number of instances of unsuccessful transactions and transaction errors at automated teller machines.

In Keetmanshoop, Namibia, Maseke and Gomachab carrying out a study on the impact of mobile banking on customer satisfaction in 2018. The research study surveyed 60 customers who used mobile banking from each of the four banks. The findings indicated that many respondents and those who used mobile banking were knowledgeable about paperless banking. Maseke and Gomachab' study found that mobile banking had a positive impact on customer satisfaction but they were challenges that needed to be addressed to improve customer experience. They were aware of the benefits of paperless banking and were knowledgeable about how to conduct online transactions. However, customers experienced challenges with completing transactions, reversing improperly transferred funds, and purchasing electricity from the Keetmanshoop municipality were all causes for concern (Maseke and Gomachab, 2018). The study proposed solutions such as improving the user interface of mobile applications and increasing the availability of paperless banking services. According to Maseke and Gomachab (2018) study, the objectives were to find out the impact of mobile banking on customer satisfaction, to identify the challenges faced by customers in using mobile banking and to propose solutions to improve customer experience.

Mbama et al, (2018) conducted research to determine the impact of digital banking in the United Kingdom on bank performance and customer satisfaction. The survey was conducted online using an online survey questionnaire, and the results were analysed using SPSS software. Service quality, perceived value, employee-customer engagement, perceived functionality, perceived user friendliness, and perceived risk determine the customer experience in digital banking. There was found to be a positive correlation between customer satisfaction and loyalty and financial performance in Mbama et al. (2018). This could result in a decrease in loyalty and retention. Mbama's study did, however, identify several issues, such as a lack of trust and security concerns that are related to digital banking. The solutions proposed in the article included building trust through better communication, improving security and increasing

transparency. The purpose of the Mbama et al. (2018), article was to investigate the effects of digital banking on customer satisfaction and bank performance.

Isibor et al. (2018) conducted a study on the effects of electronic banking technology on customer satisfaction and economic growth in Nigeria. A non-probability purposive sampling method was used for the study. 100 bank customers were chosen from four banks in Sango Ota, Ogun State, Nigeria. The Paired-Sample-T-Test was employed to test the study's hypothesis. They established that electronic banking undermines customer satisfaction. Using SPSS analysis, growth could be enhanced. Isibor et al (2018) recommended that the "government through the Central Bank of Nigeria should ensure that almost all bank services should be done electronically while at the same time creating employment and financial empowerment for staffs whose job would be replaced by the use of computers."

AI-Hawary and AI-Smeran (2017) conducted a study on the effects of electronic service quality on customer satisfaction in Jordan. This study employed a population from the Islamic Bank of Jordan and the International Arab Islamic Bank, with a randomized sample of 300 participants. In order to investigate the study and achieve the desired goals, SPSS was used. According to AI-Hawary and AI-Smeran (2017), electronic service quantity is illustrated through web site design, responsiveness, user friendliness, privacy, and reliability. The article's findings demonstrated that the quality of electronic services provided by Islamic banks in Jordan is statistically significant in determining customer satisfaction. The study suggested the protection of customer information as means to strengthen Software application to banks and "use of specialists in the field of electronic sites design in particular because the site attractiveness needs experience in this area to support its attractiveness for customers and benefit from the experiences of the developed countries in the field of software technology control". The objective of the study was to determine the impact of electronic service quality on customer satisfaction of Islamic banks in Jordan.

The focus of Worku et al.'s (2016) study on the effect of electronic banking on customer satisfaction in the Ethiopian banking sector was Dashen and Wagagen Bank customers in Gondar City. The study compared the impact of the online banking industry to traditional brick and mortar banking. It was found that the electronic banking system

had a beneficial impact on customer satisfaction. According to Worku et al. (2016), there are differences in age groups, employment and education levels, as well as in the customers' understanding of e-banking and its benefits and drawbacks. In order to gather data, the researchers conducted interviews with four Dashen and Wagagen branches using the electronic bank account questionnaires. They had started an electronic bank service in Gondar City during the study period. . The Chi-square Independency Test was used to determine whether there was a relationship between the variables. In order to identify the many factors influencing customer satisfaction in online banking, a regression analysis test was conducted. According to Worku et al., the study found that the majority of electronic bank customers are young people, students, working adults, educated individuals, and business owners. Women do not actively use electronic banking. According to Worku et al. (2016), e-banking has improved customer satisfaction by reducing the frequency at which the bank operates for bank services and by enabling customers to monitor their account movements. The study's objectives were to investigate the effects of online banking on the Ethiopian banking industry and identify variables that affect customers' satisfaction with online banking.

Sikdar and Makkad (2015) investigated online banking adoption: a factor validation and satisfaction causation study in the context of Indian banking customers. An organized questionnaire was used in the study to collect data from Indian online banking customers. Sikdar and Makkad (2015) have discovered that the choice of online banking is influenced by several important factors in their country. Included in these are the perceived usefulness, perceived user-friendliness, accessibility, and trust. The authors of the study proposed a number of solutions that focused on enhancing the user interface of mobile banking apps, making mobile banking more accessible and user-friendly, and addressing security concerns. According to Sikdar and Makkad (2015), the study's objectives were to identify the factors influencing consumers' decisions to use mobile banking, comprehend the needs of these users, and to make recommendations for improving mobile banking experience in India.

Addai et al., (2015) carried out a study on the impact of online banking services on Ghanaian customers' satisfaction. 150 electronic bank customers from Barclays Bank, Eco-Bank Ghana Limited, and Trust Bank Ghana were chosen for the study. The

methods used did not include random sampling. The primary data were evaluated using regression analysis and SPSS Statistics Version 21 in order to determine the impact of the electronic banking service level on customer satisfaction in the chosen banks. According to Addai et al. (2015), there is a favourable correlation between customer satisfaction and the availability of online banks. The researchers proposed solutions to assist certain banks in Ghana in providing their customers with convenient and dependable online banking services in order to improve customer satisfaction and loyalty. The primary aim of the study was to examine the effects of the electronic banking service offer on customer satisfaction in Ghana.

## 2.7 Gap analysis

Digital finance in Zimbabwe is mainly focused on internal finance which is associated with money transfer but due to lack of empirical research in Zimbabwe on how the banking sector's recent development has impacted customer satisfaction. Particularly, there is limited understanding on how digital finance impacts individuals with lower levels of education and those residing in rural areas, who may encounter unique challenges in adopting and utilizing digital financial services. To address this gap, it is essential to examine how digital finance can be made more accessible and user-friendly for these underserved populations, ultimately promoting financial inclusion and enhancing customer satisfaction. Despite the existence of studies on the impact of digital finance in other countries, it is limited in the Zimbabwean context, specifically regarding the bank customer satisfaction. This study aims to fill this knowledge gap and provide valuable insights for financial institutions and stakeholders in improving digital finance services to meet customers' needs.

## 2.8 Chapter summary

This chapter mainly focused on the different views of authors regarding the concepts under the impact of digital finance on the bank customer satisfaction considering some of the study's objectives. In order to have a deeper understanding of the subject, she also reviewed the literature on the subject and investigated several concepts that are related to it, such as the Technology Acceptance Model and the Innovation of Transaction Costs. In this way, the chapter presented empirical evidence from earlier studies

conducted in various countries that was pertinent to the research objectives. The next section will described the research methodology used in the study, comprising the research design, data collection techniques, and data analysis tools.

# CHAPTER III

## RESEARCH METHODOLOGY

### 3.0 Introduction

The research methodologies used in the study are summarized in this section. The focus here is on explaining and debating the research designs, population, sampling techniques, research tools, and data collection methods. The aim of this chapter is to ensure that the study's objectives are met using the most appropriate techniques. According to the University of the Witwatersrand (2019), the reader is able to critically evaluate the overall validity and reliability of a study through the Research Methodology Section. The survey will be conducted in the CBZ Bank main office. The question banks were directed to CBZ Bank customers in Bindura branch.

