

Research Article

Factors Affecting Usage of Electronic Banking Services Among Customers of Commercial Bank of Ethiopian Waliso Town

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Abstract

E-banking can be creating a platform for its customers to generally access information and to transact businesses electronically through an electronic device without necessarily being present at the bank. The main objective of this study was to assess factors affecting electronic banking services usage among customers in Waliso Town, Ethiopia. Data were collected from 423 participants, and 412 customers were the completed interview and gave the response rate of 97.4%. Convenient sampling technique was used to select study participant from the all-Banks branches. Data was entered into the Epi-data manager version 4.62 and exported to Statistical Package for Social Science version 25 for analysis. Descriptive analysis (like frequencies, percentages, means, and standard deviation) and inferential analysis was done. The result was presented using text, tables, and charts. This study was clearly indicated awareness on electronic banking services, perceived usefulness, perceived ease to use and perceived risk were significantly associated with electronic banking services usage. Managers and banks workers work hard on giving advice and information on awareness, usefulness, ease to use, and risk of electronic banking services to enhance electronic banking services usage. Bank manager should strength information desk team who are work in distributing promotion materials, and forward updated services on electronic banking service to improve electronic banking service usage. The banks workers also work hard on service quality rather than focusing only on number of users that doesn't guarantee the banks digitalization strategy by giving necessary support to customers and work on problem solving properly.

Keywords

Factors Affecting, Electronic Banking Services Usage, Customers and Woliso Town

1. Introduction

A bank is both a financial organization and a financial intermediary that takes deposits and uses those deposits to fund

lending activities, either directly through loans or indirectly through capital markets [1]. Banking system plays an im-

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portant role in the nation's economy and the bank takes the money economy. It serves the needs of the credit of all the sections [2].

The banking industry is being reshaped by globalization, competition and innovation and customer needs. Due to the emergence of a knowledge-based economy and society as information and communication technology (ICT) advanced, banking services have undergone profound changes during the last period [3, 4].

Electronic banking has many names like e banking, virtual banking, online banking, or internet banking [5, 6]. Electronic banking is a process by which a customer may perform banking transactions electronically without visiting a brick-and-mortar institution. The following terms all refer to forms of electronic banking: ATM (Automated Teller Machine), EPOS (Electronic Point of Sale), phone banking, internet banking, mobile banking also Electronic payments through Credit cards, Debit cards, and Electronic fund transfer [7, 8].

E-Banking is one of the latest approaches to provide comfort to the client regarding monetary transactions. Through E-Banking the bank wants to introduce the core concept of IT based Enabled Services (ITES). The major idea is to provide a series of services to the customer through the internet, and make the customer feel flexible in calling out simple tasks faster instead of making visit to the bank every time. Today, one of the surest most comfortable and less risk oriented faced by banking sectors the application of electronic commerce. E-banking is considered to have a substantial impact on banks' performance [9]. Electronic banking is procedures that make buyers to do banking online. Electronic banking is done via Internet with key idea and buyer's password [10].

E-Banking has become an important factor in the future development of banking industry. Electronic banking or online banking is a service provide by many banks that allow handling of all types of banking business, primarily over the internet by using the information technology and communication. In many developed countries E-banking plays a very vital role due to the fact that it's the cheapest way of providing banking services [11]. Electronic banking allows consumers to access deposited funds via computerized technology. Common E-banking services include automated teller machines (ATMs), direct deposit, pay-by-phone systems, personal computer banking, debit cards, and electronic check conversion [12].

Electronic banking presents advantages, both for banks and their customers, there are some limitations such as physical distance between customers and banks, and between customers and service [13]. The rapid growing information and communication technology is knocking the front door of every bank in the world; Where Ethiopian banks would never be exceptional in expanding the use of electronic banking. In Ethiopia, cash is still the most dominant medium of exchange and electronic payment system at an embryonic stage. At the same time mirroring the development of electronic banking, the practice and use of electronic banking system is not well developed [14].

According to the findings of the study reported that per-

ceived usefulness was factors influencing usage of electronic banking [15]. Another study also showed that factors such as perceived ease of use, perceived usefulness, and security are factors affecting the usage of electronic banking [16, 17]. Perceived risk of electronic banking also affecting consumer utilization of electronic banking [18].

The finding of study done in Portugal reported that lack of trust in Internet banking system have impact on E-banking usage [19]. Convenience of usage and effort expectancy were important factors which influence E-banking usage intention among customers [20].

The benefit of E-banking was enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. It is simply the use of electronic and telecommunications network for delivering various banking products and services. Through e-banking, a customer can access his account and conduct many transactions using his computer or mobile phone [5]. having an access to loans at competitive prices, get saved from the long queues in the bank that saves the time and energy and the individuals benefit from the personalized banking services [21].

