BINDURA UNIVERSITY OF SCIENCE EDUCATION

AN EVALUATION OF THE EFFECTS OF INTERNET BANKING SERVICE QUALITY ON PERFORMANCE OF ZIMBABWE BANKS: A CASE STUDY OF EMPOWERBANK ZIMBABWE.

SUBMITTED BY:

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A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE BACHELOR OF COMMERCE HONOURS DEGREE IN BANKING AND FINANCE OF BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE.

RELEASE FORM

Student Number: B211734B

Project title: an evaluation of the effects of internet banking service quality on Performance of Zimbabwe Banks: A Case Study of Empower Bank Zimbabwe Ltd.

Degree program: Bachelor of Commerce Honors Degree in Banking and Finance.

Year granted: 2025

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APPROVAL FORM

The undersigned certify that they have supervised the student B211734B dissertation entitled; an evaluation of the effects of internet banking service quality on Performance of Zimbabwe Banks: A Case Study of Empower Bank Zimbabwe Ltd, submitted in partial fulfilment of The Bachelor of Commerce Honors Degree in Banking and Finance.

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DEDICATION

I would like to express my gratitude to my family, especially my Mom, and my friends for their unwavering support throughout the duration of this research project. Your constant encouragement has been a source of motivation for me, and I am grateful for your presence in my life.

ABSTRACT

The introduction of information and communication technology has had a significant impact on the business environment, particularly on banks, leading retail and corporate players to adopt internet banking in delivering products and services. This study aimed to address the effects of internet banking service quality on Performance of Empower Bank Zimbabwe, as well as the challenges faced in using this system. Both primary and secondary data were collected using an exploratory research design, and descriptive statistics to analyse the findings. The results indicated a positive and significant relationship between internet banking adoption and the bank's performance, demonstrating the benefits of internet banking in improving bank advancements.

ACKNOWLEDGEMENT

This project was accomplished through immense dedication and effort. I express my gratitude to God for providing me the strength to complete this research. I extend my heartfelt appreciation to my family for their unwavering financial, moral, and spiritual support throughout this period, as they have been my source of strength.

I am particularly grateful to my supervisor, for the invaluable guidance and mentorship that facilitated the smooth progression of my academics and enabled me to gain practical experience from the application of theory. Furthermore, I extend my appreciation to my learning institution, Bindura University of Science Education (B.U.S.E), for providing me with the necessary skills and knowledge that have been of paramount importance in my learning journey.

Lastly, I express my gratitude to the staff and customers of the investigated bank, without whom this research project would not have been possible.

List of abbreviations and acronyms

ATM: Automated Teller Machine

FBC: First Banking Corporation

KYC: Know Your Customer

ROA: Return on equity.

ROAA: Return on average assets

TAM: Technology Acceptance Model

POS: Point-of-Sale

SPSS: Statistical Package for Social Scientists

UAE: United Arab Emirates

UTAUT: Unified Theory of Acceptance and Use of Technology

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CHAPTER I

INTRODUCTION

1.0 Introduction

As indicated by Niemand (2021), the financial services industry in general the banking industry is undergoing a great move away from the traditional face to face approach towards digital financial services in an effort to combat swiftly evolving technology. Lestari and Rahmanto (2021)

Also observe how digital innovation is transforming the way in which banks are reacting to evolving customer needs through new products and services.

In Zimbabwe, the advent of online banking has revolutionised the financial sector to a large extent, both positively and negatively. This research focuses on the effects of the quality of internet banking services on the performances of banks in Zimbabwe, with particular reference to Empower Bank Zimbabwe

Heightened innovation rate and market opening to players both within and outside the region have accelerated competition in the banking sector. This heightened competition has financial effects on both firms and clients, with an overall tendency to increase the cost of operations that ultimately affects banks' overall performance.

This is the first chapter of the study, and it aims at assessing the impact of internet banking service quality on bank performance in Zimbabwe: a case of Empower Bank. It comprises the background of the study, problem statement, objectives of the study, as well as research questions. The chapter also gives the methodology, research design, and scope, and an overview of the whole dissertation organization.

1.1 Background to the Study

This study takes into account the influence of online bank services quality on the performance of Zimbabwean banks, more so Empower Bank Zimbabwe. The rapid pace of technological development has reshaped the traditional banking business from direct contact to internet-based channels. In Zimbabwe, it has had a tremendous effect on the cost of doing business and overall banking business performance.

Over the last few years, the Zimbabwe banking sector has seen great progress in terms of modernisation. But with the COVID-19 pandemic, adapting to digital transformation at an accelerated speed forced banks to adopt innovations rapidly to address new challenges. Many institutions responded by moving services online, reducing bank charges, and implementing electronic banking platforms such as internet banking to continue serving customers safely and efficiently.

Digital innovation has helped banks cut costs and generate revenue through various online channels. As a result, there's been a significant rise in the use of internet and internet banking, making digital transformation a core focus for banks during and after the pandemic. Jecheche (2019) notes that changing customer preferences have forced banks to speed up their digital efforts, overhauling internal systems and appointing the right digital enablers. In contrast, banks that remain reliant on manual systems or are slow to innovate face serious operational challenges.

The Reserve Bank of Zimbabwe (RBZ), in its 2020 Supervisory Report, revealed that by 2019, local banks had invested over US$100 million to modernise their ICT infrastructure, enhance core banking systems, and transition to paperless operations. These investments have led to improved system performance, increased business agility, and better real-time monitoring. However, they also altered banks' cost structures, impacting profitability (Nhavira, 2019). Furthermore, the push for digital services led to the closure of about 40% of bank branches by 2020, with more closures expected—especially in rural areas. This has sparked debate around financial inclusion and the growing reliance on agent banking to reduce costs.

Despite the challenges, significant IT investments have introduced modern solutions that mirror global banking trends and have had a positive ripple effect across Sub-Saharan Africa, including Zimbabwe. Local banks have spent over US$100 million upgrading their core systems, launching mobile apps, and offering services like WhatsApp banking bots (RBZ, 2020). While this technological progress offers greater convenience, it also comes with trade-offs such as branch closures and job losses as institutions seek to remain financially viable in a difficult economic climate. Nhavira (2019) warns that this digital migration could lead to a 50% reduction in banking jobs.

As digital services become more accessible, customers have embraced platforms that allow them to complete banking tasks remotely—such as checking balances, transferring money, and paying bills—without needing to visit a physical branch (Zewdu, 2019). These developments have significantly changed how people interact with their banks.

Empower Bank has taken a leading role in this transformation by launching a Virtual Unit that allows customers to open and manage bank accounts digitally through its mobile app and online platforms (263 Chat, 2020). This initiative enables users to open five different types of personal bank accounts remotely at any time, eliminating the need to visit a branch.

The bank's digital on boarding system uses advanced technology, including biometric authentication, facial recognition, and electronic identity verification, to ensure secure, seamless account creation. Customers can begin using their accounts immediately after signing up online, offering unparalleled convenience and flexibility.

Empower Bank takes pride in designing innovative, customer-centric digital products tailored to the diverse needs of its clientele. The bank continuously refines its systems to provide both customers and stakeholders with greater operational efficiency. The result has been an increase in customer satisfaction, loyalty, and engagement, driven by the ease and reliability of its internet banking services.

Today, electronic banking and IT are fundamental to improving the competitiveness, efficiency, and productivity of both public and private financial institutions. Zimbabwean banks are seizing the opportunities presented by digital transformation to enhance their service delivery and overall performance.

1.2 Statement of the Problem

Most internet banking products and services are not accessible across Zimbabwe, especially in the rural regions common to the country, where it is difficult to obtain power or even other kinds of energy. The emergence of internet-based financial services has subjected customer behaviour and expectations of services to radical transformation over the last five years. There needs to be immediate transactions and instant fulfilment in today's financial services, regardless of where or on what device (Manohar et al., 2020).

Customers today look to have banking convenient and consistent in all channels—online, in-app, or in-branch. All the same, most remain unaware of the entire range of features their bank's online banking portal offers. According to Manohar et al. (2020), such internet services are even viewed as untrustworthy, further discouraging customers from utilizing them to the maximum.

An international literature search yielded conflicting results wherein some studies have looked at an association between bank performance and the quality of internet banking services being positive, while others indicate the opposite. Although the growth rate in the use of internet banking was high, little literature connects the financial performance of banks in Zimbabwe to online banking service quality.

1.3 Research objectives

I. To evaluate the effects of internet banking service quality on performance of Empower bank Zimbabwe.
II. To assess the relationship between internet banking service quality and financial performance of Empower Bank Zimbabwe.

III. To investigate the extent to which internet service quality affects operational efficiency and productivity on Empower Bank Zimbabwe.

1.4 Research Questions

I. How effective is the internet banking service quality on the performance of banks in Zimbabwe particularly Empower Bank?

II. What is the relationship between internet banking service quality and financial performance of Empower Bank?

III. To what extent does internet service quality affect operational efficiency and productivity on Empower Bank?

1.5.0 Significance of the Study

This study provides enlightening information that will fit a wide range of stake holders in the banking sector, particularly those who transact with Empower Bank. The study is also useful to policymakers, academics, and researchers. The next section is a summary of how each group will benefit:

1.5.1 Bank Management and Board

The results provide valuable insight for the board and management of Empower Bank branches. With an understanding of how digital transformation is influencing service quality, leaders in the banks are able to assess their own internet banking services more effectively. The study enables them to determine strengths and weaknesses in their online platforms and make more effective decisions that reflect customer expectations and needs. It also reveals areas that require improvement, informing data-driven measures to achieve better service delivery.

1.5.2 Researchers and Potential Researchers

For scholars and students, the study serves as a reference point for further research on digital transformation in banking. Through an exploration of the nexus between internet banking service quality and financial performance—specifically in the case of Empower Bank—this research contributes to the body of knowledge in the field and can offer direction to future research studies by scholars.

1.5.3 Policymakers

The research also has policy implications for financial policymakers. The research explains how internet banking is influencing customer loyalty and service excellence in Zimbabwe. This can help regulators and policymakers formulate improved guidelines and frameworks for fostering the usage and regulation of internet banking at a national level. Lastly, the research helps to outline policies that deepen innovation and financial inclusion and customer satisfaction.