### 3.1 Research design

Gobo (2016), defined research design as a plan or blueprint outlining the researcher's intended course of the research. In line with Creswell (2013), research objective are types of research designs that use either a mixed approach or qualitative or quantitative research methods to provide precise instructions for the process. Research designs that can be used in the course of the investigation include case studies, exploratory, descriptive, and exploratory designs. Primary data were gathered and analysed for the study. In this case, the researcher employed an exploratory research design. The purpose of the investigation was to look into how digital finances affected bank customers' satisfaction in Zimbabwe. In order to achieve expected results, both quantitative and qualitative investigations were carried out.

### 3.2 Explanatory research design

According to Bryman (2016), explanatory research design aims to explain the cause and effect phenomena to describe what have not been researched before or adequately explained. Creswell and Clark, (2017) argued that an explanatory design is a type of mixed methods research that is conducted to explain why and how phenomena occur. The main focus of explanatory research is on how and why something has happened, it is based on existing hypothesis or theory and the researcher tries to confirm the theory through data collection and analysis (Charmaz, 2014). Frost (2016), identified different

methods that can be used in explanatory research: case studies, survey, in-depth interviews and experimental designs. These methods vary depending on the research question and study context. To determine the impact of the digital finance on bank customers' satisfaction, the researcher used an explanatory research approach and investigated both the causes and effects of the phenomena. It provides the ability to use both quantitative and qualitative data. This makes it possible to retrieve all necessary information and contributes to the improvement of the validity and reliability of the research. Explanatory research was used because the research topic is broad and it allows the researcher to focus on the specific aspects of the research topic. Neuman (2011) suggested that explanatory research is relevant when the objective is to obtain understanding about the relationships between variables

### 3.3 Target population

A group of individuals that a researcher intends to investigate is known as a target population. According to Creswell and Creswell (2017), a population is defined as a set of people who have one or more attributes. A study population, as highlighted by Kotler & Armstrong (2011), describes a collection of individuals or elements that the researcher is interested in studying. A target population of 500 bank customers (public individuals) at CBZ Bindura branch were included in the research study because they provided relevant information related to the research problem. The researcher also considered this target population as it allows for robust statistical analysis, identification of trends or patterns and the ability to convey meaningful conclusions from the research study.

### 3.4 Sample and Sampling

Gilbert and Wilson (2017) define a sample chosen by the researcher as a representative a part of individuals who decided to contribute in a study. According to Kothari, (2014), sampling refers to the method used to choose a subset of individuals in a particular population to serve as a representative sample. The researcher saved time and money by focusing on the chosen probe from the intended population. To obtain accurate results and costs, the researcher selected a sample size of respondents that (in her opinion) will represent each and every economic class. The participants in this study consists of 218 CBZ bank customers from different incomes, age groups, educational

background and professions. Slovin (2003), provided a simplified table and formula to calculate sample size. The formula is:

n = $\frac{N}{1+N(e)2}$ : n is the sample size, N is the overall population and margin of error level (e).

The following sample size for the research study is the selection of customers' and employees' samples, with a 5% error margin assumed.

Sample size = $\frac{500}{1+500(0.05)2}$

$= \frac{500}{2.25}$

**= 218 customers** verified using Roasoft

### 3.4.1 Sampling Techniques

Bully and Irish (2018) define sampling technique as a method employed to come up with a desired sample size. The researcher used simple random sampling for the research study.

#### 3.4.1.1 Simple random sampling

Creswell and Creswell (2017) defined simple random sampling as a method that ensures an It ensures an equal chance, which is known as a non-zero Chance of Selection. It is also assumed that a fair and unbiased method for obtaining a sample from a population. In this case, the researcher employed simple random sampling to randomly select CBZ bank customers to participate.

Simple random sampling is relatively easy to implement and comprehend because it does not require complex procedures or extensive prior knowledge about the population. Additionally, with the aid of technology, such as random number generators or computer software, the selection process can be efficiently conducted, saving time and resources. However, it is time-consuming and expensive since it requires a complete list of the entire population, which may not always be readily available.

### 3.5 Research instruments

Kothari (2004) defined research instruments as methods used to collect data from a specific sample or community. According to Biddix (2019), researchers chose which type of research instruments (survey, questionnaire or observations) to be used based

on research questions. The researcher used questionnaire to collect the information that was desired.

### 3.5. 1 Questionnaire

A questionnaire, according to Bhandari (2021), consist of a series of questions used to collect data on participants' experiences, attitudes or opinions from the respondents in the study. The research objectives guided the formulation of the questions so that the investigator could draw conclusions and provide guidance on the research topic based on the evidence provided by the bank customers. Closed-ended questions were elaborated in the questionnaire and a total of two hundred and eighteen (218) was distributed. Bolarinwa (2015), pointed out the need for conciseness, specificity and clearness in any quantitative research questionnaires. The 5-point Likert scale was employed, which is logical in nature and easier to understand. Saunders et al. (2012) provides useful guidelines on the formulation of the questionnaire questions. They stated that questions should be short, clear and unambiguous, that they should not be double questions. The questionnaire will then be passed to respondents for answers. The answers will reviewed and analysed to evaluate whether or not digital finance (case of CBZ bank) has affected customer satisfaction in Zimbabwe.

Questionnaires allows for standardized response collection, making it simple to analyse and present the data as respondents have sufficient time to answer and complete the responses at their own pace hence there is a high probability that accurate information can be provided regarding the use of digital finance. Questionnaires are inexpensive to develop and distribute for researchers and respondents privacy are protected therefore honest answers are given. However, questionnaires typically have a low response rate due to unanswered questions or busy schedules. Simple and semi-structured questionnaires were used to avoid unanswered questions, so that people may interpret each question differently and respond based on their own interpretation.

### 3.6 Data collection methods

Primary data was used by the researcher to make the research valid and important to CBZ bank, other stakeholders as well as the banking industry in Zimbabwe.

### 3.6.1 Primary data

Creswell (2014) define primary data as the first hand information collected through surveys, observation, experiments and interviews. The researcher used primary data obtained from questionnaire on the bank customers since they were able to suit the research objectives. Questionnaires were chosen because they improved the quality and reliability of the data obtained. The researcher obtained more benefits though the use of primary data because it allows for a deeper comprehension of some study topics that were difficult (Saunders et al, 2015) and it would directly relate to the problem of the research.

### 3.6.2 Ethical considerations

Akaranga & Ongong'a, (2013), explains ethical consideration as an "ethos" or "way of life", "social norms for conduct that distinguishes between acceptable and unacceptable behaviour". The consideration of ethics was necessary to ensure the privacy of the participants and to safeguard participants' identities from potential harm in the future according to Shah, (2011). Clearance to conduct the research was obtained from the collage authorities (BUSE). The researcher will allow the participants to participate openly and voluntarily. According to Hammersley and Traianou (2012), five commonly accepted principles that the research upheld involve protecting privacy, respecting autonomy, providing reciprocity, treating people equitably and minimising harm

## 3.7 Validity and Reliability

### Validity

According to Smith and Noble (2015), the extent to which the study's findings are precise and reliable is referred to as Validity. According to Trochim (2018), validity is capacity of a measurement instrument to measure what needs to be measured. The accuracy and validity of the data should be ensured by using pilot studies and the appropriate research instruments. To confirm validity, the study employed closed-ended questionnaires from the research objectives so as to avoid unanswered questions. Before releasing the respondents to the questions, a pilot study was conducted to identify potential backdoors with the question frames. A pilot study is "the pre-testing or trying out of a particular research instrument" (Klenke et al, 2016). The final questionnaire

will be distributed to three groups of people: researcher's lecturer, a few customers, and colleagues in order to conduct a pre-test. It is to be determined whether the questionnaire has achieved the research goals.

**Reliability**

Cohen et al (2000) suggested that reliability is essentially a synonym for consistency and replicability over time, over instruments and over group of respondents. Reliability will be determined by the attributes of research methodology that will bring the exact result even if they are done more than once (Klenke et al, 2016). To make sure that there is reliability, the researcher used well designed structured and category questions to ensure consistent responses.

### 3.8 Data Collection procedure

The researcher contacted CBZ bank and sought permission for conducting the study using the permission seeking letter from the university. Respondents who volunteered to participate and those who met the selection guideline were invited to take part in the research study. In order to acquire respondents' sincere co-operation, respondents received clear information regarding the goals and usefulness of the study, and will also be assured of confidentiality of data. The authority received from respondents shows their voluntary participation and privacy of data and instinctive right to quit from the research study. The researcher will introduce herself and explain the purpose of the study. Before obtaining informed consent from the respondents to participate in the study, an information sheet containing a brief description of the study and telephone number of the researcher and how to reach the researcher when needed will be given to all participants.