The customers of Ethiopian commercial banks have missed to enjoy with the technological advancement in banking sector which has been entertained elsewhere in Africa and the rest of the world. The modern e-banking methods like ATMs, Debit cards, Credit cards, Tele banking, Internet banking, Mobile banking and others are new to the Ethiopian banking sector. E-banking which refers to the use of modern technology that allows customers to access banking services electronically whether it is to withdraw cash, transfer funds, to pay bills, or to obtain commercial information and advices are not known in Ethiopia [22].

In Ethiopia it is many customers withdraw money by using book and money transfer as commercial banking service is allowed usually in between branches of the same bank. However, from the public and the economy there is a strong need for strengthening linkages among banks in order to allow healthy flow of financial resources among financial institutions and optimize the contributions of the entire financial system to the development processes as whole.

Even though the penetration of mobile phones, internet and ATM among the population continues to grow in significant numbers and attention of customer's to use E-banking service still remains low. Also most of study conducted on factors affecting E-banking adoption and there was little study done on factors affecting usage of E-banking service among customers of CBE at this area. Therefore the aim of this study is to fill this gap.

2. Methods and Materials

2.1. Study Area, Research Design and Research Approach

The study was carried out at CBE which found in Waliso

Town, South West Shoa Zone, Ethiopia. It is located to 114 km to the south of Addis Ababa. Based on the 2007 census conducted by central statistical agency of Ethiopia, this town has a total of 70321 population, of whom 35865 were men and 34457 were women.

The choice of research design depends on objectives that the researcher wants to achieve. This research was used descriptive and analytical study. The descriptive study was used to explain the aspect of the study and analytical study was used to create relationship between the outcome and independent variables. In order to investigate if the variables directly affect Usage of E-banking, multiple regression analysis was used. To meet the main objective of this study, survey study design was used. Descriptive type of research design was used in describing the characteristics of population and inferential type of research was used to show the effects of explanatory variable on usage of electronic banking.

Quantitative study approach was used for measurements such as statistical, mathematical, or numerical analysis of data collected through questionnaires. This research was explanatory as it explains the aspect of the study and tries to create relationship between the outcome and independent variables.

2.2. Source & Type of Data

This study used primary sources for data collection. Secondary data was used to increase the overall effectiveness of research made on all variables and their relationships.

2.3. Population

This research was aimed to gather information from all CBE branches of customers in Woliso Town. For this research, the target population comprises of 128973 customers in Woliso Town. The population group was selected from 4 CBE banks branches found in the Town namely, Afren Woliso, Burka, Geresu Duki, and Woliso branches. According to reports taken from each branches Afren Woliso branch had 16750 customers, Burka branch had 17959 customers, Geresu Duki branch had 22900 customers and Woliso branch 71364 customers.

2.3.1. Source Population

All CBE banks customers at Woliso Town.

2.3.2. Study Population

All CBE banks customers in Woliso Town available during data collection period or all sampled banks customers.

2.3.3. Study Unit

Individual banks customer.

2.4. Sample Size and Sampling Procedure

2.4.1. Sample Size

Convenience sampling was employed to pick sample responses from the all banks in Woliso Town, then the data collector's interviews consumers of the bank. The sample size was calculated by using single proportion population formula for the first objective, by using the assumption of a 95% confidence interval with a marginal error of 5%, by taking proportion of 50% (0.5).

$$n = \frac{(Z\alpha/2)^2 P(1-p)}{d^2}$$

Where n= number of the study subjects

Z= is standardized normal distribution value for the 95% confidence interval (1.96)

P = p-value (50%)

q=1-p =1-0.5 =0.0.5, p=0.5 and q =0.5

d = the margin of error taken as 5% = 0.05

$$n = \frac{(Z\alpha/2)^2 P(1-p)}{d^2} = \frac{(1.96)^2 (0.45 \times 0.55)}{(0.05)^2} = 384$$

By adding 10% (39) non-response rates the final sample size required for this study was 423.

2.4.2. Sampling Procedure

After customer those have opened book at CBE in Waliso Town were identified. The number of study participants from each branch were determined by proportional allocation to population size by using an average of one month's last year's customer services. To allocate sample size to each banks an average of one month last year customer services was used. The customers were selected based on their active appearance at branch for various reasons like salary, transfer, frequent and appearing merchants.

Proportional allocation: allocating sampling proportional to the total population of each banks using The formula: $n_i = N_i/N * n$, where n = total sample size to be selected, N = total population, N_i = total population of each branch n_i = sample size from each branch.

2.5. Data Collection Instrument and Technique

2.5.1. Data Collection Instrument

A Structured questionnaire was adapted after reviewing different kinds of literature. The five Likert type questions were used for identifying the factors and prospects of the subject matter while the result to be observed from the open-ended questions were used to complement the result found from the Likert scale type questions. In this research, various data types were used. Numerical data was used to count number of occurrences of demographic factors. The questionnaire distribution was made to all branches of CBE

banks which found in Waliso Town. During filling the questionnaire, the researcher clarified the question and objective of the research when respondents required more information.

