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Impact of Technological Innovation on Customers Satisfaction in Selected Banks in Ilaro, Ogun-State Nigeria

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ABSTRACT

Innovation through information technology (IT) has made inroads everywhere and banking is no exception to it. This study examined the impact of technological innovation on customer satisfaction **In** Selected Banks in Ilaro**,** Ogun-State Nigeria. Primary method was used for data collection, results were analyzed using simple percentage and t-test. Although, the result reveals a significant impact of technological innovation on the performance of both banks, but technological innovation has more impact on the performance of United Bank for Africa compared to Access Bank Plc. Also, the t-test result reveals that there is significant difference in the speed of transaction and customer-client relationship except for efficiency of online banking in both United Bank for Africa And Access Bank Plc. it is therefore recommended that banks should maximize the use of technological innovation the use of technological innovation by improving the working of employees towards offering better service quality because when more players would enter the field of banking, any best service quality provider would win the game.

Keywords: Customers, Innovation, technology, Satisfaction, Banks and Nigeria

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1. INTRODUCTION

Innovation through information technology (IT) has made inroads everywhere and banking is no exception to it. Whether it is private or public sector bank, everywhere innovation is the buzzword and technological breakthrough is witnessing new avenues of success. Competition is compelling everyone to move ahead and faster. Now, the working in banks has been changing and customers are sensing the wave of innovation. These banks, which were working traditionally are now coming out and reaching to audience through FM radio; Celebrity endorsements and all possible media. Core banking has added fuel to the fire of innovation. The ultimate results can be seen in terms of enhanced customer satisfaction in public sector as well as private sector banks. Sharman(2017). In the past few years, banking activities in Nigeria has increasingly depended on the development of information and communication technology (ICT). This is speedily becoming a reality in the industrialist and economically advanced parts of the world, with people who are far away being able to engage in formal and informal relationship, which would have required them to engage in travels that may take hours or days. Raising numbers of financial institutions are introducing and expanding their offerings of electronic banking products. Sciglimpaglia and Ely, (2002).

According to Gobat (2012). Asserts that a bank is a financial institution whose primary role is to take in deposit from those with idle money, pool the deposits and lend them to those who need the funds. Advancement in information and communication technology has propelled banks in Nigeria to increase customers satisfaction and make headway in the competitive market. This to a large extent depends on the level of technology adopted to increase customers satisfaction. Some of this technological innovations include Automated Teller machine s(ATM) for cash withdrawal and deposits, internet banking, automated cheque clearing systems and Mobile banking platforms. Technological innovation concepts has brought about; customer retention through fast transaction, easy access to fund, transparency, keep tracks of customers memorable dates (birthday and wedding anniversary) and increases finance performance for d bank.

2. LITERATURE REVIEW

Salawu and salawu (2007) evaluate the tangible benefits of e- business as an organisational tool and its influence on banking activities, as well as customer satisfaction practices using cross tabulation and chi square, the study revealed that there is a linear relationship between high- level automation of banking services and improvement in service deliver, also, there exist a significant relationship between customers choice of bank and implementation of e-business. Musara and Fatoki (2010), technological innovations play a significant role in improving the efficiency of the banking sector as well as reducing the costs of banking transactions for customers. But this does not come easy. Whilst some banks benefit from the introduction of technologically innovative products and services, others fail to realize the expected benefits of innovations.

Sharma and Govindaluri (2014) studied the factors influencing adoption of Internet banking in urban India. The factors of perceived usefulness, perceived ease of use, social influence, awareness, quality of internet connection and computer self-efficacy are primary determinants of the attitude toward the use of internet banking in urban India. The attitude toward the use of internet banking can be used to predict the intention to use of internet banking systems by users. Vyas and Raitani (2014) studied the drivers that lead a customer switch from one service provider to another in banking industry. The impacts of the influencing factors have been studied and tested empirically using exploratory factor analysis. Questionnaire was collected from banking customers and it was found that price, reputation, responses to service failure, customer satisfaction, service quality, service products, competition, customer commitment and involuntary switching have their significant effect on customers' switching behavior.