### 3.9 Data presentation and analysis procedures

#### 3.9.1 Data presentation

Data display as the second component, consist of organising, compressing and assembling information. This data could be displayed in graphs and charts. Displays, thus; enables data to be organised and summarised. Tables and figures were used to reinforce the key data, improve the study's impact and facilitate communication as well as to add clarity in the project. According to Saunders et al (2009), the key aspects in presenting data are "specific values, highest and lowest values, and trends over time, proportions and distributions".

### 3.9.2 Analysing quantitative data

A Statistical Package for Social Science (SPSS) 21.0 was employed to analyse quantitative data. The data will be first encoded, then entered into the system and examined. Software for editing and analysing all sorts of data is referred to as the SPSS. These data may be from Google Analytics, a customer database, academic research, or even the server log files of a website. The package opens in a variety of file formats that are commonly used for structured data, such as simple text documents, spread sheets from MS Excel, relational (SQL) databases, Stata and SAS.

### 3.9.3 Analysing Qualitative Data

According to Merriam & Tisdell (2016), data that is conveyed through words is referred to as qualitative data, and the variety of methods and techniques used to transform qualitative data into a descriptive presentation, comprehension, or interpretation of the topic under study is known as qualitative data analysis. In line with Beck (2019), the study used three different types of qualitative data that analyse critical events, classify data, and identify recurring patterns and themes. The researcher initially identified recurring patterns to uncover potential themes or patterns.

## 3.10 Chapter summary

This section described the study' research methodology, as response to researcher's objectives. The target population was the CBZ bank customers selected sample in Harare. Non-probability (simple random sampling) was applied to come up with the population of the research. Data collection methods and instrument were examined as well as their merits and potential demerits. The chapter further outlined the data collection procedures, validity and reliability of data. The next chapter will provide the presentation and analysis of the data gathered.

# CHAPTER IV

## DATA PRESENTATION, ANALYSIS AND DISCUSSION

### 4.0 Introduction

The chapter gives an in depth analysis of data which was collected in the form of structured questionnaires. The data was presented systematically following the research objectives, the research methodology and the research design acquired under this research study. The data presented on this chapter captures the influence of digital finance on bank customer satisfaction in Zimbabwe and mainly focusing on CBZ bank, Bindura. Viewpoints presented were based on customers opinions expressed in line with aims of the study. The data used both qualitative and quantitative means and was presented by means of tables and figures. Statistical Package for Social Sciences 21.0 was used in analysing the data. In-order to match the selected number of sample population, two hundred and eighteen (218) questionnaires were distributed. The researcher issued out these questionnaires to CBZ customers and it was a success.

### 4.1 Response Rate

Response rate = $= \frac{\textbf{number of completed questionnaire}}{\textbf{Total number of selected participants}} * \mathbf{100\%}$

*Table 4.1: response rate from a sample of CBZ bank customers.*

| ***Composition*** | ***Sample*** | ***Response*** | ***Response rate*** |
|---|---|---|---|
| *Customers* | 218 | 190 | **87.16%** |

***Source: Primary data***

One hundred and ninety customers responded, out of two hundred and twenty-two questionnaires issued, and gave a response rate of 87.16%. According to Creswell (2014), a good survey response rate should be 60% or more to ensure that the results are accurate and reflective of the whole population. As a result, the researcher considered the response rate to be sufficient for the analysis and interpretation of the data.

### 4.1.1 Reliability

*Table 4.1.2 Reliability Statistics*

| | |
|---|---|
| Cronbach's Alpha | N of Items |
| .732 | 36 |

The following variables formed a basis to develop the 36-element research instrument that is independent variables: Demographics, Awareness of digital finance, Perceived benefits of digital finance, Challenges from using digital finance, and usage of digital finance, and one dependent variable, Customer satisfaction. The instrument's reliability was assessed. Reliability relates to the instrument's ability to consistently produce results in repeated usage (Cohen et al., 2000). The table above summarizes the reliability tests for the effects of digital finance on the CBZ bank customer satisfaction in Zimbabwe. The results of the reliability tests are displayed in Table 4.2.1 and the Cronbach's Alpha is 0.73 hence acceptable. According to DeVellis, R. F. (2016), the generally acceptable Cronbach Alpha is from 0.7 to 0.8.

### 4.2 Respondents demographics

This section covered participants' demographics that is age, gender, education levels and income level of customers. In line with a similar research by Worku et al, (2016); Gomachab and Maseke (2018), different age groups, gender and occupation as well as education were analysed to gain understanding on electronic banking in Ethiopian and Namibia banking industry. The study's respondents included people who were employed, unemployed, or self-employed, as well as college students.

### 4.2.1 Age classification of respondents

*Table 4.2 below shows age groups of respondents*

| | | Frequency | Percent | Valid Percent |
|---|---|---|---|---|
| Valid | 18 - 24 years | 44 | 23.2 | 23.2 |
| | 25 - 34 years | 62 | 32.6 | 32.6 |
| | 35 - 44 years | 51 | 26.8 | 26.8 |
| | 45 years and above | 33 | 17.4 | 17.4 |
| | Total | 190 | 100.0 | 100.0 |

**Source: Primary data**

Different age groups were taken into account in the study, 23.2% were in the age group 18-24, followed by 32.6% in 25–34 age group and 26.8% in the 35–44 age group, 17.4 percent in the age group 45 years and above. This suggests that age groups from 25 to 34 years received the most responses and this indicated that they use digital financial services more effectively than other age groups. According to these findings the majority of users of digital finance services are middle-aged, which is in line with previous research by A-I Hawary and A-I Smeran (2017).

### 4.2.2 Gender of participants

*Table 4.3 Gender distribution*

| | | Frequency | Percent | Valid Percent |
|---|---|---|---|---|
| Valid | Female | 74 | 38.9 | 38.9 |
| | Male | 116 | 61.1 | 61.1 |
| | Total | 190 | 100.0 | 100.0 |

*Source: Primary data*

The research study considered the gender of the participants. Female participants consisted of 38.9 percent and male participants constituted 61.1 percent of the respondents according to the data presented above on table 4.2. The results indicates that male use digital finance more often than women. In their study, A-l Hawary and A-

I Smeran (2017) found that demographic characteristics like age and gender have an impact on how satisfied Islamic Bank customers in Jordan are with online banking. A higher satisfaction rate was observed among younger customers and males, which could be attributed to a stronger interest in technology and digital services. According to Muluka et al 2021, "the study had a response rate of 97 % with more male (60.9%) compared to female respondents (39.1%)" this means that women do not use digital financial services frequently due to limited financial and digital literacy unlike men who are more technologically adept. The current findings are also consistent with Mbama et al. (2018).