The questionnaire consisted of 6 items of Socio-demographic characteristics, 4 items of E-banking usage, 8 items of perceived usefulness, 6 items of perceived risk, 3 items of perceived trust, 10 items of perceived ease to use, and 6 items awareness. The questionnaires contain 7 parts and 43 items.

2.5.2. Data Collection Technique

The data was collected using a pre-tested structured face-to-face interview questionnaire prepared by English by convenient sampling method. The data was collected by two degree finance and accounting worker who are fluent in the local language and supervised by one senior MBA.

2.6. Data Quality Control (Assurance)

To ensure the quality of tools, tools were adapted from related articles, pre-tested on 5% of the study participants (22 customers) at Tullu Bollo town. The collected data was entered and Cronbach alpha analysis by SPSS version 25 to assess the reliability of the questionnaires.

The data collectors and supervisors were recruited from out of the employee of the study Banks to minimize bias and one day orientation was given for data collectors and supervisors regarding data collection procedure, tools, the purpose of study, and ethical consideration. Data collectors were strictly supervised. At the end of each day, the questionnaire was reviewed and checked for completeness by the supervisors, and corrections were made.

Data were entered into Epi data version 4.62 to minimize errors, to check double data entered and design skipping pattern. The overall computed value of perceived risk, perceived usefulness perceived trust, awareness, and perceived ease to use E-banking. Outlier and missed data will be checked. Multicollinearity will be checked by using variance inflation factors, and tolerance. The model summary was checked by adjusted R-square.

2.7. Data Processing and Analysis

The collected data was checked for completeness and consistency of the information obtained from the study participants.

Then, the data was entered into the Epi-data manager version 4.62 and exported to SPSS version 25 for analysis. Descriptive analysis (like frequencies, percentages, means, and standard deviation) was done. Specifically, both descriptive and inferential statistics was done. Regression analysis was done to determine the effect of the independent variable on dependent variables. The p -value < 0.05 was considered statistically significant in the multiple linear regressions. The result was presented using text, tables, and charts.

2.8. Ethical Consideration

An ethical clearance letter was obtained from Ambo University, Waliso Campus college of Business and Economics. Then, a permissions letter for data collection was obtained from the branches of Bank. Informed verbal consent was obtained from study participants to confirm their willingness to participate after explaining the objectives, benefits, and risks of the study. Participation in the study was voluntary and a study participant has the right to accept or refuse participation in the study at any time. Confidentiality was assured and no personal detail was recorded in any documentation related to this study.

3. Results

A data was collected from 423 participants, and 412 customers were the interviewed and gave the response rate of 97.4%. The 11 questionnaires were incomplete and excluded from the analysis.

3.1. Socio-Demographic Characteristics of the Respondents

The minimum age of respondents were 18 years while the maximum was 79 years with a mean age of 34.22 ($SD \pm 13.56$). Among 412 of the study participants the majority, 342(83.4%) of them were male while 68(15.6%) of them were female. More than half of the study participants 253(61.4%) were from rural while 159(38.6%) of them were from urban. One hundred forty-six (35.4%) of respondents had primary education while 74 (18%) of them were had no formal education (see Table 1).

Table 1. Socio-demographics characteristics of customers in woliso town, 2024 ($n = 412$).

Variables	Variables Categories	Frequency	Percent
Sex	Male	342	83.4
	Female	68	15.6
Residency	Urban	159	38.6

Variables	Variables Categories	Frequency	Percent
Marital status	Rural	253	61.4
	Unmarried	36	8.7
	Married	317	76.9
Educational status	No formal education	74	18.0
	Primary education	146	35.4
	Secondary education	127	30.8
	Diploma and above	65	15.8
Occupational status	Farmer	107	26.0
	Merchant	111	26.9
	Government employee	117	28.4
	Self-employee	60	14.6
	Others	17	4.1

3.2. Usage of E-banking Services

In this study among 412 respondents, 101(24.5%) and 145(35.2%) of them were agreed and strongly agreed on E-banking usage (see Table 2).

Table 2. Usage of E-banking services among customers in CBE in Woliso town, 2024 (n= 412).

Variables	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	SD
	N	%	N	%	N	%	N	%	N	%		

Have been using the E-banking for a long time and My general knowledge in E-banking is excellent

30	7.3	84	20.4	52	12.6	101	24.5	145	35.2	3.6	1.33
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According to present study, 319(77.4%) of respondents were used E- banking services among them 149 (46.7%) of them were used ATM, 120 (37.6%) of them were used mobile banking, 30 (9.4%) of them were used other E-banking and 20 (6.3%) of them were used internet banking. From 412 bank customer 106(32.6%) of them were used E-banking for to transfer funds to another account while 56(17.6%) of them were used to obtain mini statements (see table 3).