Kaushik and Rahman (2015) analyzed various antecedent beliefs predicting customers' attitudes toward and adoption of self-service technologies available in the banking industry. Results showed that antecedent beliefs affecting adopters' attitude vary across different self-service technologies. It extends and tests the technology acceptance model by including two additional antecedents from the theories of adoption satisfaction. According to Hilal (2015), innovation and introduction of new technologies are privileged means for improving banks productivity. Angko (2013) also concluded that one of the benefits of electronic innovations in banking is cost saving to both banks and customers. This suggests that banks need to ensure innovative products and services are appropriately priced to attract and provide satisfaction to customers.

2.1 Objectives

1.To study the comparative analysis of the overall performance of UBA and Access bank on customers satisfaction.
2. To analyze the significant difference in customer-client relationship
3 To investigate the speed of transaction in UBA and Access bank.

3. METHODOLOGY

For the purpose of this study the researcher used questionnaire as source of data collection. 200 questionnaires were distributed to respondents who are mainly United Bank Africa and Access Bank customers in Ilaro, Ogun State, Nigeria. The respondents included current and savings account holders as well as other customers who apply for loan, demand drafts etc. These were the customers who have been visiting banks for at least five years. Data collected were analyzed using t- test and simple percentage based on null hypothesis and alternative hypothesis.

t-test: in statistic, the t-test is the ratio of the departure of the estimated value to its standard error. The p-value for each term tests the null hypothesis that the coefficient is equal to zero (no effect). A low p-value (<0.05) indicates that you can reject the null hypothesis at certain level of significance for given degrees of freedom (i.e. .05).

Hypothesis;
$H0_1$: there is no significant difference in the efficiency of online banking.
$H0_2$; there is no significant difference in speed of transaction in UBA and Access bank.
$H0_3$; there is no significant difference in customer-client relationship.

4. ANALYSIS AND DATA INTERPRETATION

4.1Simple Percentage (%) and T-Test Result

On applying simple percentage and t-test base on the p values, Hypothesis HO_2 and HO_3 were rejected at 1% and 5% level except for $H0_1$ which shows that there is no significant difference in efficiency of online banking in of the two banks. It can be inferred that there is a significant difference in terms of speed of transaction, efficiency of online banking and customer client relationship between united bank for Africa and Access Bank. In terms of overall comparison between the two banks, performance of UBA seems to be better than that of Access Bank. i.e technological innovation have more impact on the performance of UBA compared to Access Bank.

Table1: results of simple percentage and t-test at 0.05 level of significance

Variable	Response	**UBA**		**Access Bank**		P Value	Remark
		Frequency	Percentage	Frequency	Percentage		
Rate of Efficiency	High	60	60%	40	40%	0.07	We do not Reject the null hypothesis
	Low	15	15%	15	15%		
	Average	25	25%	45	45%		
Speed of transaction	High	85	85%	75	75%	0.00	Reject the null hypothesis
	Low	15	15%	25	25%		
Customer Client Relationship	Above Average	50	50%	25	25%	0.05	Reject the null hypothesis
	Average	30	30%	60	60%		
	Below Average	20	20%	15	15%		
Cost of transaction	Yes	70	70%	45	45%	0.00	Reject the null hypothesis
	No	30	30%	55	55%		

5. DISCUSSION AND RECOMMENDATION

It can be inferred from the simple percentage result and t-test that technological innovation has impacted more on United Bank for Africa than Access Bank. Also, the t-test base on the p-value reavels that there is no significant difference in the efficiency of online banking of the banks. According to (Gronroos, 1984) Customer trust is a major ingredient of success for commercial bank. However, these banks need to maximize the use of technological innovation by improving the working of employees towards offering better service quality because when more players would enter the field of banking, any best service quality provider would win the game.

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