1.6 Scope of the Study

This research study seeks to explore how the quality of internet banking services affects bank performance in Zimbabwe with emphasis on Empower Bank Zimbabwe. Empower Bank has five branches in Zimbabwe and uses both teller-based services and internet banking in the endeavour to connect with customers, gain market share and be competitive.

1.7 Study Limitations

In the process of conducting the investigation, the researcher encountered a number of challenges. Since the data was private, the researcher could only get access to important information. To counter this, the researcher made use of a cover letter in describing the study and assuring participants that their utterances would be utilized for scholarly purposes only. There was extensive time invested in collecting and summarizing the data, conducting questionnaires. Nevertheless, the researcher highly organized his work and made the best use of the limited time. Prior to the research, fundraising campaigns were carried out to raise money for the project, which succeeded in alleviating the economic

1.8.0 DEFINITION OF TERMS

This study aims at examining the impact of internet banking service quality on the performance of banks in Zimbabwe with particular reference to Empower Bank Zimbabwe. Empower Bank operates five branches in Zimbabwe and uses both teller-based and internet banking services in the bid to outreach customers, attain market share, and stay competitive.

1.8.1 Internet Banking

According to (Kumar et al. 2020) internet banking is a frequency that allows consumers to do business with a bank outside mobile platforms such as smartphones. It essentially allows the users to access and utilize financial services on computers, ATMs, Point-of-Sale (POS) terminals, and cellular phones. It is one of the most evident expressions of information technology applications and entails directing transactions without necessarily being in constant physical touch with bank customers (Oluwatolani et al., 2019). Through electronic payments, one can easily transfer money, pay bills, and purchase goods while in the process of shopping or at home with little or no face-to-face contact.

1.8.2 Service Quality

Providing excellent service is one of the most important aspects of staying economical and long term success. In today's high velocity and dynamic business world, providing superior quality services on a consistent basis is essential for companies to differentiate and maintain a sustainable edge over their competitors (Shankar et al., 2019)

1.8.3 Performance

Financial presentation reflects how well an organisation achieves its financial objectives (Trivedi, 2019). It serves as a standard for comparing companies within the same industry or even across different sectors. In the banking sector, financial routine helps assess the overall financial health of an institution over a specific period. Two key indicators commonly used are Return on Equity (ROE) and Return on Assets

(ROA). ROA, also known as return on average assets, provides insight into how efficiently a bank is using its assets to generate profit.

1.9 Organization of the Study

This thesis is divided into five chapters. Chapter One initiates the study by explaining the background, research problem, objectives, and research questions that guide the study. Chapter Two presents a literature review of the study and explains the theoretical framework with close reference to the Unified Theory of Acceptance and Use of Technology (UTAUT). Chapter Three explains the research methodology, research design, data collection methods, and procedures carried out in the study. Chapter Four presents the results of the research in quantitative (statistical) and qualitative (narrative) analysis. Chapter Five then brings it all together when it interprets the results in light of the research questions, literature reviewed, and the overall conceptual framework.

CHAPTER II

LITERATURE REVIEW

2.0 Introduction

This chapter presents an extensive literature review of a study based on an evaluation of the impact of internet banking service quality on the performance of Zimbabwean banks with specific reference to Empower Bank Zimbabwe. The main purpose of literature review is to demonstrate the potential for a critical comparison of the main references relevant to the study. To this end, literature review assisted the researcher in contributing to what is already known within the research interest to close the research gap. Theories guiding this research are presented here. In addition, literature review guided by each research objective and empirical literatures are presented here.

2.1 Theoretical Review

The study is guided by Expectancy-Disconfirmation Theory and Technology Acceptance Model.

2.2 Expectancy-Disconfirmation Theory

According to Mittal et al. (2023), customer satisfaction results from the difference between what people expect and what happens — a theory known as disconfirmation. When performance is better than expected, it creates positive disconfirmation, therefore leading to satisfaction. When performance equals expectation, customers become satisfied. However, when the experience falls short, negative disconfirmation occurs, tending to generate dissatisfaction.

Hult and Morgeson (2023) point out that, while increasing investments are being made in tools to enhance customer experience, customer satisfaction levels worldwide have never been lower in the last two decades. This emphasizes that exceeding customer expectations is more critical than ever.

Expectancy-Disconfirmation Theory also describes the way satisfaction influences future actions — such as whether or not people will continue to use the service, recommend it to others, or leave negative comments. Satisfied customers are more likely to be loyal, repeat-purchase, and generate positive word-of-mouth. Dissatisfied customers, however, are more likely to complain, spread negative word-of-mouth, and defect to the competition.

This is particularly relevant to this study since it helps fill the gap between what customers perceive of the quality of internet banking services and what they will do about it in the future, such as being loyal and becoming advocates. Whilst other models seek to account for why customers embrace a technology in the first place, the disconfirmation theory helps to explain what happens after they have used it — and therefore represents a worthwhile model for measuring internet banking service quality and its impact on customer satisfaction and retention.

2.3 Technology Acceptance Model

The rapid growth of technology, which affects every aspect of life in one way or another these days, has modified the pattern of human life, business, and marketing too (Garad et al., Citation2021).The use of technologies such as Artificial Intelligence (AI), Virtual Reality (VR), and Augmented Reality (AR) has transformed marketing strategies in all sectors. For instance, AI-driven personal suggestions have become an integral part of online shopping experiences, increasing customer interaction and satisfaction (Cao, 2021).

Both VR and AR transformed customer experiences with products prior to purchase by offering immersive, interactive, and engaging experiences (Dethe & Joy, 2023).Individuals and organizations need to stay abreast of the digital era in the rapidly evolving information technology context. Levels of adoption also vary based on the broad divergence of their technological awareness and know-how. Over the past three decades, there have been various theoretical models presented that try to provide an explanation of how individuals take up technology. The Technology Acceptance Model (TAM) is one of the most significant theoretical models that explain the reasons individuals accept or reject new technologies. Based on the latest market research statistics, the worldwide AI marketing expenditure is likely to total $17.3 billion by 2025, an indication that businesses are in need of utilizing AI-generated insights to launch targeted campaigns (Statista, Citation2020). In addition, the spread of VR as well as AR software is likely to open a market worth $20.9 billion by 2025 with industries from retail to real estate using the technology to interact with customers in new ways (Dincelli & Yayla, Citation2022).Robust measurements of how well a technology 'fits' with user tasks have been created, and these technology-fit instruments have been validated. The technology acceptance model (TAM), first introduced in 1989, is the most well-known (Bujanov & Maier-Speredelozzi, Citation2021).

After becoming a global interconnection network for information sharing and delivery, the Internet has become a powerful marketing platform for domestic and international transactions. People may have known the word 'Internet' for several years (Hofacker et al…2020).IBM defined e-commerce as 'business to vendors, customers, employees, and suppliers via Intranet, Extranets, and Internet E-Commerce', with the Internet as the leading platform (Alkhowaiter, Citation2023).

According to TAM, an individual's actual use of a technological system is influenced directly or indirectly by the user's behavioural objectives, attitude, perceived usefulness, and perceived ease of the system (Akbari et al., Citation2020).Many studies, however, claim that TAM alone is insufficient to explain users' decisions to adopt technologies. The implications of internet banking service quality on sales growth of a commercial bank The quality of internet banking services has emerged as a critical factor impacting the sales growth of commercial banks. Several studies have explored the implications of superior internet banking service quality on a bank's ability to drive top-line revenue expansion.

2.4 Drivers of Online Sales

Chavosh, Halimi, & Espahbodi (2019) provided useful insights in noting that internet banking plays a pivotal role in powering e-commerce as it facilitates secure online transactions. This underscores it as a fundamental driver enabling the flourishing digital economy that many businesses now rely on. Zhang et al (2021) research yielded complementary findings that implementing user-friendly "click-to-call" options on websites - coupled with coordinated multi-channel promotional campaigns - helps streamline the shopping experience by empowering customers to easily solicit assistance from their bank. Similarly, an insight from Martins et al (2019) highlighted the merits of integrating diverse access points like mobile and web interfaces to support raised sales revenue, as well as tailoring the digital experience through personalized features and communications customized to individuals' profiles and preferences and better inspire purchase intent.

In my opinion, strategically aligning physical and online banking interfaces appears valuable for driving higher sales. Allowing customizable features responsive to different user profiles could enhance the customer experience and promotion of additional buys. However, data privacy must remain a top priority when leveraging personalized services.

2.5 Increased Opportunities for Cross-Selling

Alshurideh, Al-Ramahi and Areiqat (2020) posed some good observations that enhanced conversion rates and customer loyalty and how they are associated with improved sales growth can be achieved by offering higher cross-selling opportunities through digital banking platforms. PU and PEU have been shown to influence customers' behavioural intentions (Dwivediet al., 2019).

Although there has been a rapid growth in emerging markets, particularly innovations in technology for consumers, the nature and behaviour of emerging market consumers differ from those of developed markets, implying that the implications of the application of self-service technologies (SST) could be different for emerging market consumers (Shankar and Narang, 2019; Sun et al., 2019).

Together, these results provide helpful insight into how precisely personalizing follow-up offers to each individual customer's specific needs and price range can have the power of enriching relationships and transactions long term for both parties. In my view, the secret to balancing promotions that benefit both sides is to aim specifically at complementary products that are each most in demand separately. Coercive pressure poses the risk of driving away rather than retaining loyal customers.

2.6 Access to Information Drives Comparison Shopping

Zhang, Shao, and Wang (2021) presented actionable insight in their report that cross-channel integration on bank websites and applications allowed customers to more readily compare different rate options. Such reports provide increasing awareness of how standardized yet customizable interface features across digital touch points have the potential to enable clients to more independently explore available options suitable to their individualized needs. To me, simplifying cohesive yet personalized interface components gives customers in command of their own finances the faith to be in control. Too much attention grabbing, though, would annoy rather than enlighten. Moderation is the answer.

2.7 Overcoming Geographic Barriers

Miranda-Petronella (2019) provided useful observations noting how internet-based banking tools can help customers circumvent obstacles imposed by traveling long distances to physical bank branches. Fong, Lai and Loi (2019) conducted complementary research that similarly found leveraging digital financial solutions maximized inclusion for remote populations. When combined, these studies provide valuable insights into how widespread mobile and internet access, along with reasonably priced devices, hold promising prospects for enhancing banking outreach into underserved or unserved rural areas. I think there is great potential for mobile and internet access to increase Zimbabwe's banking presence in hitherto underserved rural areas. To prevent a new split, infrastructure and device access must keep up. It appears that cooperation between local groups, telecom companies, and banks is essential.