Table 3. E- banking services

Variables	Variables Categories	Frequency	Percent
use Electronic banking	No	93	22.6
	Yes	319	77.4
Types of Electronic banking	Mobile bank	120	37.6
	internet bank	20	6.3

Variables	Variables Categories	Frequency	Percent
Electronic banking used for what purpose	ATM	149	46.7
	Other specify	30	9.4
	To obtain mini statements	56	17.6
	To transfer funds to another account	106	33.2
	To pay off bills	74	23.2
	To check status of financial transactions	83	26.0

3.3. Awareness of Respondents on E-banking Services

In this study among 412 respondents, 169(41%) of them were strongly agreed on E-banking can buy airtime for self and others. More than one-third, 177(43%) of respondents were strongly agreed on E-banking can make transfer money. Among 412 respondents, 153(37%) of them were strongly agreed on E-banking can pay bills. As the results of the study revealed that, 151(36.7%) of respondents were strongly

agreed on E-banking can purchase internet data. One hundred seventy-one (41.5%) of respondents were strongly agreed on E-banking can open account. The range of grand mean used by in different research is 1-1.8 for strongly disagree, 1.81-2.6 for disagree, 2.61-3.4 for neutral, 3.41-4.2 for agree, and 4.21-5 for strongly agree. Therefore, the overall mean (grand mean) of all tools assessing customers' awareness on E-banking services usage was 3.86 with standard deviation of 0.903. this indicated that the most of respondents answer agree and dis agree for likert scale assessing customers' awareness on E-banking services usage (see Table 4).

Table 4. Awareness of the respondents on E-banking banking service Usage in CBE in Woliso, 2024 (n= 412).

Variables	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
E-banking can make transaction enquiry	31	7.5	36	8.7	15	3.6	194	47.1	136	33.0	3.89	1.18
E-banking can buy airtime for self and others	24	5.8	75	18.2	35	8.5	109	26.5	169	41.0	3.79	1.31
E-banking can make transfer money	14	3.4	45	10.9	30	7.3	146	35.4	177	43.0	4.04	1.12
E-banking can pay bills	23	5.6	81	19.7	52	12.6	103	25.0	153	37.1	3.68	1.3
E-banking can purchase internet data	29	7.0	61	14.8	38	9.2	133	32.3	151	36.7	3.77	1.28
E-banking can open account	16	3.9	49	11.9	35	8.5	141	34.2	171	41.5	3.98	1.15
Grand mean											3.86	0.903

3.4. Perceived Usefulness of the Respondents

The findings of this study revealed that, 164(39.8%) of customers were agreed on electronic banking helps to make transactions. One hundred sixty-six (40.3%) of them were

agreed on electronic banking allows one to make payments. Among 412 respondents, 172(42.2%) of customers were strongly agreed on electronic banking allows one to make withdrawals and deposits. More than one-third of, 164(39.8%) customers were strongly agreed on electronic banking is convenient to users. One hundred eight three (44.4%) of

customers were strongly agreed on electronic banking allows one check bank balances. The overall mean (grand mean) of tools assesses customers' usefulness perception on E-banking services usage was 3.81 with standard deviation of 0.855.

This indicated that the most of respondents answer agree and dis agree for Likert scale assessing customers' usefulness perception on E-banking services usage (see Table 5).

Table 5. Perceived Usefulness of customers on E-banking banking service Usage in CBE in Woliso town, 2024 (n= 412).

Variables	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
Electronic banking helps to make transactions	33	8.0	25	6.1	28	6.8	164	39.8	162	39.3	3.96	1.2
Electronic banking allows one to make payments	30	7.3	40	9.7	15	3.6	166	40.3	161	39.1	3.94	1.21
Electronic banking allows one to make withdrawals and deposits	26	6.3	51	12.4	21	5.1	140	34.0	174	42.2	3.93	1.24
Electronic banking is convenient to users	45	10.9	58	14.1	44	10.7	101	24.5	164	39.8	3.68	1.4
Electronic banking allows for bank to bank transfer	40	9.7	56	13.6	39	9.5	113	27.4	164	39.8	3.74	1.34
Electronic banking allows one check bank balances	16	3.9	48	11.7	44	10.7	121	29.4	183	44.4	3.99	1.17
Electronic banking minimizes visit to branches	50	12.1	78	18.9	57	13.8	98	23.8	129	31.3	3.43	1.41
Use of Electronic banking services can save customers time	50	12.1	29	7.0	22	5.3	149	36.2	162	39.3	3.83	1.34
Grand mean											3.81	0.855

3.5. Perceived Risk of the Respondents

According to the findings of present study showed that, 187(45.4%) of them were strongly agreed on Customers can lose money through electronic banking. One hundred fifty-seven, (38.1%) of customers were strongly agreed on electronic banking provides insufficient security. One hundred seventy-five (42.5%) of customers were strongly agreed on electronic banking has major breakdowns. One hundred thirty-seven, (38.1%) of customers were strongly agreed on

electronic banking not meets customers without risk expectations. Among 412 banks customers, 161(33.3%) of them were strongly agreed on the risk of credit card fraud for electronic banking transactions and payment is low for customer. The overall mean (grand mean) of tools assesses customers' risk perception on E-banking services usage was 3.79 with standard deviation of 0.82. This indicated that the most of respondents answer agree and dis agree for Likert scale assessing customers' risk perception on E-banking services usage (see Table 6).