### 4.2.3 Employment status

*Table 4.4 employment status*

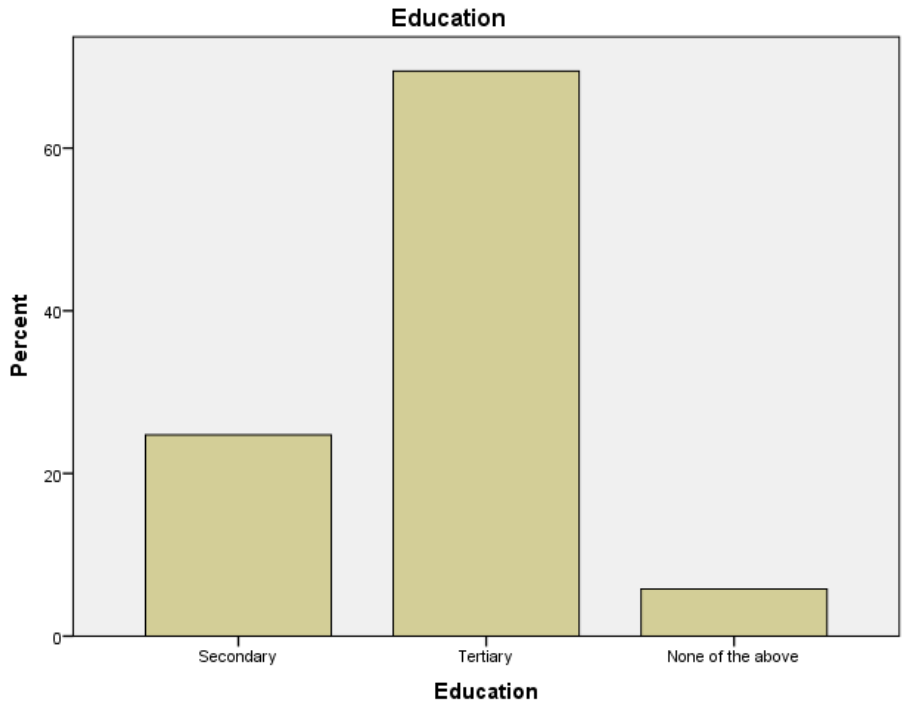
| **Employment status** | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Unemployed | 13 | 6.8 | 6.8 | 6.8 |
| | Employed | 152 | 80.0 | 80.0 | 86.8 |
| | Student | 8 | 4.2 | 4.2 | 91.1 |
| | Self employed | 17 | 8.9 | 8.9 | 100.0 |
| | Total | 190 | 100.0 | 100.0 | |

***Source: Primary data***

Eighty percent of the participants in the survey were employed individuals who had formal positions in various organisations. While 4.2% of the respondents were university students, 6.8% stated that they were neither employed nor engaged in any income-generating activities. 8.9% of those surveyed worked for themselves. This indicates that they were not officially employed and instead engaged in their own professional activities, such as renting out space or working for small businesses. Lastly, 4.2% of the respondents were students, opening student bank accounts, paying school fees, inquiring banking services and withdrawing money. The research study found that the majority of users of digital finance are employed people since they have enough funds from their jobs, which is consistent with previous research by Worku et al. (2016).

### 4.2.4 Education Qualifications

*Figure 4.1 shows educational qualifications of the participants*




*Source: Primary data*

Fig 4.4 above indicates 24.7% of the participants held secondary education, 69.5% held tertiary education and 5.8% held none of the education highlighted. These qualifications indicate the level of literacy of the people who responded to the structured questionnaire. The research study showed that high educated people are more open to technological innovations like digital finance than people with low levels of education. In line with A-I Hawary and A-I Smeran (2017) and Worku et al (2016) findings, the majority of respondents were bachelor's degree holders, and this is similar to the current research study.

### 4.2. Income

*Table4.5: Income level*

| **Income** | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 0 - 500 | 132 | 69.5 | 69.5 | 69.5 |
| | 500 – 1000 | 58 | 30.5 | 30.5 | 100.0 |
| | Total | 190 | 100.0 | 100.0 | |

*Source: primary data*

Regardless of income levels, the questionnaires were issued to CBZ bank customers. When asked to specify their income, respondents were requested to complete a questionnaire. Of the 190 responses received, 132 (69.5%) were from 0 to 500 income levels, and 58 (30.5%) were from 500 to 1000. However, it was expected that the findings would hold true despite the difference in income levels because the research problem could not in any way alter income. Respondents' incomes have an impact on the degree to which digital finance services are adopted in line with the previous researches by Gomachab and Maseke, 2018; Muluka et al 2021.

### 4.3 Awareness of digital finance

*4.6 Forms of digital finance*

| **Mobile banking, Online banking, Digital payments, E-wallets** | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Yes | 135 | 71.1 | 71.1 | 71.1 |
| | No | 55 | 28.9 | 28.9 | 100.0 |
| | Total | 190 | 100.0 | 100.0 | |

***Source: primary data***

Table 4.6 indicates that mobile banking, online banking, digital payments, and E-wallets were mostly known by respondents, as presented by 71.1%, and 28.9% responded that they were unaware of these forms. The majority of the respondents were aware of these forms of digital finance because they are deemed to be convenient and cost-effective as

compared to traditional banking. According to previous research, in order to enhance customer satisfaction, banks should provide convenience through these forms of digital finance (Addai et al., 2015; Sikkad and Makkad, 2015; Muluka et al 2021). On awareness of forms of digital finance, it could be concluded that the majority are aware as they boost financial management, are easily accessible and reliable, leading to customer satisfaction.

### 4.3.2 Digital finance platforms at CBZ

*Table 4.7 Platforms of digital finance*

| **CBZ Touch, CBZ Pay, CBZ Smart POS, CBZ Mobile banking** | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Yes | 130 | 68.4 | 68.4 | 68.4 |
| | No | 60 | 31.6 | 31.6 | 100.0 |
| | Total | 190 | 100.0 | 100.0 | |

***Source: primary data***

The study searched to determine whether the respondents knew about the digital financial platforms offered by CBZ Bank. Table 4.7 demonstrates that the majority of those studied, as indicated by 68.4%, responded yes and only 31.6% responded no, meaning they were unaware of the digital financial platforms. These findings concluded that respondents were aware of digital finance platforms and therefore appropriate to provide the necessary information on the impact of digital finance on customer satisfaction among CBZ Bank customers in Zimbabwe.

### 4.3.3 The extent of your knowledge about the following Digital Financial Services

*Table 4.8 Knowledge of digital finance services*

| **Descriptive Statistics** | | | | | |
|---|---|---|---|---|---|
| | N | Minimum | Maximum | Mean | Std. Deviation |
| ATM | 190 | 3 | 5 | 4.93 | .273 |
| Credit or Debit Cards | 190 | 3 | 5 | 4.81 | .406 |
| Peer to Peer payments | 190 | 1 | 5 | 3.56 | 1.175 |
| Mobile banking and online banking | 190 | 4 | 5 | 4.73 | .447 |
| E-wallets | 190 | 1 | 5 | 4.49 | .883 |
| Valid N (list wise) | 190 | | | | |

***Source: primary data***

Table 4.8 provides significant information on the awareness and knowledge levels of various digital financial services among the participants. It's important to note that these interpretations are based solely on the provided descriptive statistics. To gain a more comprehensive understanding of these findings, it would be beneficial to consider additional contextual information, conduct further analysis, and explore potential underlying factors that contribute to the reported usage and satisfaction levels.

**ATMs**

Participants generally indicated that they were aware of ATMs (with a mean of 4.93). Most respondents' interactions with ATMs were mostly favourable and that responses tend to be consistent, this is demonstrated by a low standard deviation of 0.273.

**Credit or Debit Cards**

Table 4.8 shows mean score of 4.81, which is the respondents' knowledge on credit or debit cards and a standard deviation of 0.406', indicating that there is variability in the level of satisfaction among participants. However, knowledge and usage of credit or debit cards was positively perceived.

**Peer-to-Peer payments**

The respondents indicated a moderate level of knowledge and satisfaction with peer-to-peer payments (mean score of 3.56). Table 4.8 indicates a standard deviation of 1.175, there is a significant disagreement regarding the level of knowledge and satisfaction of peer-to-peer payment methods among the respondents.

**Mobile banking and online banking**

The research aimed to find out the extent of CBZ Bank customers knowledge on mobile banking and online banking. The mean score of 4.73 indicated a high level of knowledge with mobile banking and online banking. Table 4.8 also indicates a standard deviation of 0.447, suggesting there is variability in level of knowledge among bank customers, but overall, CBZ Bank customers are highly knowledgeable about mobile banking and online banking.

**E-wallets**

Respondents indicated that they are knowledgeable with e-wallets (mean rate of 4.49) as shown on table 4.8 above. The standard deviation of 0.883 indicated that there was some variability in the level of knowledge among CBZ Bank customers.

Overall, the study findings indicated that respondents are very knowledgeable and satisfied with various digital financial services. ATMs, credit or debit cards, mobile banking and online banking, and e-wallets are highly utilized and well-received by the respondents. However, there is some variability in the level of knowledge of peer-to-peer payments, indicating that this specific digital financial service may have room for improvement or may not be as widely adopted as others. Consistent with the findings of this research study, previous research studies found that knowledge and experience with digital financial services are important factors influencing the choice and use of these services (Maseke and Gomachab, 2018; Muluka et al, 2021; Isibor et al, 2018; Worku et al., 2016).