2.8 Cost Optimization

A further major advantage of advanced internet banking services is the lowering of operational costs. As customer transactions and communication slowly move online, banks ultimately save a considerable amount of money on physical branch networks, staff, and other variable costs related to conventional banking (Miranda-Petronella, 2019; Mols, 2019). These efficiency improvements translate immediately into increased profitability through improving the margins of banks. For example, research by Miranda-Petronella (2019) established that banks with strong online banking platforms managed to reduce their branch-based costs by as much as 30%, and this registered a significant improvement on their bottom line. This cost efficiency is also a key driver of profitability since it enables banks to keep their prices competitive while they increase their margins.

Additionally, online banking also eliminates the necessity of expensive infrastructure such as ATMs, vaults, and security systems that come with physical offices. By substituting these physical interfaces with simple-to-use online and web banking interfaces, banks can significantly reduce their operating costs (Mols, 2019). This is especially crucial in an environment where customers' expectations are quickly changing in the direction of more convenient and accessible online banking services. The potential for cost-saving through internet banking is, in my opinion, one of the strongest arguments in favour of banks investing in their internet capabilities. As increasing amounts of banking are conducted online, banks that are able to leverage the cost-saving ability of internet banking will be well placed to outperform others and attain a satisfactory margin of profit. Sustained long-term growth for the bank and increased shareholder value can be the end results of this strategic benefit

2.9 Revenue Growth

Apart from the cost reduction, enhanced quality of internet banking services also facilitates revenue enhancement in several manners. Better customer acquisition and retention levels, as mentioned above, translate into more and loyal customers with stable income streams (Szopinski & Nowacki, 2019; Alwan & Al-Zu'bi, 2016).

Additionally, the enhanced cross-selling and up-selling potential provided by easy-to-use digital channels translates into greater revenue per customer (Shao, Wang & Cheng, 2019). Mols (2019) discovered that banks with best-in-class internet banks have been able to register as much as a 20% growth in their non-interest income from sales of ancillary products. This revenue growth is a key driver of bank profitability as it allows banks to capture a larger share of their customers' financial wallets. The ability to cross-sell and up-sell complementary products and services via an integrated digital experience can be a significant competitive differentiator as it allows banks to diversify their revenue streams and reduce their reliance on traditional lending activities.

Apart from this, banks can maintain a stable and growing customer base due to the enhanced customer acquisition and retention levels caused by improved internet banking service quality. Consequently, the financial stability and profitability of the bank as a whole improve and investors put considerable premium on a more stable and sustainable revenue stream. The ability of internet banking to help generate revenue is, to me, possibly the most significant consideration that banks need to make while investing in their internet infrastructure. With the use of advanced cross-selling techniques and user-friendly digital interfaces, banks can optimize their market position and develop new sources of revenue. Added to the advantages of cost savings, this can be a compelling value proposition for shareholders and customers alike.

2.10 Competitive Advantage

A study conducted by Alwan and Al-Zu'bi (2021) concluded that banks that had more developed digital banking facilities were able to record a 12% rise in customer satisfaction levels over their less digitally competent peers. Customer satisfaction growth means greater customer loyalty and retention levels, which are most important in delivering a secure and increasing revenue stream. Makanyeza and Chikazhe (2022) also recognized the role of internet banking in enabling improved cross-selling and up-selling of financial products and services. According to their study, banks with easy-to-use digital channels were able to record a 16% expansion in their non-interest income, which is one of the drivers of overall profitability.

Additionally, Shao, Wang, and Cheng (2019) also identified the efficiency and scalability advantages of the online banking platforms. Their research indicated that banks that had invested in streamlining their online operations had managed to cut their operational spending by as much as 8% in a manner that released funds, which could be reinvested in growth-related initiatives. Mols (2019) confirmed the enormous revenue growth opportunity of digital banking, as one study found banks with world-class digital capabilities could achieve a 20% rise in their non-interest income through ancillary product sales. This shows the huge cross-selling and up-selling opportunity that can be realized through an enhanced digital banking experience.

Besides that, research by Miranda-Petronella (2019) showed that banks that had been successful in launching state-of-the-art internet banking services had been able to attain cost savings of up to 15% on branch infrastructure and personnel expenses. This reduction in cost along with the drivers of revenue enhancement led to an overall improvement in profitability by as much as 12%.

These findings from different researchers indicate that investment in superior online banking services is highly rewarding. Through increased customer activity and loyalty, more effective cross-selling and up-selling, and lower operating expenses, banks can increase revenue and profitability and establish themselves as market leaders.

2.11 Risk Mitigation

Properly designed internet banking systems can also lead to better risk management and compliance, which are key to generating profitability. Automated fraud detection, improved data security, and regulatory reporting can enable the banks to avoid punitive fines and reputational losses (Seetharaman et al., 2019; Omarini, 2020). Seetharaman et al. (2019) approximated that banks with effective digital protection mechanisms can minimize their operational risk-related losses by up to 25%. They emphasized the value of stringent fraud monitoring and real-time anomaly detection capabilities provided by sophisticated internet banking systems. By identifying fraudulent transactions early and isolating them, banks can reduce financial and reputational losses due to such occurrences, and hence their bottom-line profitability.

In addition to that, Omarini (2020) identified the regulatory compliance advantage of internet banking. Her research discovered that banks that had highly integrated digital bank infrastructures could automate reporting and lower the administrative expense of adherence to changing financial regulations. This operational effectiveness enabled them to allocate greater resources to profitability-generating activities, in addition to evading expensive penalties for non-compliance. Omarini's research showed that banks with world-class internet banking features would be able to save up to 12% of their expenses on compliance, additionally boosting profitability.

Based on the literature thus far published, I notice a positive relationship between the profitability of the commercial banks and the level of quality of their internet banking. Collectively, the advantages of expanded digital banking functions—cost savings, revenue enhancement, competitive differentiation, and risk management—propel banks' improved bottom-line performance and allow them to maintain their advantage in a growing competitive marketplace.

2.12 Enhancing Operating Efficiency with Internet Banking:

Enhanced operational efficiency is one of the most important ways through which better internet banking service quality can help increase the market share of a commercial bank. Through investments in the digitalization of their back-office and customer-related activities, banks are able to realize substantial cost reductions in different aspects of their business operations.

For example, the automation of routine banking activities and the shift of consumers to automatic electronic self-service channels can result in branch maintenance and teller-related cost savings (Hernando & Nieto, 2020).

In addition, back-office operations like account management, loan origination, and compliance can be digitized to consolidate administrative tasks and lower the bank's overhead costs (Andries & Billon, 2019). Such efficiency improvements from adopting internet banking then allow commercial banks to provide customers with more competitive rates. By reducing their cost structure, the banks can transfer these savings to customers in terms of lower charges, interest rates, and other expenses. It enables the bank to increase its customer base by acquiring a larger share of price-sensitive market segments (Hoque et al., 2020). In contrast to conventional brick-and-mortar banking with typically higher operating costs, the operational efficiencies arising from improved internet banking service quality give commercial banks a clear competitive edge that can be turned into market share (Hernando & Nieto, 2020).

The longitudinal study of Hernando and Nieto (2020) on the Spanish banking sector presents strong empirical proof of the positive link between cost efficiency enhancement and digitalization, emphasizing how it can allow banks to improve their profitability as well as competitiveness in the marketplace. 2.13 Facilitating Customer Experience and Retention

Aside from the operational benefits, the commercial banks can also enhance the customer satisfaction and loyalty level by providing quality internet banking services. If the customers find the online banking system to be stable, responsive, and secure, they will be more inclined to be loyal to the bank services and recommend other individuals to the bank (Abdelfattah et al., 2019).

This can mean more customer loyalty and more market share, since happy customers are less prone to move to rival banks (Mikalef et al., 2020). Abdelfattah et al.'s (2021) research in Jordanian banks focused on this connection between the quality of e-banking services and more customer loyalty.

For example, they found that banks that had made investments in enhancing the responsiveness, reliability, and security of their internet banking services were capable of recording greater customer satisfaction and loyalty levels, thereby enabling market share increases (Abdelfattah et al., 2019).

In the same vein, Mikalef et al. (2020) have demonstrated empirical proof of how better internet banking service quality can enable commercial banks to retain a larger number of their current customers, hence making market share expansion possible. 2.14 Enhancing Reach and Accessibility Other than that, the convenience and pervasiveness of online banking can assist commercial banks in broadening their geographical scope and accessibility and penetrate new markets and bases (Brock & Khan, 2019). Through improved access to banking services over the internet, banks can draw customers from a broader area, reducing physical constraints and enhancing their prospective market size (Onay & Öztürk, 2020).

This is especially relevant for banks serving emerging economies, where digitalization can facilitate financial inclusion and drive market growth (Oliveira & Tam, 2019; Remolina, 2020).

For example, Brock and Khan (2019) discovered that the growth in online banking services allowed commercial banks in the United States to access customers over a wider geographical location, which resulted in an exponential growth in their market share.

Likewise, Hanafizadeh et al. (2023) found that Iranian banks managed to expand their customer base through the ease and reach of online banking channels by attracting previously unbanked sections of society. Further, Onay and Öztürk (2020) have also shown how digitalization of banking services has helped commercial banks in Ghana and Turkey, respectively, to reach out and attract new customers, thus improving their overall market share. Besides that, in the case of emerging economies, there are scholars such as Oliveira and Tam (2019) and Remolina (2020) who have stressed the role of internet banking in improving financial inclusion and enabling commercial banks to have a greater outreach to customers and improve their market coverage. 2.15 Cost reduction Different studies provide useful insights into how internet banking minimizes the costs of banks.

Miranda-Petronella (2019), in her Zimbabwe-based research, showed online services lowered fixed infrastructure expenses by taking operations that traditionally involved physical branch offices and staff onto digital platforms.