Table 6. Perceived risk of customers on E-banking banking service Usage in CBE in Woliso, 2024 (n= 412).

Variables	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
Customers can lose money through Electronic banking	37	9.0	68	16.5	16	3.9	104	25.2	187	45.4	3.82	1.4
Electronic banking provides insufficient security	44	10.7	69	16.7	41	10.0	101	24.5	157	38.1	3.63	1.41
There are several cases of privacy violation in Electronic banking	56	13.6	60	14.6	46	11.2	104	25.2	146	35.4	3.54	1.44
Electronic banking has major breakdowns	26	6.3	55	13.3	23	5.6	132	32.0	175	42.5	3.91	1.26
Electronic banking not meets customers' without risk expectations	36	8.7	78	18.9	41	10.0	120	29.1	137	33.3	3.59	1.35
The risk of credit card fraud for Electronic banking transactions and payment is low for customer	38	9.2	68	16.5	22	5.3	122	29.6	161	39.1	7.79	1.31
Grand mean											3.79	0.82

3.6. Perceived Trust of the Respondents

In this study among 412 respondents, 174(42.2%) of them were strongly agreed on while using electronic banking, transactions are secured. One hundred fifty-seven (38.1%) of them were agreed on when using electronic banking, privacy is secured. One hundred ninety-nine (48.3%) of them were

agreed on while using electronic banking, information was kept confidential. The overall mean (grand mean) of tools assesses customers' trust perception on E-banking services usage was 3.9 with standard deviation of 0.87. This indicated that the most of respondents answer agree and dis agree for Likert scale assessing customers' trust perception on E-banking services usage (see Table 7).

Table 7. Perceived trust of customers on E-banking banking service Usage in CBE in Waliso town, 2024 (n= 412).

Variables	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
Using Electronic banking, I believe my transactions are secured;	37	9.0	46	11.2	36	8.7	119	28.9	174	42.2	3.84	1.32
Using Electronic banking, I believe my privacy is secured;	27	6.6	40	9.7	33	8.0	157	38.1	155	37.6	3.91	1.2
Using Electronic banking, I believe my information is kept confidential	23	5.6	56	13.6	38	9.2	96	23.3	199	48.3	3.95	1.27
Grand mean											3.9	0.87

3.7. Perceived Service Ease to Use the Respondents

The results of present study showed that, 166(40.3%) of them were strongly agreed on electronic banking system is very easy to navigate. Greater than half of respondents, 222(53.9%) of them were strongly agreed on electronic banking system is very easy to understand. Among 412 respondents, 217(52.7%) of them were strongly agreed elec-

tronic banking system was easy to make a payment. ninety-seven (23.5%) of the respondents were agreed on electronic banking system easy to make a balance inquiry. The overall mean (grand mean) of customers' ease to use perception on E-banking services usage was 3.77 with standard deviation of 0.675. This indicated that the most of respondents answer agree and dis agree for Likert scale assessing customers' services ease to use perception on E-banking services usage (see Table 8).

Table 8. Perceived service ease to use of customers on E-banking banking service Usage in CBE in Waliso town, 2024 (n= 412).

Variables	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
Electronic banking system is very easy to navigate	32	7.8	40	9.7	37	9.0	137	33.3	166	40.3	3.89	1.25
Electronic banking system is very easy to understand	39	9.5	45	10.9	9	2.2	97	23.5	222	53.9	4.01	1.36
It is easy to make a payment	40	9.7	37	9.0	16	3.9	102	24.8	217	52.7	4.02	1.34
It is easy to make transfer money	25	6.1	52	12.6	29	7.0	125	30.3	181	43.9	3.93	1.38
It is easy to make a balance inquiry	48	11.7	104	25.2	58	14.1	97	23.5	105	25.5	3.1	1.47
It is easy to check balance	74	18.0	97	23.5	57	13.8	80	19.4	104	25.2	4.02	1.26
For me Electronic banking service is easy to use	12	2.9	47	11.4	29	7.0	153	37.1	171	41.5	4.03	1.1
The application interface is very easy to use	21	5.1	85	20.6	49	11.9	110	26.7	147	35.7	3.67	1.29
I feel that the e-banking system is very flexible	28	6.8	62	15.0	36	8.7	135	32.8	151	36.7	3.77	1.27
Using e-banking makes transactions is easy	40	9.7	37	9.0	16	3.9	102	24.8	217	52.7	4.02	1.34
Grand mean											3.77	0.675