### 4.3.4 Time

*Table 4.9 Usage Time*

| Time | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 0 - 4 weeks | 20 | 10.5 | 10.5 | 10.5 |
| | 5 - 10 weeks | 38 | 20.0 | 20.0 | 30.5 |
| | 0 - 10 years | 127 | 66.8 | 66.8 | 97.4 |
| | 11 - 20 years | 5 | 2.6 | 2.6 | 100.0 |
| | Total | 190 | 100.0 | 100.0 | |

***Source: primary data***

Table 4.9 above shows that 20 of the respondents used digital financial services during 0–4 weeks, representing 10.5%; 38 respondents used digital financial services for 5–10 weeks, representing 20.0%; only 127 respondents used digital finance for 0–10 years, representing 66.8%; and lastly, 5 participants used it for 11–20 years, representing 2.6%. This shows that the majority of CBZ customers used digital finance from 0 to 10 years indicating that digital finance is gaining popularity among consumers. Previous research by Muluka et al. (2021), they found that majority of respondents used banks for 6 years and this is similar to the study as many used from a range of 0-10 years.

### 4.3.5 Frequent usage of digital finance by customers

*Table 4.9.1 how frequently do you utilize digital finance services?*

| Frequent use | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Daily | 137 | 72.1 | 72.1 | 72.1 |
| | Weekly | 22 | 11.6 | 11.6 | 83.7 |
| | Monthly | 31 | 16.3 | 16.3 | 100.0 |
| | Total | 190 | 100.0 | 100.0 | |

*Source: Primary data*

Table 4.9.1 above provides information on how frequently individuals use digital financial services, based on CBZ bank customer responses. Three response options are outlined in the table: daily, weekly, and monthly, as well as the frequency and percentage. The table indicated that 72.1% of the respondents reported using digital finance daily while 11.6% reported using it weekly, and 16.3% reported using it monthly. The high percentage of respondents who reported using digital finance services daily indicates that digital finance is becoming a popular and convenient option for carrying out financial transactions. In addition, Worku et al. (2016) found similar results concerning the frequency of usage in digital finance. Mbama et al. (2018) found that 49.5% of users in UK used digital financial services weekly, 34% used daily while only 12,1% used monthly. These studies indicate that digital finance services are increasingly becoming a popular and convenient option for conducting financial transactions. Customers can access digital finance services anytime and anywhere through their mobile devices, which has made managing finances easier. However, it is important to consider factors like age, income, and education level, as they may influence the frequency of digital finance usage. Financial institutions should take these factors into account when developing and promoting digital financial services to ensure that they meet customers' preferences so as to enhance customer satisfaction.

### 4.4 Usage of digital finance

*Table 4.10 Usage of digital finance to customers*

| **Descriptive Statistics** | | | | | |
|---|---|---|---|---|---|
| | N | Minimum | Maximum | Mean | Std. Deviation |
| I am comfortable to use digital financial services for transactions | 190 | 1 | 5 | 3.69 | .944 |
| Ease and convenient use of digital financial platforms has led to adoption. | 190 | 1 | 5 | 3.77 | 1.139 |
| I prefer to use traditional banking over digital financial services. | 190 | 1 | 5 | 2.32 | 1.225 |
| Using digital finance has improved my banking experiences | 190 | 1 | 5 | 3.71 | 1.078 |
| I have used digital financial services to access bank balances and statements, peer to peer payments, paying bills and utilities. | 190 | 2 | 5 | 4.38 | .765 |
| I feel secure to do transactions on digital financial facilities. | 190 | 1 | 5 | 3.63 | 1.050 |
| I use digital financial services since they meet my needs and expectations | 190 | 1 | 5 | 3.69 | .983 |
| Digital finance has low transaction costs | 190 | 1 | 5 | 4.02 | .870 |
| Valid N (list wise) | 190 | | | | |

***Source: primary data***

### 4.4.1 Comfortable to use digital finance for transactions

Table 4.10 shows how comfortable CBZ Bank customers are with digital finance for transactions. The findings indicate that the mean rate of 3.69 implies that respondents were fairly comfortable to use digital financial services for transactions. Standard deviation of 0.944 showed some variability in responses, indicating that comfort levels vary among the respondents.

### 4.4.2 Ease and convenience of digital finance

According to the findings on table 4.10, the mean score of 3.77, indicated that respondents felt that digital financial platforms as moderately easy and convenient to use, which have r to their adoption. A higher standard deviation of 1.139 imply that ease and convenience perceptions vary among the respondents as indicated by greater variability in responses. Similar studies have been done by Muluka et al. (2021) and Sikdar and Makkad (2015) and found that the most important factors influencing customer satisfaction were ease of use of digital banking services.

### 4.4.3 Improved banking experience

The aim of this question was to examine if the respondents found that digital financial service use has improved banking experience. Table 4.10 shows that respondents perceived digital financial service moderately improved their banking experiences as indicated by the mean score of 3.71. However, the findings indicate that standard deviation of 1.078 considers different levels of perceived improvement among respondents.

### 4.4.4 Use digital finance for various purposes

The participants were asked to express how much they understood the statement, “I have used digital financial services to access bank balances and statements, paying bills and utilities, peer to peer payments". The majority of respondents responded that they frequently used digital financial services for accessing bank balances and statements, peer to peer payments as well as paying bills and utilities as indicated by the mean score of 4.38. Table 4.10 shows that a standard deviation of 0.765 implies that responses were depending on consistent with most responses reporting frequent usage of digital financial services to access utilities. According to Gomachab and Maseke (2018), customers in Namibia use mobile banking services for different purposes such as

checking your mini statement buying airtime, e-wallets and paying electricity bills, this is similar to this research study.

### 4.4.5 Use digital financial service since they meet their needs and expectations

The study searched to find out how using digital financial services met respondents needs and expectations. Table 4.10 indicates that the mean rating of 3.69 shows that participants used digital financial services because they moderately meet their needs and expectations. There was variability in responses, as indicated by a standard deviation of 0.983 reflecting differences in how digital financial services meet the needs and expectations of respondents in the survey.

### 4.4.6 Are you satisfied with the digital financial services provided by CBZ bank?

*Table 4.11 Satisfaction*

| **Are you satisfied with digital finance services at CBZ bank** | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Yes | 136 | 71.6 | 71.6 | 71.6 |
| | No | 54 | 28.4 | 28.4 | 100.0 |
| | Total | 190 | 100.0 | 100.0 | |

***Source: primary data***

In the customer survey comparing customers' satisfaction with CBZ Bank's digital financial services, 71,6% of the 190 respondents said they were more satisfied with digital financial services than they were with traditional banking, while only 28,4% said they were dissatisfied.

### 4.4.7 To what extent do you agree that the digital finance services offered by CBZ bank meet your needs and expectations?

*Table 4.12 customer satisfaction with digital finance service offered*

| **Descriptive Statistics** | | | | | |
|---|---|---|---|---|---|
| | N | Minimum | Maximum | Mean | Std. Deviation |
| To what extent do you agree that the digital finance services offered by CBZ bank meet your needs and expectations | 190 | 2 | 5 | 4.22 | .851 |
| Valid N (list wise) | 190 | | | | |

***Source: Primary data***

The descriptive statistics table 4.12 shows the following information for the survey question "To what extent do you agree that the digital finance services offered by CBZ bank meet your needs and expectations". This indicates that there are 190 valid responses to this survey question with the mean response value of 4.22, which is relatively high on the scale. According to table 4.12, the standard deviation of 0.851 suggests that the responses are clustered relatively closely around the mean value of 4.22, indicating that the majority of respondents have a positive perception of the digital finance services. This information can be useful for understanding customer satisfaction with the digital finance offerings and identifying potential areas for improvement. Isibor et al. (2018) found that electronic banking is strongly related to customer satisfaction and this is consistent with the current research study.

### 4.5 Benefits of digital finance over traditional banking

The purpose of this exploration was to find out what benefits CBZ Bank customers receive from using digital financial services. This is significant because the benefits that follow have had an impact on customer satisfaction and the respondents were asked to rate their level of satisfaction with some of the established features of digital finance.

.