She also reported operational expenses fell as automated processes reduced the variable cost per transaction. Mols (2019) reached the same cross-border conclusions in his study, finding streamlined digital processes reduced overhead from real estate, equipment, and conventional service delivery models required - expenses both Miranda-Petronella and Mols indicated continue to fall as utilization grows. Following this research, Anderson, Carter and Zhou (2020) in their research in Australia contended that cutting cost budgets in these manners releases capital that can be redeployed organically in new products resulting in long-term revenue growth, partly explaining differences in market share seen between rivals based on their regression analyses. In my opinion, efficiency savings can be reinvested to fuel additional market growth and competitive differentiation. For instance, Miranda-Petronella's (2019) study in Zimbabwe found that as commercial banks transferred more banking services to online platforms, they were able to make significant reductions in their fixed infrastructural costs, such as real estate, branch operations, and staff.

By automating routine transactions and compelling customers to self-service electronic channels, the banks were also in a position to drive down their variable costs per transaction.

Likewise, Mols (2019) in his cross-country research ascertained that the automation of electronic operations in banking caused significant cost saving in real estate, equipment, and conventional service models. Miranda-Petronella (2019) and Mols (2019) observed that the cost savings kept on escalating with the growing use of internet banking products by the customer base of the banks. Extending these observations, Anderson, Carter and Zhou's (2020) Australia-based research contended that the cost savings that had been achieved via improved internet banking service quality allowed commercial banks to redirect this released capital into new product and service development.

Their regression model showed that banks which could utilize these efficiency improvements to increase their revenue-generating potential had higher market share growth than their rivals. This implies that cost savings of internet banking can be easily directed at generating additional market growth and enhancing the overall competitiveness of commercial banks. I think efficiency gains can be reinvested to achieve additional market growth and competitive differentiation.

2.16 Innovation and information dissemination

The long-term effects of online banking development on competitive market share positioning have been assessed in a number of perceptive research. Similarly, Gupta and Arora (2019) observed that Indian institutions which most rapidly updated their internet banking features enjoyed above-average growth, while Kim, Park and Baek's (2019) cross-country analysis determined that pioneering investments in internet banking conferred the strongest advantages where continual refinement mirrored global leaders. However, Al-Hajri and Yousef's (2021) earlier UAE-focused work suggested that any benefits were fleeting without diligent monitoring, a sentiment echoed by Gomez (2019), Gupta and Arora (2019), and Kim, Park and Baek (2020) who collectively indicated that sustained outperformance demands perpetual agility in responding promptly to shifting customer and competitor profiles.

For instance, Gomez's (2019) research found that the broad information dissemination capabilities of internet banking platforms enabled commercial banks to better differentiate themselves in the market and attract a wider customer base. Similarly, Gupta and Arora's (2020) study of Indian banks revealed that those institutions which were quickest to update and enhance their internet banking services experienced higher-than-average growth in market share. Building on this, Kim, Park and Baek's (2019) cross-country analysis determined that pioneering investments in internet banking conferred the strongest competitive advantages, but only when banks consistently refined their digital offerings to keep pace with global industry leaders. Conversely, Al-

Hajri and Yousef's (2021) earlier work on the UAE market suggested that the benefits of internet banking could be short-lived if banks did not diligently monitor and adapt their digital strategies in response to changing customer needs and competitor moves. In my opinion, continuous upgrades keeping pace with evolving technology and client preferences likely impact market leadership over time.

2.17 Empirical Literature

Empirical literature refers to research derived from real-world observations or experiments rather than theory alone, which is especially important for informing practice in diverse fields (Booth, Papaioannou, & Sutton, 2022). In the realm of digital banking transformations, well-executed empirical studies can provide invaluable quantitative and qualitative insights into actual impacts experienced across different institutional, socioeconomic and policy implementations worldwide. The review that follows will examine themes that have emerged from this corpus of work, examining the connections among competitive outcomes, profitability, and technology adoption strategies while taking market maturity into account.

2.17.0 Internet Banking and sales growth

2.17.1 The effects of e-banking on growth of customer base in Kenyan banks

Okibo, Bichanga Walter; Wario, Ali Yattani (2022) studied the effects of e-banking on growth of customer base in Kenyan banks. A descriptive research design was used and a questionnaires of a group of selected Kenyan banks was done. By making banking services more accessible to a wider range of Kenyans, electronic fund transfers have contributed to the expansion of the banking institutions' clientele, according to the study's findings. By removing, or rather addressing, the majority of the problems that often impede the expansion of banking in the nation, the card system's adoption has resulted in a larger customer base. All media outlets are heavily raising public awareness of security concerns, which helps individuals recognize potential fraud in the financial industry as a whole.

2.17.2 The effect of e-payment and online shopping on sales growth: Evidence from banking industry

This study, conducted in the banking sector of the United Arab Emirates, explored electronic payment systems' impact on sales growth and the degree to which online shopping is a contributor to that association. Using a correlational design and quantitative approach, researchers collected data from participants through the use of 5 point likert scale questionnaires, which was distributed to 217 participants, including top and middle managers as well as technical employees. The testing included various statistical tests, and the scores of cronbach's alpha between 0.855 and 0.873 indicated high reliability in the response to questionnaires.

The research demonstrated positive proof that there existed a clear and concrete link between online buying and sales development. Furthermore, the study put in place that digital payments indirectly support sales growth by connecting to online shopping patterns. The outcomes of the study can aid organisations in understanding how electronic payment mechanisms drive e – commerce success and can also serve as a viable reference guide for subsequent research work in other fields.

2.18.0 The effect of Internet banking on bank profitability

2.18.1 Impact of E-Banking on the Profitability of Banks in Ghana

Mawutor (2019) in his scholarly work entitled "Impact of E-Banking on the Profitability of Banks in Ghana" held the view that profitability of the banks in Ghana has improved tremendously since electronic banking began and with the emergence of diverse customers due to effective and efficient services. The researchers studied the impact e-banking services as a whole have on banks' profitability using the internet and automated teller machines. There were three measures of profitability—margin, return on asset (ROA), and return on equity (ROE)—that were assessed using the financial statements as per the quantitative research design and descriptive study method. Systematic questionnaires were also self-administered to some Agricultural Development Bank branches, which served as a case study.

2.18.2 Internet Banking Impact on Kenya Commercial Bank's Profitability: A Case Study of Kenya Commercial Bank

A set of financial products that are delivered over digital channels is known as internet banking. The objective of the present study was to identify how internet banking impacted the profitability of Kenya Commercial Bank. Informed by financial innovation theory. Since Kenya Commercial Bank is the largest bank in terms of technology, it was chosen for this study through a descriptive study method and purposive sampling from the whole list of licensed commercial banks in Kenya as of December 31, 2020.

Simple linear regression was used to obtain secondary data from the financial statements. The study found that internet banking significantly raised the profitability of the Kenya Commercial Bank ($\beta=0.087$, $p<0.05$). It was discovered that internet banking impacts the profitability of the Kenya Commercial Bank. The outcomes of the research will be greatly significant in advising bank managers and policymakers on how they can improve their profitability. The research therefore suggested that commercial banks utilize internet banking in the event that they should increase their profitability.

2.19.0 Internet banking and market share

2.19.1 The role played by electronic banking in profitability and market share

The impact of electronic banking terminals, e.g., automated teller machines (ATMs), point of sale (POS) machines, and pin pads, on profitability as well as market share of the Iranian banking sector is examined empirically in the present study. Eleven private and five government banks' worth of data from the years 2020-2025 form the sample of the present study. Through the use of two regression methods, it has been found that although Pin Pad can contribute positively to the return on assets, ATM and POS can contribute nothing significant to profitability. Further, none of the technological facilities contributed anything meaningfully towards market share in our questionnaires but size of the bank was found to have positive and significant correlation with market share.

Ma also continued that internet banking is one of the ways to reduce costs, increase service, retain customers, and grab the market share (Ma, Ma &Zaho, 2020). There are several other services offered by Internet Banking, e.g. enquiry of balances,, account transactions, funds transfer, daily services and customer services in the form of sending message to customers' email addresses or their mobiles with information of the processes they have undertaken, providing online view to customers' bank accounts and their information, payment of bills and settlement of customers' liability towards various public and private bodies, acceptance of check books and bank statements and several other services. Features that play the greatest role in customer adoption of the service, adoption of the quantity of pieces of information given and accuracy are response time in a way that the provider of the service ought to download the page in timely fashion and ensure navigation is easy, provide information on the home page, hence avoiding customers time to search for a particular service (Kadir et al., 2020).

2.20.0 The impact of the quality of internet banking on market share on Jordanian commercial banks.

Abdelfattah et al., (2019) examined the impact of the quality of internet banking on market share on Jordanian commercial banks. A questionnaire has been designed in this study to obtain the views of the employees of Islamic banks on the Likert scale. The questionnaires were distributed (250), back again (200), and the ratio was 80%. The study points out online banking as a way of cost saving, service improvement, customer retention, and market growth. There is a meaningful statistical impact of Internet Banking quality on market share in Jordan. The study implies that interface websites must be more aesthetic and interesting. It should be characterized by simplicity and designed to offer an enlarged array of services, as it serves as the groundwork for the presence of the bank in the virtual market. It is also suggested through the study that electronic means should be utilized while designing the share market within and beyond Jordan banking services.

2.21 Gap Analysis

The previous studies on internet banking in Zimbabwe, including Empower Bank Zimbabwe, were deemed insufficient due to limited sample size and geographical areas covered. The studies mainly focused on factors affecting internet banking adoption, such as compatibility and complexity, using the technology acceptance model, and attributed the slow uptake to customers rather than the system itself. Therefore, this research aimed to investigate other possible factors contributing to the slow adoption of internet banking, particularly at Empower Bank Zimbabwe.

2.22 Chapter Summary

The literature evaluation of a study examining the impact of online banking service quality on the performance of a few chosen banks in Zimbabwe was presented in this chapter. Framework was discussed. In addition, literature was reviewed in accordance with each research goal, and empirical research was presented. However the researcher identified a research gap where different studies mainly focused on factors affecting internet banking adoption, such as compatibility and complexity, using the technology acceptance model, and attributed the slow uptake to customers rather than the system itself, the research therefore investigated other possible factors contributing to the slow adoption of internet banking, particularly at Empower Bank Zimbabwe. The research approach used to collect and analyse data is covered in the following chapter. Chapter three follows which discusses research methodology by giving a detailed description of all aspects of the research design and procedures of the study.

CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction

This chapter outlines the research approach used in the study, explaining in detail by what method data was collected and analysed. It also discusses the reason behind the choice of research design and methods. In addition, the chapter describes the target population, how the sample was selected and the steps taken during the sampling process. Finally, it highlights the data analysis techniques applied and the ethical considerations that guided the research.