3.8. Reliability Test, Multicollinearity and Out Correlation Test and Normality Test

3.8.1. Reliability Test

Reliability is the extent to which a measurement gives results that are consistent and fundamentally concerned with issues of consistency of measures. Cronbach's alpha is a

measure of internal consistency, that is, how closely related a set of sample items are as a group. It is considered to be a measure of scale reliability. A "high" value for alpha does not imply that the measure is one-dimensional. Technically speaking, Cronbach's alpha is a coefficient of reliability (or consistency) if α is greater than 0.7, it means that it has high reliability, 0.5 is sufficient, and if α is smaller than 0.3, then it implies that there is low reliability (see Table 9).

Table 9. Reliability test of cronbach alpha value.

Variable	Cronbach's Alpha	N of Items
Awareness	0.83	6
Perceived usefulness	0.82	8
Perceived risk	0.703	6
Perceived trust	0.58	3
Perceived usefulness	0.69	10
Overall Reliability	0.89	33

3.8.2. Multicollinearity and Out Correlation Test

In testing regression analysis, the presence of multicollinearity implied that there is low redundancy of information in the model in which it minimizes unstable coefficient estimates of regression analysis. The average correlation between all independent variables is less than 0.9 which is maximum tol-

erance value. Mult co-linearity was checked by using variance inflation factors, the value of variance inflation factors was ranged 1.013-1.192 and tolerance test was ranged 0.839-0.91. The results were significant this showed that the correlation regression between the variables does not undermine the statistical significance of an independent variable and the value of Durbin -was 1.74 this was showed that there is no out correlation (see [table 10](#)).

Table 10. Multicollinearity and Out correlation test.

Variable	Unstandardized Coefficients B	Std. Error	Standardized Coefficients B	% Confidence Interval for B		Collinearity Statistics		Durbin Watson
				Lower Bound	Upper Bound	Tolerance	VIF	
(Constant)	-0.677	0.293		-1.253	-.102			
Awareness	0.189	0.008	0.767	0.173	0.206	0.839	1.192	
Perceived Usefulness	0.003	0.002	0.062	0.000	0.006	0.937	1.013	
Perceived trust	-0.027	0.014	-0.058	-0.055	0.002	0.910	1.052	1.74
Perceived ease to use	0.009	0.004	0.065	0.0001	0.017	0.852	1.173	
Perceived risk	-0.016	0.008	-0.065	-0.032	-0.001	0.90	1.031	

3.8.3. Normality Test

Normality tests were used to determine if a data set was well-modeled by a normal distribution and to compute how likely it was for a random variable underlying the data set to be normally distributed. Each case in the sample actually has a different random variable which encompasses differences in the observed and predicted values produced by a regression equation, and it is the distribution of this disturbance term or noise for all cases in the sample that should be normally dis-

tributed. The P-P plot shows the relationship between the independent variables and its values follows straight-line and the value of Kolmogorov-smirnov and Shapiro wilkos was (p-value=0.065 and p=0.78) respectively this was greater than p-value of 0.05 therefore data set was normally distributed. The box plot also was not showed outlier (see [Figure 1](#)).

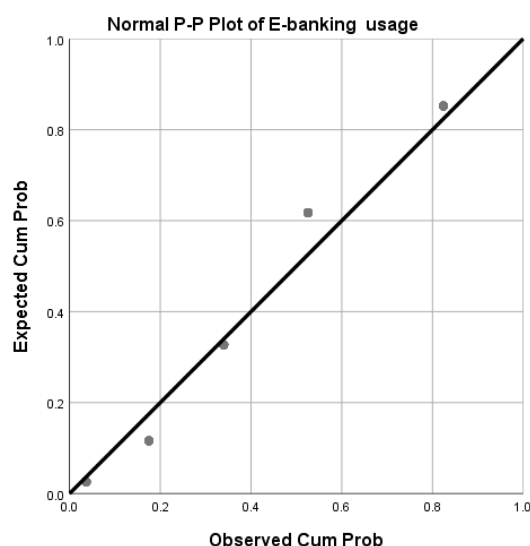


Figure 1. Normality plot of E-Banking usage.

3.9. Correlation Analysis

A correlation coefficient is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1. A correlation analysis with Pearson's correlation coefficient (r) was conducted on all variables in this study to explore the relationships between variables. Although it cannot make direct conclusion about causality, we can take the correlation coefficient a step further by squaring it. The correlation coefficient squared (known as the coefficients of determination, R^2) is a measure of the amount of variability in one variable that is explained by the other.