*Table 4.13 Perceived benefits of digital finance*

| **Descriptive Statistics** | | | | | |
|---|---|---|---|---|---|
| | N | Minimum | Maximum | Mean | Std. Deviation |
| It is associated with low transaction costs | 190 | 1 | 5 | 3.86 | 1.006 |
| Digital finance is faster than traditional banking in processing transactions | 190 | 2 | 5 | 4.22 | .851 |
| It is accessible and convenient | 190 | 1 | 5 | 4.08 | .890 |
| It is safe and secure | 190 | 1 | 5 | 3.15 | 1.244 |
| Digital finance is use-friendly | 190 | 1 | 5 | 4.14 | .882 |
| It enhances financial literacy | 190 | 1 | 5 | 3.70 | .986 |
| Valid N (list wise) | 190 | | | | |

***Source: primary data***

### 4.5.1 Low transaction cost

The responses of the survey participants highlighted to what extent they agreed that digital finance is associated low transaction costs. Table 4.13 shows responses to this statement, 1 indicating the lowest rate and 5 the highest rate therefore the respondents were of the opinion that digital finance is associated with low transaction costs as indicated by the mean of 3.86 and a standard deviation of 1.006. Low transaction cost stimulates improvement of financial services thereby aiding customer satisfaction as highlighted by Gomachab and Maseke (2018). The theory of Transaction cost innovation in chapter II emphasises that financial innovation reduces transaction costs (Kombe & Wafula, 2015).

#### 4.5.1.2 Speed in processing transactions

The study rated how fast digital finance is at processing transactions. Table 4.13 indicates that the minimum and maximum rates are 2 and 5, respectively; hence, customers are satisfied that transaction processes were fast, as shown by a mean of 4.22. The standard deviation was 0.851, which indicates that there was low variability in

transaction processing times. The researcher concluded that respondents were confident in how fast digital finance is at processing transactions through the use of digital finance platforms offered at CBZ Bank. According to Muluka et al. (2021), digital finance is fast in processing transactions, and the drawbacks of traditional banking can be overcome as bank customers are able to perform their transactions while saving time, hence customer satisfaction and standards of service delivery are greatly improved.

#### 4.5.1.3 Accessibility and Convenience of digital finance

Table 4.13 shows that 1 was the minimum rate given, while 5 was the maximum. The customers perceived that digital finance was easily accessible and convenient, as indicated by a mean of 4.08. The responses further implied that one point dispersed suggested varied opinions by the standard deviation of 0.890. This indicated that customers were satisfied with digital finance since it is accessible and convenient to use, the challenges of traditional banking can be overcome as customers are able to do transactions at the comfort of their home without visiting the physical bank or even when CBZ bank is closed. Previous research highlighted that in order to increase customer satisfaction and retention, selected banks in Ghana and India should provide customers with reliable and convenient electronic banking service (Addai et al., 2015; Sikda and Makkad, 2015).

#### 4.5.1.4 Safe and secure

Table 4.13 highlighted that the mean was 3.15 with a standard deviation of 1.244, implying that using digital finance is safe and secure, unlike traditional banking. These findings suggest that digital finance is secure for conducting financial transactions thereby aiding customer satisfaction. Gomachab and Maseke (2018) found that branch oriented services are less secure than mobile banking services.

#### 4.5.1.5 Enhances financial literacy

The data in table 4.13 shows that the mean of 3.70 indicated that customers used digital finance since it enhances financial literacy. Table 4.13 also indicates a standard deviation of 0.986. Digital finance plays an important role in enhancing financial literacy by providing accessible and engaging learning environments to people of all ages. People can acquire knowledge and skills required to make well informed financial

decisions confidently by integrating digital tools and platforms into financial education, thereby increasing customer satisfaction.

### 4.6. Challenges encountered using digital finance

*Table 4.14 Barriers to digital finance adoption*

| **Unable to access services due to inadequate technology** | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 45 | 23.7 | 23.7 | 23.7 |
| | Disagree | 42 | 22.1 | 22.1 | 45.8 |
| | Neutral | 57 | 30.0 | 30.0 | 75.8 |
| | Agree | 34 | 17.9 | 17.9 | 93.7 |
| | Strongly Agree | 12 | 6.3 | 6.3 | 100.0 |
| | Total | 190 | 100.0 | 100.0 | |

*Source: primary data*

Table 4.14, shows that 6.3% of the participants strongly agreed that inadequate technology hinder their access to digital finance services, 17.9% agreed with the statement, 30.0% of respondents were neutral, 22.1% disagreed, and 23.7% strongly disagreed with the statement. It was observed that the majority of respondents gave neutral responses indicating that a significant portion of the respondents neither agreed nor disagreed that they were unable to access digital financial services due to inadequate technology. This was maybe due to respondents lacking experience or limited understanding on how technology impacts accessibility.

*Table 4.15: Digital finance attracts security risks*

| **Digital finance attracts security risks** | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 3 | 1.6 | 1.6 | 1.6 |
| | Disagree | 3 | 1.6 | 1.6 | 3.2 |
| | Neutral | 40 | 21.1 | 21.1 | 24.2 |
| | Agree | 61 | 32.1 | 32.1 | 56.3 |
| | Strongly Agree | 83 | 43.7 | 43.7 | 100.0 |
| | Total | 190 | 100.0 | 100.0 | |

*Source: primary source*

According to table. 4.15, 43.7% of respondents strongly agreed that digital finance attracts security risks. 21.1% of respondents remained neutral on this statement and 32.1% of respondents agreed that digital finance attracts security risks. As highlighted on the table 4.15 1.6% indicates strong disagreement and disagreement with the statement. According to the previous research by Muluka et al. (2021), 74% of respondents stated they were not using any digital applications on their phone, with the majority claiming the lack of use on security concerns.

*Table 4.16 Limited access to digital infrastructure*

| | | Frequency | Percent | Valid Percent |
|---|---|---|---|---|
| Valid | Strongly disagree | 4 | 2.1 | 2.1 |
| | Disagree | 18 | 9.5 | 9.5 |
| | Neutral | 63 | 33.2 | 33.2 |
| | Agree | 66 | 34.7 | 34.7 |
| | Strongly Agree | 39 | 20.5 | 20.5 |
| | Total | 190 | 100.0 | 100.0 |

***Source: primary data***

The majority of respondents (34.7%) agreed that there is limited access to digital infrastructure hinders their digital finance adoption. Additionally, 33.2% of respondents were neutral and 20.5% strongly agreed with the statement. However, 9.5% of respondents disagreed that digital finance adoption is due to limited access to digital

infrastructure and 2.1% of respondents strongly disagreed. The current research findings are similar with previous study by Worku et al, (2016).

*Table 4.17 Inadequate understanding of digital finance*

| **I have inadequate understanding of digital finance** | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 30 | 15.8 | 15.8 | 15.8 |
| | Disagree | 71 | 37.4 | 37.4 | 53.2 |
| | Neutral | 74 | 38.9 | 38.9 | 92.1 |
| | Agree | 11 | 5.8 | 5.8 | 97.9 |
| | Strongly Agree | 4 | 2.1 | 2.1 | 100.0 |
| | Total | 190 | 100.0 | 100.0 | |

***Source: primary data***

2.1 percent of respondents strongly agreed and 5.8 agreed as shown in table. 4.17, that they have inadequate understanding on digital finance. 38.9% of respondents gave neutral responses, 15.8% of respondents strongly disagreed and 37.4% disagreed with the assertion that digital finance adoption is hindered by inadequate understanding. The majority of respondents gave neutral responses indicating that they neither agreed nor disagreed that lack knowledge and awareness about digital finance hinder adoption. This knowledge gap can have serious impact on financial institutions and individuals, particularly in an increasingly digital economy like Zimbabwe resulting in customer dissatisfaction. Worku et al, (2016) found that lack of understanding is a challenge for smoothly running e-banking in Ethiopia.