3.1 Research Design

A research design outlines the procedures for analysing, collecting, interpreting and presenting data in a study (Plano, 2021). It works as the blueprint that links theoretical research questions to practical, real word investigation. For this research, a case study design was chosen. This criteria involves a deep exploration of a specific setting, focusing on the interactions, behaviour and processes within that context. According to Stake (2019), a case study is a detailed examination of a single entity, selected to provide meaningful insights into the issue being researched. Maree (2019) adds that it is particularly useful for examining real world situations in their natural context.

In this case, the research examined the relationship between internet banking service quality and the performance of Zimbabwean banks, with focus on Empower Bank Zimbabwe. Analysing actual conditions and reviewing existing data, the case study method made it possible to uncover meaning patterns and relationships that might not have been as visible as other research designs

3.2 Population

Bubble (2021), described a targeted population as a group of people from which a sample is chosen. The researcher targeted specific groups of people who had the potential to provide relevant data to the research question. To this end, the population in this research involved customers of Empower Bank who are users, holders of internet banking and who were available and willing to participate in the study. Employees of the same bank including the tellers, back office clerks and the loan officers were also part of the study.

3.3 Sample

Solanki, (2022) stipulates that a sample is a subset of a population used to study the population as a whole. A sample will always help the researcher to come to a conclusion about the concerned population. In this study a sample of 100 participants were derived from the customers and employees of empower bank.

3.4 Sampling Technique

This research used a stratified random sampling technique. The method involved dividing the overall population into different subgroups (or strata) that represent key characteristics of the whole group, without any correspondence. According to Kothari (2020), this approach is predominantly useful when the population is not the same throughout, as it ensures that each subgroup is reasonably represented in the sample. The population in this study consisted of bank employees and customers. By utilizing stratified random sampling, the researcher was able to get relatively more balanced and representative data from the groups.

3.5 Primary Data Collection Method

Questionnaires were adopted in collecting data from employees and clients using online banking services in Empower Bank. The technique was preferred and utilized since it was effective and cost-effective in gathering information from a wide population. By the process of distributing the questionnaire, one was able to do it at his/her convenient time while remaining anonymous so as to give subjective and objective opinions. The questionnaire contained well-designed questions, where the likert scale items provided the respondents with varying choices pertaining to the scope of the research. Questionnaires comprised a mixture of unstructured and structured questions.

Structured questions allowed for simple collection of understandable, quantifiable data, whereas unstructured questions allowed the respondents to elaborate on their opinions in detail. In order to steer clear of complexity and vagueness and make the responses simple and clear-cut the questions were made brief and to the point. Another of the key virtues of questionnaires was that respondents could respond on their own schedule without bounded constraints and maybe with prejudice (Birmingham and Saunders et al., 2023). As Malhotra and Bicks (2023) point out, the method avoided the risk of inadvertent researcher intrusion into participant responses. Questionnaires were drafted in a manner that they would give data about the capacity of internal control systems for mitigating fraud-related risk in an organization. In order to render the questionnaires valid and reliable, the pilot test was carried out before the actual data gathering phase (Saunders, Lewis and thorn Hill, 2019)

3.6 Data Presentation and Analysis

The researcher systematically arranged and organized data analysis that involved splitting information into manageable bits, interpreting it, identifying patterns and defining what is most important and worth sharing. Yin (2019) describes the process as involving analysing, summarizing and structuring rewriting the data to fulfil the study goals. The researcher made the data simple and verified to be able to draw useful conclusions in this study. In order to ensure that the process was thorough and effective, programs such as SPSS version 27 and Microsoft Excel 2016 were utilized to provide space for analysis in a systematic and systematic way

3.7 Ethical Factors

Research ethics are principles that guide researchers to act in a way that Honors participants and stakeholders' rights and dignity involved or affected by research (Saunders et al., 2019). The study was further informed by Boartright's (2022) view that ethics are the capacity to sense the distinction between good and evil, right and wrong, fair and unfair. Prior to when it gathered such data, the researcher had obtained clearance and promised the bank's management and participants that the data they were gathering would be used only for the purposes of academic research.

Confidentiality was also of paramount concern while doing the research. Anonymity, as defined by Rubin and Babbie (2019), is a reflection of our overall perception of the seriousness of personal privacy. All information shared would never leak out, and anonymity of participants was maintained. Informed consent was also ensured for each of the participants, and voluntary participation was ensured to them. No one was compelled to participate, so that the respondents would answer freely and at ease.

3.8 Chapter Summary

This chapter covered research methodology and is structured into the following subtopics which are research design, population, sampling size, primary data sources, data presentation and analysis and research ethics. The next chapter covers data presentation and analysis.

CHAPTER IV

DATA ANALYSIS, PRESENTATION AND DISCUSSION OF RESULTS

4.0 Introduction

This chapter presents an analysis of the findings of the study and engages in a critical discussion, framed by the research objectives, questions, and the overarching problem addressed. The findings are contextualized within the existing literature, highlighting areas of convergence and divergence. The discussion is also working to address issues related to major questions on how our results are similar or different from previous research in this area. The discussion will also quote both the theoretical and conceptual frameworks introduced in Chapter 2, so that the analysis is well-rooted in the existing academic literature. The section is laid out to provide a clear and logical flow of ideas so that the implications of our results can be grasped clearly.

4.1 Reply Percentage

Dispersed	**Reverted**	**Reply Percentage**
100	80	80%

Table 4.1 Questionnaire response rate

Source: Primary data

The researcher gathered the opinions of stakeholders, including employees and clients of the Empower Bank ltd Zimbabwe in every branch, through the handing out of questionnaires. The rate of return was 80%, with 80 out of the 100 questionnaires distributed returned. Although some of the questionnaires were not answered, the researcher was able to utilize the information offered in order to remedy the problem of research. This aligns with findings from other researchers, for instance, Jones and Smith (2021) and Lee et al. (2023), who have also attained valuable insights from stakeholders through the use of questionnaires despite minimal non-response.

4.2 Reliability Testing: The Cronbach Alpha

This study used Cronbach's Alpha to determine the reliability of the study.

Reliability Statistics

Cronbach's Alpha	N of Items
.997	16

The SPSS calculation gave a Cronbach's Alpha of 0.997, reflecting an extremely high level of reliability in the research questionnaire employed. A reading of more than 0.9 is exceptional, according to Saunders (2020). The finding is consistent with prior studies that have referenced reliability scores as mostly falling between 0.7 and 0.9 (Andrews, 2020; Thomas, 2020; Charles, 2019). With such a great score, the questionnaire may be used as a consistent measure of the main variables of the study.

4.3 Participant Demographics

The primary issues that were to be addressed pertained to the age group, gender, and occupation of the participants. To investigate the demographic data of the respondents, this information was used.

4.4 Age Range

Table below displays the age distribution of individuals who utilized internet banking services at Empower Bank Zimbabwe.

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	45 and above	17	21.3	21.3	21.3
	18-24	16	20.0	20.0	41.3
	25-34	16	20.0	20.0	61.3
	35-44	14	17.5	17.5	78.8
	under18	17	21.3	21.3	100.0
	Total	80	100.0	100.0	

Table 1 Table 4.4 Age

SOURCE: SPSS OUTPUT

Table 4.4 displays the age range of respondents who use internet banking services. The majority of respondents were the under 18 and adults who are 45 and above, with each of the under 18's and those 45 and above age groups accounting for 21.3%. The study found that the majority of users of internet banking services are middle-aged or younger adults, which is consistent with previous research by Mbogo et al., (2018) and Wang et al., (2019). The sample size in this study was relatively small and might not be reflective of the broader community of internet banking users, despite the fact that younger people are typically more tech-savvy and receptive to new technology. Nevertheless, this data gives internet banking service providers' important information to help them customise their offerings to the tastes and requirements of their target market.

4.5 Gender

The gender breakdown of participants indicated a potential influence on their viewpoints and experiences. The study revealed a gender imbalance, with men outnumbering women by 7.5%. This suggests that Empower Bank may have a greater representation of men than women, as shown in the condensed table.

GENDER	NUMBER	PERCENTAGE TOTAL
FEMALE	33	41.25%
MALE	47	58.75%
Total N	**80**	**100%**

table 2 Table 4.5: Summarized number of gender composition in the industry

Source: Primary Data

4.6 Occupation

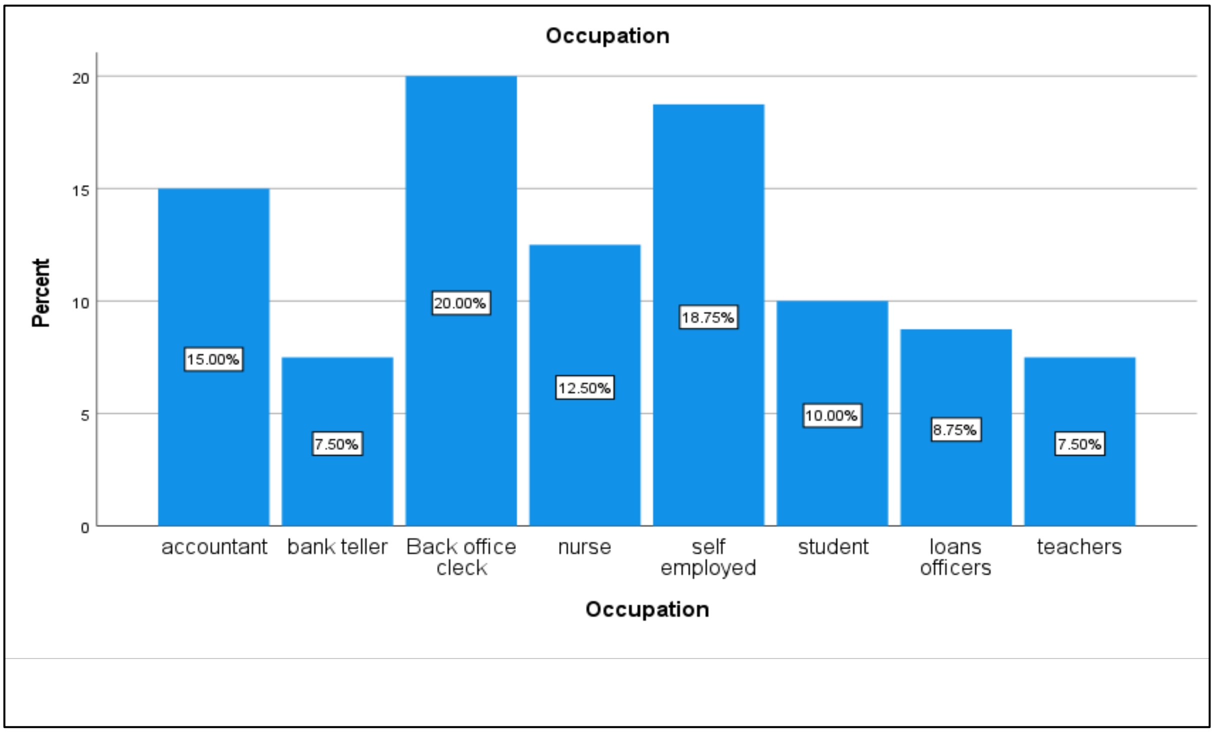

Figure 1 fig 4.1 occupation bar graph

The "Occupation" bar chart above displays, as percentages, the distribution of different vocations among Empower Bank employees across several branches.