All the correlation coefficients are positive except perceived risk, with a maximum value of 0.68 and a minimum value of 0.051. Furthermore, they are all significant at the 0.05 level, this implying that the coefficients are significantly different from zero (see Table 11).

Table 11. Correlation analysis of outcome variable with independent variables.

Pearson Correlations	Awareness	Perceived usefulness	Perceived trust	Perceived ease to use	Perceived risk	E-banking Usage
Awareness	1					
Perceived usefulness	0.051**	1				
Perceived trust	0.169**	0.23*	1			
Perceived ease to use	0.368*	0.68*	0.071*	1		
Perceived risk	-0.034*	0.039*	0.51*	-0.079*	1	
E-banking Usage	0.53*	0.125*	0.375*	0.435	0.127*	1

**. Correlation is significant at the 0.05 level (2-tailed).

3.10. Multiple Linear Regression Analysis

Linearity in multiple linear regression analysis allows us to estimate the association between a given independent variable and the outcome variable holding all other variables constant. Linearity of dependent and independent variables is tested to identify if there is a linear relationship or linear association between them which described as a straight line relationship between the variables.

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$ become:

$$Y = -0.677 + 0.0189X_1 + 0.009X_2 + 0.003X_3 - 0.016X_4$$

Where: Y = Electronic banking Usage; X_1 =Awareness; X_2 = Perceived usefulness; X_3 = Perceived ease to use, X_4 = Perceived risk; e = error term, β_0 = constant, $\beta_1, 2, 3,$ = coefficients.

Model of Regression

As indicated in the model summary R square of 0.624 and adjusted R square of 0.619 with standard deviation of 0.827. It measured the proportion of the variation in the dependent variable (Electronic banking services usage) explained by the independent variables for a linear regression model used while the adjusted R-squared showed the adjusted data based on the number of independent variables in the model (see Table 12).

Table 12. Regression model summary.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.790a	0.624	0.619	0.827

The ANOVA table shows the overall significance/acceptability of the model from a statistical perspective. As indicated in the Table 14, the p-value is less < 0.05 i.e. 0.000 which shows the variation explained by the model is not

due to chance. So, the ANOVA table shows the acceptability of the model. Therefore, the regression model fit to a good degree of prediction (see Table 13).

Table 13. ANOVA table.

ANOVAa						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	459.553	5	91.911	134.535	.000b
	Residual	277.367	406	.683		
	Total	736.920	411			

a. Dependent Variable: E-banking services

b. Predictors: (Constant), Awareness, perceived risk, perceived usefulness perceived trust and perceived ease to use

After controlling possible confounding variables by multiple linear analysis, Awareness on Electronic banking system, perceived usefulness, perceived ease to use, and perceived risk of were significantly associated with Electronic banking usage at a p-value <0.05.

According to the findings of current study revealed that, if the awareness of customers to ward Electronic banking system was increased by one units the Electronic banking usage was increased by 0.189 unit (B=0.189, P=0.0001). If the perception of customers to ward usefulness of Electronic

banking system was increased by one units the Electronic banking usage was increased by 0.003 unit (B=0.003, P=0.044).

In addition, if the perception of customers to ward ease to use Electronic banking system was increased by one units the Electronic banking usage was increased by 0.009 unit (B=0.009, P=0.048). If perception of customers to ward risk of Electronic banking system was decreased by one units the Electronic banking usage was increased by 0.016 unit (B=-0.016, P=0.036) (see Tables 14 and 15).

Table 14. Multiple linear regression analysis of factors associated with E- banking services usage among customers in Woliso town, 2024(n=412).

Variable	Unstandardized Coefficients B	Std. Error	Standardized Coefficients B	t	Sig.	95.0% Confidence Interval for B
(Constant)	-0.677	0.293		-2.314	0.021	-1.253 - -0.102
Awareness	0.189	0.008	0.767	23.066	0.000	0.173-0.206
Perceived usefulness	0.003	0.002	0.062	2.024	0.044	0.000 1-0.006
Perceived trust	-0.027	0.014	-0.058	-1.862	0.063	-0.055-0.002
Perceived ease to use	0.009	0.004	0.065	1.984	0.048	0.0001-0.017
Perceived risk	-0.016	0.008	-0.065	-2.105	0.036	-0.032-0.001

Table 15. Summary of Hypothesis.

Hypothesis	Findings
H1:- Awareness has significant effect on Electronic banking services usage in CBE branches in Woliso Town.	B=0.189 P< 0.05=Accepted
H2:- Perceived usefulness has significant effect on Electronic banking services usage in CBE branches in Woliso Town.	B=0.003 P<0.05= accepted
H3:- Perceived trust has significant effect on Electronic banking services usage in CBE branches in Woliso Town.	B=-0.027 P> 0.05= not Accepted
H4:- Perceived risk has significant effect on Electronic banking services usage in CBE branches in Woliso Town.	B=-0.016 P< 0.05=Accepted
H5:- Perceived ease to use has significant effect on Electronic banking services usage in CBE branches in Woliso Town.	B=0.048 P< 0.05= accepted

4. Discussion

This study was to aimed assess the perceived risk, perceived usefulness, perceived trust, awareness and perceived ease to use influences on electronic banking service usage. This result showed that perceived usefulness, perceived trust, awareness and perceived ease to use were found factors that affecting electronic banking service usage.