*Table 4.18 Digital finance is not reliable and trust worth*

| I do not think digital finance is reliable and trust-worth | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 40 | 21.1 | 21.1 | 21.1 |
| | Disagree | 62 | 32.6 | 32.6 | 53.7 |
| | Neutral | 63 | 33.2 | 33.2 | 86.8 |
| | Agree | 17 | 8.9 | 8.9 | 95.8 |
| | Strongly Agree | 8 | 4.2 | 4.2 | 100.0 |
| | Total | 190 | 100.0 | 100.0 | |

***Source: primary data***

The objective of this question was to find out what the respondents thought about the reliability and trust worth of digital finance. As shown in table 4.18, 8.9% of the respondents agreed while 4.2% strongly agreed that they do not think digital finance is reliable and trust-worth. 21.1% responded strongly disagree and 32.6% disagreed that digital finance is reliable and trust-worth. The majority of the respondents gave neutral responses (33.2%) implying that they neither strongly agreed nor disagreed with digital finance reliability and trust worth. Mbama et al. 2018, found that challenges associated with digital banking include lack of trust and security concerns.

## 4.7 Digital finance impact to customers

### Digital finance as a customer satisfaction tool

To study the impact of digital finance (awareness, usage, perceived benefits and challenges as the independent variables) on satisfaction of CBZ Bank customers (the dependent variable), linear regression analysis was applied. The results of linear regression analysis are reported in tables below.

*Table 4.19 Summary of the model*

| Model Summary[b] | | | | | |
|---|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
| 1 | .292[a] | .185 | .066 | .49904 | 1.878 |
| a. Predictors: (Constant), US, CH, PB, AWARENESS | | | | | |
| b. Dependent Variable: CUSTOMERSATISFACTION | | | | | |

***Source: primary data***

Table 4.19, shows that the R-squared value (coefficient of determination) of 0.185 indicates that about 18.5% of the variation in the dependent variable (customer satisfaction) can be explained by independent variables that were included in the model. Thus, 81.5% is explained by other factors not considered by the research. The standard error of the estimates is 0.499, which is the average difference between the observed and predicted values of the regression model. A smaller standard error suggests that the model's predictions are more accurate in reflecting the actual observed values. Table 4.19 shows that the Durbin-Watson statistic has a point value of 1.878, which indicates the autocorrelation's precedence in the model regions. The value of 1.878 is close to 2 which indicates that there is likely no significant autocorrelation in the residuals.

### 4.7.1 ANOVA

*Table 4.20 ANOVA results*

| ANOVA[a] | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 4.301 | 4 | 1.075 | 4.317 | .002[b] |
| | Residual | 46.073 | 185 | .249 | | |
| | Total | 50.374 | 189 | | | |
| a. Dependent Variable: CUSTOMERSATISFACTION | | | | | | |
| b. Predictors: (Constant), US, CH, PB, AWARENESS | | | | | | |

***Source: primary data***

The results in Table 4.20 demonstrate that there is a statistical significant correlation between digital finance and customer satisfaction at CBZ Bank Zimbabwe. This may be seen by looking at the significance value (0.002<0.05). The combined ANOVA

results demonstrate that the regression model, which uses the predictors, CH, PB, AWANESS, and US, has a statistically significant relationship with customer satisfaction with digital financial services provided by CBZ Bank. To fully understand the nature and significance of each individual predictor, regression coefficients was analysed below.

### 4.7.2 Regression Coefficients

*Table 4.21 Coefficients of regression*

| Coefficients[a] | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .447 | .642 | | .696 | .487 |
| | AWARENESS | .260 | .132 | .259 | 2.132 | .035 |
| | CH | .106 | .077 | .097 | 1.380 | .169 |
| | PB | .353 | .097 | .264 | 3.642 | .000 |
| | US | .204 | .069 | .156 | -2.939 | .004 |
| a. Dependent Variable: CUSTOMERSATISFACTION | | | | | | |

***Source: primary data***

Table 4.21, the regression results show that there is a statistically significant relationship between customer satisfaction, perceived benefits of digital finance (B = 0,353, 0.001 is less than 0.05) and awareness (B = 0,260, p = 0.035). This suggests that increasing customer satisfaction and raising the perceived benefits of digital finance are key drivers of increasing customer satisfaction. In contrast, there is a statistically significant positive relationship between customer satisfaction and usage of digital finance as indicated by the significant level of 0.004 which is less than 0.05 (B = 0.204). However, it appears that the challenges of digital finance (CH) in this model have no direct impact on customer satisfaction (0.169>0.05). Therefore, results from table 4.21 suggest that an effective strategy to increase customer satisfaction overall may involve focusing on improving customer awareness and product features as well as managing the dynamic relationship between digital finance and customer satisfaction. AI- Hawary and AI-

Smeran (2017) found that usage, showed a statistical significance on customer satisfaction of Islamic banks in Jordan, which is consistent with the current results.

### 4.8 Chapter summary

This chapter discussed the impact of digital finance on the bank customer satisfaction in Zimbabwe, a case of CBZ bank. It focused mainly on the analyses and presentation of the collected information, and discussion of research outcomes based on customers' opinions. The chapter covered the response rate, respondents demographic, usage, Customer satisfaction, perceived benefits and challenges of digital finance. The analysis was presented using tables and figures. Chapter V covers summary of findings, conclusions and recommendations.

# CHAPTER V

## SUMMARY, CONCLUSION AND RECOMMENDATIONS

### 5.0 Introduction

The emphasis of this chapter is on findings and contributions of this study by focusing mainly on summaries of previous chapters. Major findings, conclusions and recommendations on the impact of digital finance on the bank customer satisfaction in Zimbabwe are discussed, concluding by summarizing all research findings and highlighting areas for further researches.

### 5.1 Summary of findings

Since the introduction of digital finance, numerous studies have been carried out, with a majority of them (Shrestha and Agarwal, (2023), Muluka et al. (2021), Mbama et al.(2018), Maseke and Gomachab, (2018), Sikkida and Makkad (2015)), focusing mainly on customer satisfaction. The main objective of this study was to evaluate the impact of digital finance on the CBZ bank customer satisfaction in Zimbabwe. Additionally, the researcher explored factors influencing the adoption of digital finance, its various forms and the benefits of digital finance to define the other objective of the study.

The study adopted the theories of transaction cost innovations, technology acceptance model, and service dominant logic to explain customer satisfaction and digital finance adoption, respectively. An explanatory research design was used. The researcher used both qualitative and quantitative research methods, which relate to understanding some aspects of social life. The study consisted of 218 CBZ bank customers from different incomes, age groups, and educational backgrounds. Simple random sampling techniques were used to guarantee reduced sampling errors since everyone has an equal chance of being selected. Structured questionnaires were used as the research instruments to obtain primary data. 190 participants responded, for an 87.16% response rate. Tables and figures were used to collect, display, and analyse the data. The results of the reliability tests was displayed and the Cronbach’s Alpha was 0.73 hence it was acceptable.

The majority of the respondents used mobile banking and online banking as digital finance services. Speed in transactions, convenience, reduced costs and accessibility influence customer satisfaction with digital finance services. The regression results established that the independent variables (digital finance usage, Challenges associated with digital finance, perceived benefits and AWARENESS) explained only 18.5% of the differences in the dependent variable (customer satisfaction) that were included in the model. The results of the regression coefficients found that there is a significant positive relationship with perceived benefits, awareness and usage of digital finance on the bank customer satisfaction in CBZ Bank in Zimbabwe. Finally, the ANOVA results established there was a significant relationship between digital finance and customer satisfaction at CBZ Bank in Zimbabwe.

The research findings contribute to our understanding of the impact of digital finance on bank customers' satisfaction in Zimbabwe. The findings suggest that digital financial services can play a significant role in improving customer satisfaction, particularly with regard to transaction speed, ease of use, and other perceived benefits. The results are consistent with previous studies (Muluka et al. 2021; Sikkad and Makkad 2015; Worku et al. 2016). The study's findings have varying effects for financial institutions, the Reserve Bank of Zimbabwe, and bank customers. Financial institutions, for instance, can increase customer satisfaction by investing in digital financial infrastructure and promoting digital financial services. The Reserve Bank of Zimbabwe can encourage the growth of digital financial services by creating an environment that is supportive and implementing appropriate regulations. This study had several limitations like the sample was limited to customers of CBZ Bank, Bindura.