The Back Office clerk is the most common occupation, accounting for 20% of the total. It indicates a significant portion of staff in administrative roles. The second-highest group consists of customers that are self-employed (18.75%) and are banking with empower bank. This Suggests Empower Bank serves a strong segment of entrepreneurial individuals or small business owners.

A substantial percentage (15%) consists of the accountants, likely due to demand for financial services and planning. Healthcare professionals form a notable portion of clients (15%). Students (10%**)** Reflects that Empower Bank caters for younger demographics and offers student-friendly services.

Loan Officers (8.75%)**,** these consist of internal employees who are also clients at empower bank and their moderate representation suggests active loan servicing. The

Bank Teller and Teachers (Both tally at 7.50%), these occupations are least represented in the dataset, implying a smaller engagement with teaching professionals and the front-line bank staff.

The distribution highlights that administrative and entrepreneurial roles dominate Empower Bank's occupation spread, with a balanced mix of professionals in finance, healthcare, and education. This spread may indicate the bank's broad reach across various employment sectors but with a core focus on business-related clientele.

4.7 Internet Banking Usage Experience

DEMOGRAPHIC VARIABLE	CATEGORY	FREQUENCY	PERCENTAGE (%)
Internet Banking Usage Experience	1 - 3 years	21	26.3
	4 - 6 years	23	28.7
	Less than 1 year	19	23.8
	More than 6 years	17	21.3

Table 3 table 4.7: internet banking usage experience

Source: Primary Data

The majority (28.7%) have a range (4-6 years) of experience using internet banking, while 26.3% have experience ranging from (1-3) years. Thirdly is a portion of Empower

Bank customers with (23.8%) that have less than 1 year experience of internet banking experience. The least group of customers have more than 6 years of internet banking experience (21.3%). This suggests that most participants are relatively new to internet banking.

4.8.0 The effectiveness of internet banking service quality on the performance of Empower Bank Zimbabwe.

4.8.1 Responses from Empower Bank Stakeholders.

Statement	**Strongly Agree (%)**	**Agree (%)**	**Neutral (%)**	**Disagree (%)**	**Strongly Disagree (%)**
The internet banking platform is user-friendly	**16.3**	**30.0**	**17.5**	**21.3**	**15.0**
Navigation through the website / app is intuitive	**17.5**	**23.8**	**26.3**	**18.8**	**13.8**
Internet banking services are available when i need them	**17.5**	**30.0**	**16.3**	**18.8**	**17.5**
Transactions are processed accurately and timely	**22.5**	**23.8**	**15.0**	**16.3**	**22.5**

I feel secure when using the internet banking services.	**17.5**	**20.0**	**22.5**	**26.3**	**13.8**
The bank effectively protects my personal and financial information	**26.3**	**26.3**	**17.5**	**16.3**	**13.8**
The responses from customer support are helpful and timely	**21.3**	**22.5**	**22.5**	**20.8**	**13.8**

Table 4 Table 4.8.1 Responses from Empower Bank Stakeholders

Source: primary data

On average, internet banking's user-friendliness is rated as 53.7% positive (strongly agree + agree) and 46.3% negative (strongly disagree + disagree). More than a third of Empower Bank stakeholders find navigation clear, while almost half think the platform is not easy to use. Adoption and usage may be impacted by a bad experience, which consequently impairs performance through digital engagement.

It is clear that there are service outages and irregular transaction execution. 47.5.3% of respondents are in favour of internet banking, while just 36.3% are against it (disagree + strongly disagree). Bank performance measures including revenue, transaction throughput, and client retention will increase as a result of this erosion of trust and increase in transaction volumes.

Users perceive more safety even though technological security measures are trusted. This implies an advantage in communication. Over utilisation may result from perceived security, particularly in higher-value transactions.

Just 43.8% give support a favourable rating, whereas 33.8% are not satisfied. Affluent assistance affects user satisfaction and confidence, which are important factors in determining continuous usage and loyalty to digital services. This may raise churn and higher client lifetime value.

The findings support the claims made by Hughes and Lonies (2021), who also noted that security, trust, utility, and ease of use are critical elements affecting the uptake and use of online banking services. By addressing these issues, internet banking can continue to expand as a preferred means of financial transactions and foster consumer loyalty.

Additionally, this aligns with the Technology Acceptance Model's predictions that were covered in chapter two. According to Marumbwa and Mutsikiwa (2019), the main elements influencing the adoption and utilisation of technology are perceived relative benefit, perceived trustworthiness, and perceived simplicity of use. Besides Hughes and Lonies (2021) and Marumbwa and Mutsikiwa (2019), convenience and usability are also critical factors that influence internet banking service adoption and usage, as other research has determined. Kurnia and Chien (2019), for example, discovered that Indonesian consumers' adoption of internet banking services was determined primarily by perceived usefulness and ease of use.

Similarly, Lee et al. (2021) found that South Korean consumers' intention to employ internet banking services was controlled primarily by two variables: ease of use and perceived usefulness.

In addition, studies have pointed towards how crucial security and trust are as drivers to promote the adoption and use of online banking services. Sathye (2021), for instance, discovered that trust is a key determinant of Australian consumers' online banking product adoption. Rahman et al. (2019) discovered that the behaviour of customers in applying internet banking services in Bangladesh was significantly moderated by their perceptions of privacy and security.

To promote greater usage and adoption of internet banking services, these studies all recommend that internet banking providers ensure that interfaces are secure and easy to use. Financial institutions can promote customer loyalty and drive further growth of internet banking as the favourite means of financial transactions by addressing concerns of consumers over security, trustworthiness, usefulness, and convenience.

4.9.0 The relationship between internet banking service quality and financial performance.

4.9.1 The internet banking service has influenced my decision to use Empower Bank over competitors.

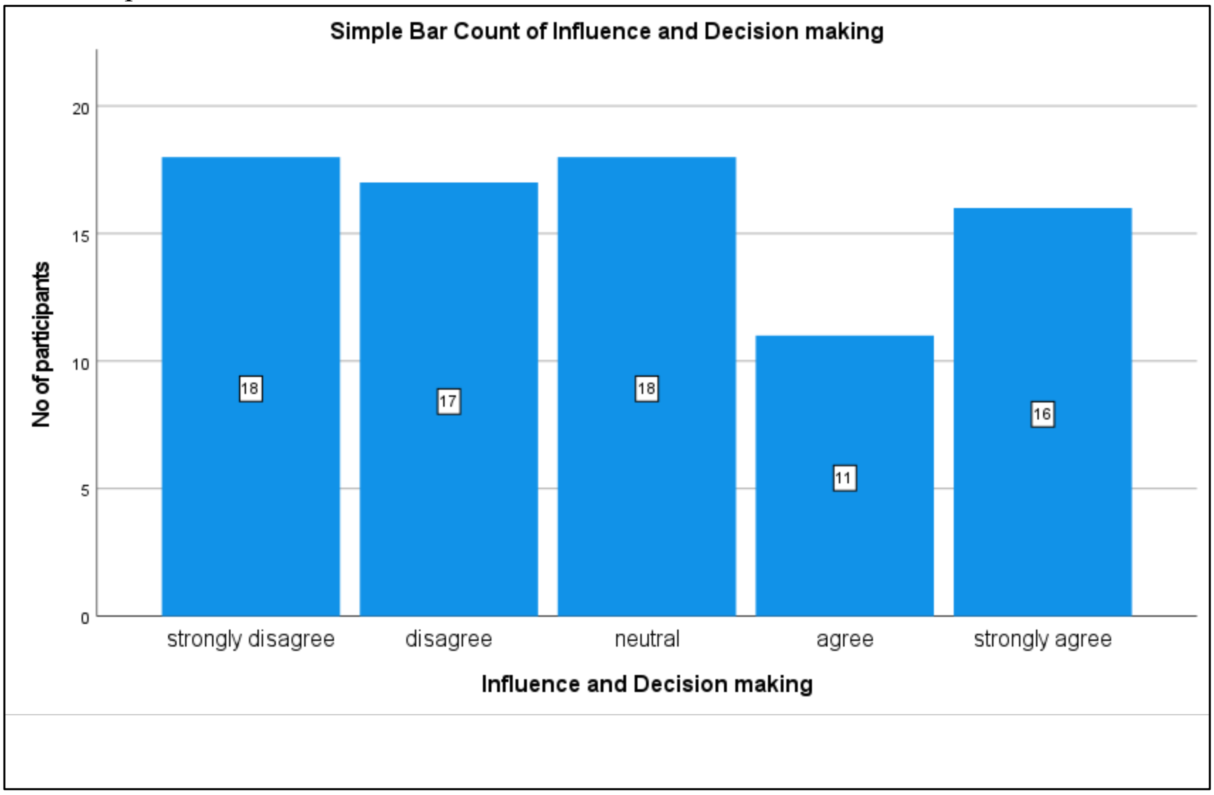

Figure 2Fig 4.2 simple bar count of influence and decision making

This inquiry sought to determine the extent to which the respondent's choice of Empower Bank over rivals was impacted by the internet banking service. According to the above diagram, eleven individuals agreed, that using Empower Bank over other banks was influenced by the internet banking service, whereas eighteen opposed, eighteen strongly disagreed, and sixteen agreed. When asked if they agreed or disagreed with the idea that internet banking influences their banking decisions, 18 participants chose the neutral response.