Accordingly, awareness on electronic banking service usage was associated with electronic banking service usage. This was similar with study conducted in Ethiopia [6]. This might be due to customers who have awareness on services of E-banking such as buy airtime for self and others, can make transfer money, can pay bills, and can purchase internet data will increases interest of using electronic banking service.

Similarly, perceived usefulness on electronic banking service usage was associated with electronic banking service usage. This was similar with study done in Palembang [23], Iran [13], Ethiopia [6]. This might be the fact that customers who were understood and awared the usefulness of electronic banking service for helps to make transactions, allows one to make payments, allows one to make withdrawals and deposits, convenient to users and allows one check bank balances were more likely to use electronic banking service.

Moreover, services ease to use electronic banking service usage was associated with electronic banking service usage. This was similar with study carried out in Pakistan [24], Somalia [10] and in Ethiopia [6]. This might be due to customers who have perceived very easy to navigate, very easy to understand, easy to make a payment and easy to make a balance inquiry might use electronic banking service than not perceived.

Risk to use electronic banking service usage was associated with electronic banking service usage. This was similar

with study carried out in Mizan -Tepi city branches in Ethiopia [25], Nepal [26] and Sri Lanka [27]. This might be due to customers who have perceived electronic banking service had risk was less likely used electronic banking service.

5. Summary, Conclusion and Recommendation

5.1. Summary

This section summarized the core points and major findings of the study which were obtained from data analysis of survey.

With regards to socio demographic characteristics of the respondents out of the total respondents, the majorities of them were 83.4% of them were male and 61.4%) were came from rural. The majority, 77.4% of the respondents was using different types of electronic banking service. With regards to the reliability of the instrument, the Cronbach's Alpha value for all dimensions and constructs were more than 0.5 that was the threshold value which indicates that the scales used in the questionnaire was satisfactorily measured the constructs or have an internal consistency.

The Pearson correlation coefficient was done to determining the relationship between the independent and electronic banking service usage. As a result, all of the independent variables had positive with electronic banking service usage except perceive risk.

Finally, the result of regression analysis revealed that four independent variables were statistically significant at $p < 0.05$. Among the independent variables, awareness, perceived usefulness, and perceived ease to use, had positive significant effect on electronic banking service usage. But perceived risk had negative significant effect on electronic banking service usage. Among the independent variables, awareness ($B=0.189$) had the highest positive significant effect on had positive significant effect on electronic banking service usage.

The result of R square (R^2) was 0.619 which implies, 61.9% of the variability of overall had positive significant effect on electronic banking service usage was explained by the five independent variables investigated in this study. The other variables that were not considered in this study contributed 38.1% of the variability of had positive significant effect on electronic banking service usage.

5.2. Conclusion

This study aimed to investigate factors affecting electronic banking service usage among customers of in CBE in Woliso Town. The findings of this study showed that awareness, perceived usefulness, and Perceived ease to use were had positive significant effect on electronic banking service usage while perceived risk had negative significant effect on electronic banking service usage.

Awareness was one of the factors positively affecting electronic banking service usage, this imply that customers who had awareness on electronic banking service more likely use electronic banking service. Perceived usefulness, ease to use of the system was one of the factors affecting electronic banking service, this imply that Customers who had positively perception electronic banking service were more likely use electronic banking service.

Customers who had perception on electronic banking service risk were less likely use electronic banking service. This implies that improving customer perception on electronic banking service to improving electronic banking service usage.

5.3. Recommendation

Based on the finding of current study the following recommendations were forwarded.

Banks managers: Strength giving advice and information on usefulness, awareness, and risk of electronic banking service to enhance electronic banking service usage. Strength information desk team who are work in distributing promotion materials, and forward updated services on electronic banking service to improve electronic banking service usage.

Banks workers: It is better to giving information regarding electronic banking service benefits and strength informing electronic banking service on trust regarding transaction, privacy and confidentiality of mobile banking to improve electronic banking service usage. Work hard to create awareness on electronic banking service usage like for transfer, deposit to other banks, and to check bank balances to enhance electronic banking service usage. The banks workers also work hard on service quality rather than focusing only on number of users that doesn't guarantee the banks digitalization strategy by giving necessary support to customers and work on problem solving properly.

Abbreviations

ATM	Automated Teller Machine,
CBE	Commercial Bank of Ethiopia,
SPSS	Statistical Package for Social Science

Conflicts of Interest

The authors declare no conflicts of interest.

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