## 5.2 Conclusion

The study explored the impact of digital finance on bank customer satisfaction in Zimbabwe. This chapter addressed the research questions and presented the corresponding research findings. The study concluded that digital finance was mostly used by males and middle-aged people as a digital channel. Further digital finance was considered convenient, faster and secure than traditional banking. The reliability was also considered satisfactory. Customers were also confident that digital finance is user-friendly and inexpensive which cannot be compared to traditional banking. However, based on the findings of this study, it can be concluded that cost effectiveness and accessibility of digital finance have an influence on customer’s satisfaction as

transactions are made easy in their comfort of homes. Lack of knowledge on digital finance might be a limiting factor for the bank customers to successfully adopt and use digital finance. Although certain assumptions were not being supported by the statistical tests conducted in this study, the overall results suggests that there is need for additional and extended research to gain more better understanding.

### 5.3 Recommendations

In accordance with the findings and the conclusion, the following recommendations were formulated: Here are some recommendations on how digital finance can enhance bank customer satisfaction in Zimbabwe:

1. CBZ Bank and other banks should organise continuous innovation in their digital offerings in-order to stay competitive and meet growing customer expectations through introduction of new features by enhancing user interfaces, exploring partnerships with tech start-ups to drive innovation in the financial sector and integrating emerging technologies like artificial intelligence and block-chain.
2. The bank should invest in information technology and cyber security systems to address customers concerns regarding digital services and protect customers' transactions and sensitive information.
3. The bank should expand access to digital financial services by collaborating with fin tech companies and mobile money operators, thereby contribute to improving financial literacy, promoting savings habits, and fostering economic empowerment among underserved populations.
4. There is need to continuously supervise customer preferences, technological advancements and industry trends. In order for the bank to maintain customer satisfaction, it should stay aligned to customer needs, market dynamics and adapt digital finance strategies to meet evolving customer expectations.
5. The banks should engage in awareness campaigns and educate customers on usage and perceived benefits of digital finance in-order to enhance customer satisfaction.

### 5.4 Recommendations for further research

Future further studies should look at different forms of digital finance such as crypto-currency and block chain technology. These researches should be done to assess the impact of current digital finance services and the evolving customer needs and expectations, hence in this way gaps can be identified and resolved**.**

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# APPENDICES

**Appendix 1**

**BINDURA UNIVERSITY OF SCIENCE EDUCATION**

**FACULTY OF COMMERCE**

**DEPARTMENT OF BANKING AND FINANCE**

Dear respondent

The researcher is a final-year undergraduate at Bindura University of Science Education. Conducting this research in partial fulfilment of the Bachelor of Commerce Honours Degree in Banking and Finance. The research is on the analysis of the impact of digital finance on bank customer satisfaction in Zimbabwe, a case of CBZ Bank.

I am therefore requesting for your assistance in carrying out this research by completing the following questionnaire. Please note that your response will be used purely for academic purposes only and will be treated with the strictest of confidentiality. I would appreciate it very much if the questionnaire could be returned at your earliest convenience. I count on your kind cooperation.

Thank you very much for taking your time to participate in the study.

Yours sincerely

B200901B

**Appendix 2**

**QUESTIONNAIRE**

The following questionnaire is designed to understand your usage, experiences and perceptions with Digital Finance in Zimbabwe as well as your expectations. All data collected will be confidential and only summary and conclusions will be reported. Thank you for participating.

**INSTRUCTIONS**

- Answer all the questions below to the best of your knowledge.
- Please kindly fill in the gaps and tick one box where relevant.

**SECTION A: DEMOGRAPHICS**

1. What is your age group?
    a. 18 – 24 years ☐
    b. 25 – 34 years ☐
    c. 35 – 44 years ☐
    d. 45 years and above ☐

2. Gender : Female ☐ Male ☐
3. Which of the following describe your education level?
    a. Primary ☐
    b. Secondary ☐
    c. Tertiary ☐
    d. None of the above ☐
4. What is your employment status?
    a. Unemployed ☐
    b. Employed ☐
    c. Student ☐
    d. Self Employed ☐
5. Which of the following is your income level in USD$?
    a. 0 – 500 ☐
    b. 501 – 1000 ☐

**SECTION B: AWARENESS OF DIGITAL FINANCE**

- Please indicate your answer by ticking in the appropriate option code.

6. Are you aware of these forms of digital finance?

1. Yes 2. No

a. Mobile banking ☐
b. Online banking ☐
c. Digital payments ☐
d. E- wallets ☐

7. Are you registered on any digital finance platform at CBZ?

1. Yes 2. No

| **Platforms** | **Registration Status** |
|---|---|
| CBZ Touch | ☐ |
| CBZ Pay | ☐ |
| CBZ Smart POS | ☐ |
| CBZ Mobile banking | ☐ |

8. Tick the answer that best describes the extent of your knowledge about the following Digital Financial Services:

[Scale: 1 = Not Aware (NA), 2 = Somewhat Aware (SA), 3 = Neutral (N) 4 = Aware (A), 5 = Very Aware (VA)]

| **Question** | **Digital Financial Service** | **NA (1)** | **SA (2)** | **N (3** | **A (4)** | **VA (5)** |
|---|---|---|---|---|---|---|
| AW1 | ATM | | | | | |
| BAW2 | Credit or Debit Cards | | | | | |
| CAW3 | Peer to Peer payments | | | | | |
| DAW4 | Mobile banking and online banking | | | | | |
| EAW5 | E-wallets | | | | | |

9. How frequently do you use digital financial services?

| | |
|---|---|
| Daily | |
| Weekly | |
| Monthly | |

10. How long have you been using digital financial services?

| | | | |
|---|---|---|---|
| 0 – 4 weeks | | 0 – 10 years | |
| 5 – 10 weeks | | 11 – 20 years | |

**SECTION C: USAGE OF DIGITAL FINANCE**

11. Are satisfied you with the overall digital finance services provided by CBZ Bank?

    1. Yes ☐ 2. No ☐

12. To what extent do you agree that the digital finance services offered by CBZ bank meet your needs and expectations?

    1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

13. Tick the answer that best describes the extent to which you use digital finance:

[Scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree]

| **Question** | **Statement on the usage of digital financial facilities** | **1** | **2** | **3** | **4** | **5** |
|---|---|---|---|---|---|---|
| AUS1 | I am comfortable to use digital financial services for transactions | | | | | |
| BUS2 | Ease and convenient use of digital financial platforms has led to adoption. | | | | | |
| CUS3 | I prefer to use traditional banking over digital financial services. | | | | | |
| DUS4 | Using digital finance has improved my banking experiences | | | | | |
| EUS5 | I have used digital financial services to access bank balances and statements, paying bills and utilities. | | | | | |
| FUS6 | I feel secure to do transactions on digital financial facilities. | | | | | |
| GUS7 | I use digital financial services since they meet my needs and expectations | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| HUS8 | Digital finance is associated with low transaction cost | | | | | |

**SECTION D: PERCEIVED BENEFITS OF DIGITAL FINANCE**

14. For each of the following, below tick the answer that best describes the reason why you use digital financial facilities.

[Scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree]

| **Question** | **What motivated you to use digital finance** | **1** | **2** | **3** | **4** | **5** |
|---|---|---|---|---|---|---|
| APB1 | It's cost-effectiveness | | | | | |
| BPB2 | Digital finance is faster than traditional banking | | | | | |
| CPB3 | It is accessible and convenient | | | | | |
| DPB4 | It is safe and secure | | | | | |
| EPB5 | Digital finance is use-friendly | | | | | |
| GPB6 | It enhances financial literacy | | | | | |

15. Tick the answer that best describes the reason why you don't use digital financial services.

[Scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree]

| | **What challenges have you encountered from using digital finance** | **1** | **2** | **3** | **4** | **5** |
|---|---|---|---|---|---|---|
| ACH1 | Unable to access services due to inadequate technology | | | | | |
| BCH2 | Digital finance attracts security risks | | | | | |
| CCH3 | Limited access to digital infrastructure | | | | | |
| DCH4 | I have inadequate understanding of digital finance | | | | | |
| ECH5 | I do not think digital finance is reliable and trust-worth | | | | | |
| FCH6 | Complexity of digital finance platforms | | | | | |

***Thank you for your cooperation and time!!!!***

**Turn it in Report**