4.9.2 I conduct more financial transactions due to the convenience of internet banking

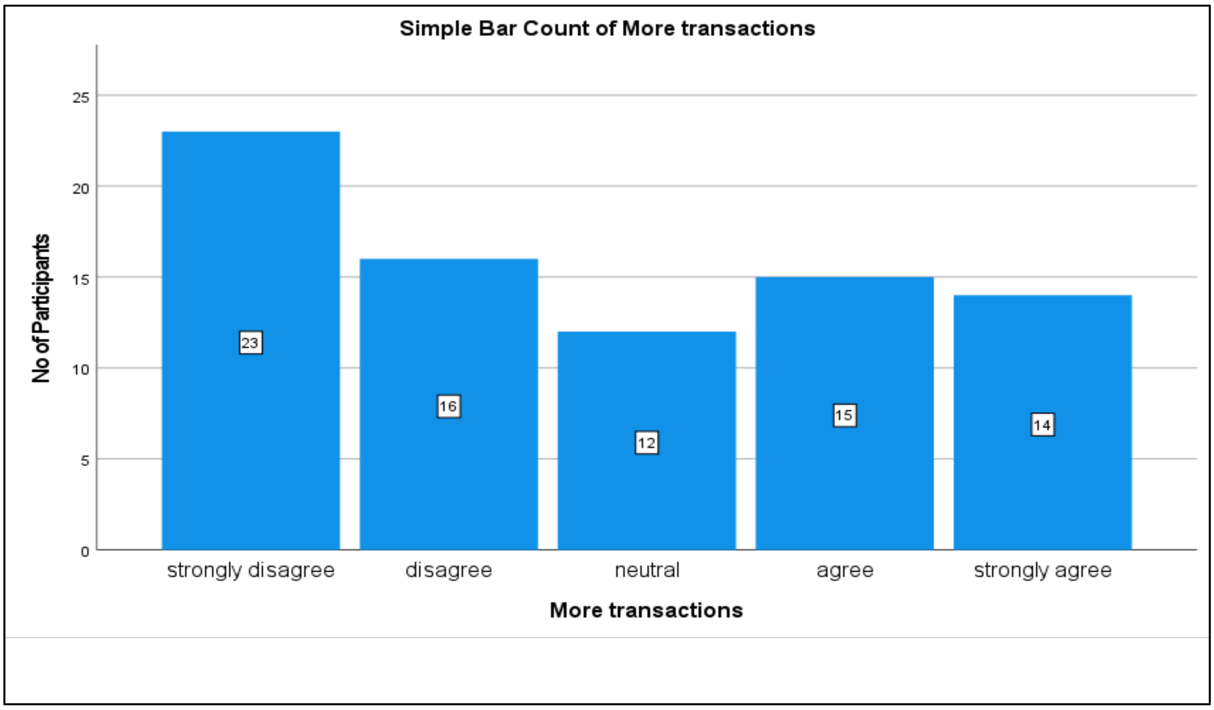

Figure 3 Fig 4.3: Simple Bar Count of More transaction

Questionnaire participants were asked whether they conduct more financial transactions due to the convenience of internet banking. The figure shows that respondents strongly agreed (23), whilst (16) agreed on the convenience of more financial transactions being conducted. The figure also indicates that respondents strongly disagreed (14) and (15) disagreed that internet banking is convenient to conduct more financial transactions. Additionally, a small number of respondents appeared neutral (12).

The study's findings support earlier research on the advantages of internet banking adoption for financial institutions by showing that the use of internet banking products has improved Empower Bank's financial performance.

According to the research, adopting internet banking can boost financial institution's competitiveness, lower operating expenses and improve customer happiness. The findings also emphasizes how crucial it is for the banking sector to completely integrate ICT in order to increase productivity and satisfy evolving client demand.

4.9.3 My banking needs are better met through internet banking than traditional methods

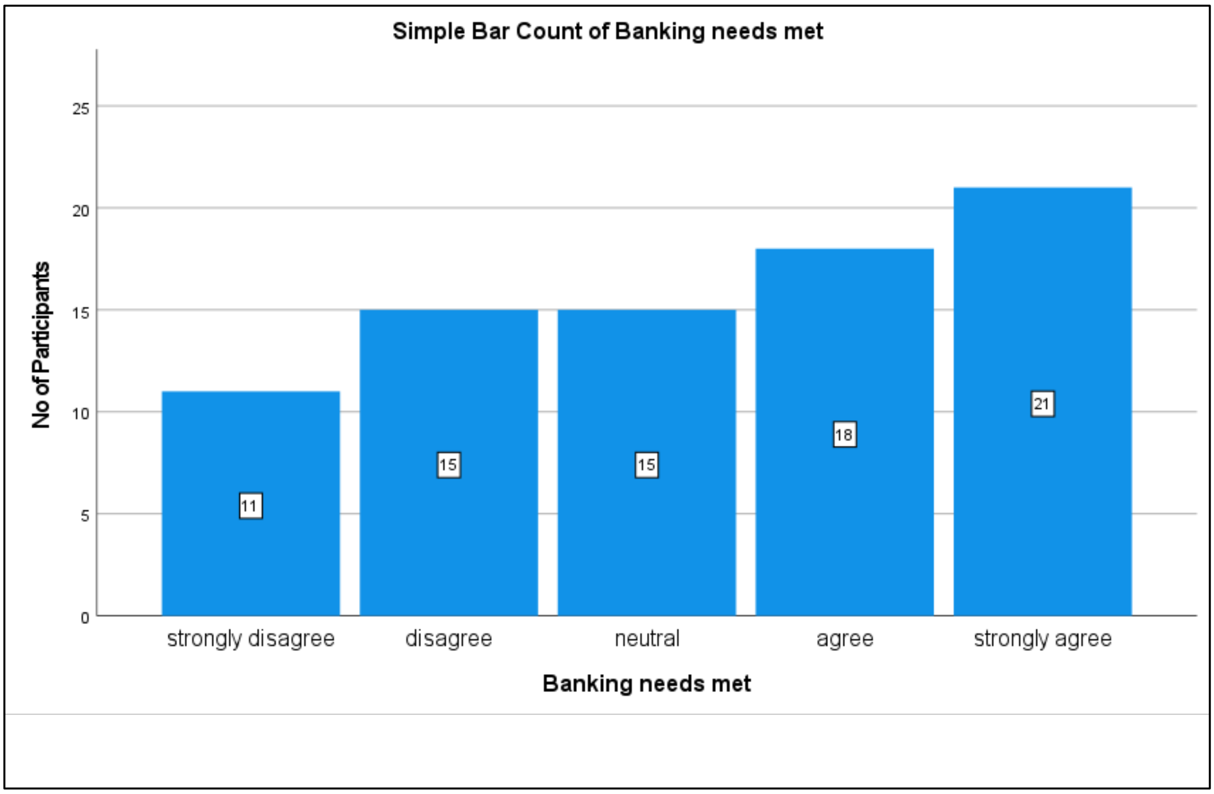

Figure 4 Fig 4.4: Simple Bar count of banking needs met

Participants' answers to the question about whether their banking needs were satisfied are shown graphically in the bar chart above. The y-axis shows the number of participants for each response group, and the x-axis classifies the replies from "strongly disagree to strongly agree."

According to the preceding chart, the most percentage of respondents (21) said they strongly agreed that their banking demands are satisfied. 18 respondents indicated agreement in the second-highest category. Fifteen participants chose a neutral position, meaning they were neither satisfied nor dissatisfied.

However, the lowest number of participants 11 said they strongly disapproved, while 15 participants expressed disagreement, matching those who were neutral.

According to the research, participants generally have a favourable opinion of how well their banking demands are satisfied. The mood tends towards satisfaction, with 39 people (almost 50%) expressing agreement (either "strongly agree or agree"). The fact that 26 people (about 33%) gave negative answers (either "strongly disagree" or "disagree") indicates that although most participants are satisfied, a sizable percentage are not.

Fifteen respondents gave a neutral response, representing a sizable portion of the population that is either unsure or indifferent, maybe as a result of conflicting experiences or a lack of conviction.

Although there is still opportunity for improvement, these patterns indicate that Empower Bank is typically satisfying the expectations of its customers across all locations. A large number of people expressing discontent or neutrality may indicate areas where certain services, accessibility, or customer service are lacking

These findings are generally in line with previous research on the relationship between internet banking and bank performance. Studies by Aydin and Özer (2019) and Hinson et al. (2020) have shown that effective internet banking services can be capable of improving efficiency of operations — a trend also observed in this research, as many employees agreed that online banking can reduce costs and enhance revenue possibilities.

However, the study also paints a nuance in contrast to the findings of Kuisma et al. (2021), who reported greater consistency in the perception of usability and effectiveness among both customers and employees. On the contrary, while several employees in the present study acknowledged the performance benefits of internet banking, they were comparatively less convinced regarding its direct impact on financial performance measures like Return on Assets (ROA) and Return on Equity (ROE). This might suggest that, although workers are familiar with the possibility of increased profitability, they are nonetheless cautious regarding the measurable outcomes, a view contrary to more optimistic customer feedback in other studies.

The importance of friendly user banking platforms, which is emphasized by Venkatesh et al. (2019), also highlights the need for banks to not just invest in technology but to also provide adequate training. It is imperative that customers and employees are adequately trained and aware of how to use internet banking facilities so that they can leverage its full benefits.

4.10.0 Impact of Internet Banking Service Quality on Operational Efficiency and Productivity

A large proportion of users believe internet banking has improved personal task efficiency and productivity, a moderate number do not see internet banking as more efficient than traditional methods, and less doubt its impacts on the bank's internal operations. The quality of internet banking services (usability, reliability, performance) consistently meet user expectations, potentially not limiting its ability to drive productivity and efficiency improvements.

4.10.1 Responses from Bank Stakeholders

Statement	Strongly Agree (1)	Agree (2)	Neutral (3)	Disagree (4)	Strongly Disagree (5)

I can handle more tasks quickly because of internet banking.	27.5%	22.5%	16.3	17.5%	16.3%
Banking through the app or website is more efficient than going to the branch.	20%	26.3%	16.3	20%	17.5%
Internet banking has allowed me to focus more on other personal and financial business activities	26.3%	13.8%	22.5%	12.5%	25%
Empower Bank's operational processes appear more streamlined because of internet banking	16.3%	28.7%	23.8%	16.3%	15 %

Table 5 Table 4.10.1 Responses from bank stakeholders

Source: Primary Data

Table 4.10.1 above present responses from employees and customers regarding the Effect of Internet Banking Service Quality on operational efficiency and productivity. These responses were gathered through the questionnaires administered to the Empower Bank customers. There are parallels and discrepancies between these results and the body of research on the quality of internet banking services. Both staff and customers view internet banking as improving operational efficiency, citing advantages including simpler processes and shorter transaction times, which is in line with study by Aydin & Özer (2022) and Hinson et al. (2020).

These findings are consistent with previous studies that assert the positive effects of internet banking on customer engagement and satisfaction. For instance, a study by Zeithaml et al. (2019) emphasized the importance of service quality in shaping customer perceptions and loyalty in the banking sector. The strong correlations observed here affirm the argument made by Callahan and Kranacher (2020) that effective internet banking services not only enhance customer satisfaction but also foster lasting relationships. However, it is notable that while employee confidence in the effectiveness of internet banking was high, studies like those by Tan & Lee (2019) indicated that actual customer usage may not always align with employee perceptions. This discrepancy suggests that banks may need to invest further in understanding customer experiences with internet services to bridge any gaps in service expectation versus delivery.

4.11 Chapter Summary

The study's results are presented and assessed in this chapter. According to the study, consumers are somewhat aware of some internet banking services but not entirely of others. It was discovered that internet banking services were somewhat used, with mobile payments being the most popular service and other services not being fully utilised. The results, conclusions, and suggestions for additional research will be compiled in the upcoming chapter.

CHAPTER V

RESEARCH FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter provides a conclusion, summary, and practical recommendations from the study results, which assessed the impact of internet banking service quality on Empower Bank Zimbabwe performance. It summarizes findings from data analysis and outlines the key facts of the research. The summary section summarizes major findings so that study participants can quickly grasp the outcome. Conclusion borrows cues from these results to make such substantial interpretations, showing how service quality of internet banking has a direct contribution to bank performance. These results are particularly useful for Zimbabwean banks. Finally, the chapter offers recommendations for Empower Bank, the regulators, and other stakeholders, as well as suggestions for further studies on this subject.

5.1 Summary of Findings

The study found that internet banking significantly improves the operational effectiveness of Empower Bank, primarily by reducing the time for transactions and simplifying payment procedures for customers. These are making banking less expensive, efficient, and convenient, which translates directly into sales increases.

Furthermore, the use of internet banking services has tangible benefits to the bank, such as higher deposits, improved Return on Assets (ROA), and improved Return on Equity (ROE). It also lowers fixed and operating expenses, which cumulatively drive revenue growth and profitability. The study strongly supports a positive link between the quality of internet banking services and the overall financial performance of Empower Bank.

From the perspective of the customers, the convenience and accessibility of the online banking facilities improve satisfaction and loyalty. The platform makes it easier to retain existing customers and win new customers, thereby helping the bank grow its market share. These findings point to the strategic importance of investing in better digital banking platforms.

5.2 Conclusions

5.2.1 Impact on Bank Performance

The study concludes that Empower Bank is making good use of high-quality internet banking services, and this has significantly improved its efficiency in operations. Customers are experiencing faster, less expensive, and more reliable payment services. These not only lead to increased customer satisfaction but also to increased sales. This agrees with Hammoud et al. (2018), who determined that internet banking enhances customer satisfaction based on reliability, ease of use, and responsiveness. In the same way, Alshurideh et al. (2020) noted that internet banking improves customer loyalty and boosts sales through enhanced delivery of services.

5.2.2 Financial Performance Relationship

Empower Bank has reaped benefits from internet banking in financial terms such as greater deposits and ROA. Adoption of online services also corresponds to greater ROE and lower operating costs. The study validates that internet banking helps in expanding the customer base and enhancing revenue. Such identical findings by Alwan and Al-Zu'bi (2019) indicate that banks with effective digital channels lower operating costs significantly. Miranda-Petronella (2019) also noticed that advanced internet banking systems can reduce the cost of infrastructure and employees by 15%.

5.2.3 Impacts on Efficiency and Productivity

High-quality online banking services offer customers convenient access to banking services, thereby resulting in high satisfaction and loyalty. Such services attract more customers and help retain them, which ultimately increases the bank's market share. Hoque et al. (2019) mentioned that customer satisfaction and retention allow banks to target more price-sensitive segments. Abdelfattah et al. (2021) and Jahangir & Begum

(2020) also demonstrated that secure and dependable online services have a positive effect on customer retention and market outreach.

5.3 Recommendations

From the research findings, the following are the recommendations to Empower Bank and other Zimbabwean banks:

- Enhance Internet Banking Quality - Enhance the quality of internet banking continuously in a way that keeps the customers satisfied and loyal. Gather and implement customer feedback from time to time in a bid to keep the services aligned with client needs.
- Enhance Online Services - Extend the range of services offered online. Offering more comprehensive features can create greater loyalty, even when minor service issues occur.
- Enhance Customer Support - Give priority to delivering superior customer service. Conduct regular satisfaction surveys in order to make internet banking products more client-focused.
- Invest in Service Quality - Give priority to improving digital service quality. Improved service quality is linked directly to increased customer loyalty and satisfaction.
- Investigate Wider Service Improvement - Alongside internet banking upgrade, identify other business improvements that can set the standard for overall customer experience.
- Understand Customer Needs - Conduct thorough analysis of customer needs for digital banking and mould services to meet these expectations.
- Efficient Query Resolution - Train staff to resolve online banking queries and transactions in a timely manner. Timely, reliable service builds trust and encourages repeat use.
- Internal Support for Customer Strategies - Encourage employees to play an active role in digital strategies that optimize online customer satisfaction. They are the key to retaining customer loyalty and economic benefits for the bank.

5.4 Recommendations for Future Research

This study was focused on five different branches of Empower Bank. While the findings provide useful information, they may not be applicable in every industry or location. Future research should extend to other financial institutions and industries to advance knowledge. Other financial performance indicators such as net profit margin and shareholders' value should be examined to enable a more complete view of the contribution of internet banking to performance.

5.5 Final Conclusion

This chapter brought the research to a close by summarising key findings, drawing meaningful conclusions, and presenting actionable recommendations. It also highlighted directions for future research. The study has demonstrated the importance of internet banking service quality in enhancing customer satisfaction, operational efficiency, and overall bank performance, providing a valuable guide for decision makers in Zimbabwe’s banking sector.

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APPENDIX 1: QUESTIONNAIRE

BINDURA UNIVERSITY OF SCIENCE EDUCATION

Faculty of Commerce

Dear Sir/Madam

I am a student studying towards a Bachelor of Commerce Honors Degree in Banking and Finance, at the above mentioned institution. As required by the statutes of the institution, I am supposed to carry out my research project in partial fulfilment of my studies. My research aims at investigating “The effects of internet Banking service quality on financial performance of Empower bank. I kindly ask you to assist me by completing the questionnaire attached to this letter as honestly as possible. The information that you provide will be treated with utmost confidentiality and will be used exclusively for academic purposes

Please do not write your name on the questionnaire.

Your time and cooperation is sincerely appreciated

Yours faithfully

Anorld Mhike

Questionnaire: Evaluation of Internet Banking Service Quality on Bank Performance of Zimbabwe Banks: Case Study of Empower Bank
Zimbabwe

Instructions: For Sections B–D, please rate each statement on a scale of **1 (Strongly Disagree) to 5 (Strongly Agree).**

1 = strongly disagree

2=disagree

3=neutral

4=agree

5=strongly agree

Section A: Demographic Information

No	**Question**	**Response type**
1	Age	☐ Under 18 ☐ 18–24 ☐25–34 ☐ 35–44 ☐ 45+
2	Gender	☐ Male ☐ Female ☐ Other
3	Occupation	
4	Duration of Banking with Empower bank	☐ <1 year ☐ 1–3 years ☐ 4–6 years ☐ >6 years

Section B: Effects of Internet Banking Service Quality on Bank Performance of Empower Bank Zimbabwe.

(Objective i)

Please rate the following statements based on your experience with Empower Bank's internet banking services using a scale of 1 to 5 (1 = Strongly Disagree, 5 = Strongly Agree).

NO	STATEMENT	RATING (1-5)
1	The internet banking platform is user-friendly	
2	Navigation through the website/app is intuitive	
3	Internet banking services are available when i need them	
4	Transactions are processed accurately and timely	
5	I feel secure when using the internet banking services.	
6	The bank effectively protects my personal and financial information	
7	The responses from customer support are helpful and timely.	

Section C: Relationship Between Internet Banking Service Quality and Financial Performance (Objective ii)

NO	STATEMENT	RATING (1-5)
1	The internet banking service has influenced my decision to use Empower Bank over competitors	
2	I conduct more financial transactions due to the convenience of internet banking	
3	My banking needs are better met through internet banking than traditional methods	

Section D: Impact of Internet Banking Service Quality on Operational Efficiency and Productivity

(Objective iii)

NO.	STATEMENT	RATING (1-5)
1	Internet banking has reduced the time I spend managing my banking needs	
2	I can handle more tasks quickly because of internet banking.	
3	Banking through the app or website is more efficient than going to the branch.	
4	Internet banking has allowed me to focus more on other personal or business activities.	
5	Empower Bank's operational processes appear more streamlined because of internet banking	

Section E: Open-Ended Feedback

NO.	STATEMENT	RESPONSE TYPE
1	What improvements would you suggest for Empower Bank's internet banking?	

2	Any other comments regarding your experience?	
3	Any other comments regarding your experience?	

TURNIT-IN ORIGINALITY REPORT

Anorld Mhike

ORIGINALITY REPORT

9%	6%	4%	4%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	elibrary.buse.ac.zw:8080 Internet Source	1%
2	Kiran J. Patel, Hiren J. Patel. "Adoption of internet banking services in Gujarat", International Journal of Bank Marketing, 2018 Publication	<1%
3	Submitted to Laureate Higher Education Group Student Paper	<1%
4	ir-library.mmarau.ac.ke:8080 Internet Source	<1%
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