

International Journal of Cloud Computing and Database Management



E-ISSN: 2707-5915
P-ISSN: 2707-5907
IJCCDM 2022; 3(2): 36-43
Received: 18-05-2022
Accepted: 15-06-2022

Mark Quaye Affum
Borsah Library Complex, Cape
Coast Technical University,
Cape Coast, Ghana

The impact of modern electronic banking facilities on marketing activities (Case studies GT Bank (cape coast))

Mark Quaye Affum

DOI: <https://doi.org/10.33545/27075907.2022.v3.i2a.42>

Abstract

This study Identifies and examines the introduction of modern communication facilities in our banking industry and its impact on marketing activities. Data for this work was obtained through interviews and personal survey using questionnaire answered by management and staff on GT Ghana limited and customers. Personal observations were also made. GT Bank as a financial institution offers services to clients and sees itself among the leading banks in the country. Hence it does little to recognize the activities of its competitors about the usage of these modern communication facilities. This means that its competitors who are much concern with these facilities will see this as an opportunity and take advantage of its market and clients. Also, the study is done to access how modern communication facilities helping developing marketing activities in the banking industry and determine the most effective and efficient way of using these facilities to enhance marketing activities in the banking industry.

The researchers' aim is to undertake a study in a particular bank within the boundaries of Ghana, Cape Coast to be precise and therefore GT Bank. The researcher takes an intensive review of literature in theory and the methodology of the research, which are the methods used in gathering information. They include interviews, used questionnaires and observation. GT bank uses the following facilities; automatic teller machines (ATM), telephone banking, E commerce and telephone banking according to the findings of the study. But the commonest used facility is the ATM's. The researcher later assesses the effectiveness of these facilities and suggests some improvements as a way of contributing to the attainment of effective utilization of these facilities.

Keywords: Impact, modern, electronic banking, facilities, marketing activities, bank, communication

Introduction

The introductions of modern communication facilities have helped facilitate marketing activities, especially in the banking industry. In Ghana, financial Institutions (Banks) are growing at a faster pace with these modern communication facilities which have helped eased their business activities. These modern communication facilities like the internet, e-commerce, mobile phones and other security facilities like the Close Circuit Television (C.C.T.V) have helped facilitate business transactions in most of our banks. The introduction of internet banking has helped customers to make transactions anywhere on a networked branch of the same bank without the customer going to the main branch to do business.

The e-commerce is used mostly in the context of business transactions such as selling, online shopping, bill payment etc. through the use of credit cards, smart cards and ATM cards. E-commerce allows firms to reach many customers in a low-cost fashion. The use of the counting machines in financial institutions has facilitated counting of money. The fax machines, telephones and mobile phones have also helped to send out messages across to customers and other stakeholders. Based on the above reasons, it has become necessary for a research on these modern communication facilities in the banking industry.

Definition of terms or words used in the study introduction:

The Oxford advanced learners dictionary defines introduction as the bringing of something into use or operation for the first time. MODERN: The Oxford advanced learners dictionary defines modern as using or having the newest methods.

Communication

The term communication can be defined in so many ways.

Corresponding Author:
Mark Quaye Affum
Borsah Library Complex, Cape
Coast Technical University,
Cape Coast, Ghana

It can be defined as a process by which information is exchanged between/among individuals through a system of symbols, signs and behaviour. According to Schramm (1982) communication is the tool that makes societies possible.

Facilities

According to the Oxford Advanced learned dictionary, facility is an ability, feature or quality.

IMPACT: According to the Cambridge International dictionary of English, impact means the force with which one thing hits another or with which two things hit each, or a powerful effect that something new has on a situation or person.

Marketing

According to Philip Kotler, Marketing is a social and managerial process by which individuals and group obtain what they need and want through creating offerings and exchanging products of value with others

Statement of the problem

GT Bank as a financial institution which offers services to clients sees itself among the leading banks in the country. Hence it does little to recognize the activities of its competitors about the usage of these modern communication facilities. These means that its competitors who are much concern with these facilities will see this as an opportunity and take advantage of its market and clients

Objectives of the study

The study seeks to

- 1) Determine the most effective and efficient way of using modern communication facilities to enhance marketing activities. Accesses how modern communication facilities have helped to:
- 2) Develop marketing activities in the banking industry.

Significance of the study

The study is believed to ascertain how modern communication facilities have helped in the banking industry and therefore will be a source of reference for future research. Also this research is to be beneficial to the bank to stay on top of its competitors due to the usage of these facilities.

Research methodology

The methods we adopted are: 1) Interview 2) Observation 3) Questionnaire

Research question

What role does modern communication facilities play in modern day banking?

Limitations of the study

The limitations of the study include 1) Inadequate books to source information from 2) Difficulties in getting people to conduct interviews. 3) Inadequate funds and time to conduct interviews

Scope of the study

The researchers' aim is to undertake a study in a particular bank (GT Bank) within the boundaries of Ghana, Cape Coast to be precise where the topic understudy is practiced.

The research of the study is strictly related to only the activities of GT Bank, Cape Coast.

Organisation of the study

The introduction gives the background and portrays the subject matter of the project followed by the literature review. It is the opinions of other writers (Authors) on the study.). This is followed by the methodology, i.e.; data collection which describes how the research was conducted or how the problems were investigated. Data presentation and analysis of the study then follows. This is the analysis of the questionnaire and interviews. The summary recommendation, conclusion ends the study.

Literature review

ICT (information and communications technology – or technologies)

Definition of ICT

ICT (information and communications technology or technologies) is an umbrella term that includes any communication device or application, encompassing: radio, television, cellular phones, computer and network hardware and software, satellite systems and so on, as well as the various services and applications associated with them, such as video conferencing and distance learning. ICTs are often spoken of in a particular context, such as ICTs in education, health care, libraries or banks. Also Information Technology (IT), as defined by the Information Technology Association of America (ITAA) is: "the study, design, development, implementation, support or management of computer based information systems, particularly software applications and computer hardware." In short, IT deals with the use of electronic computers and computer software to convert, store, protect, process, transmit and retrieve information, securely. In this definition, the term "information" can usually be replaced by "data" without loss of meaning. Recently it has become popular to broaden the term to explicitly include the field of electronic communication so that people tend to use the abbreviation ICT (Information and Communication Technology).

History of information technology

The term "information technology" came about in the 1970s. Its' basic concept, however, can be traced back even further. Throughout the 20th century, an alliance between the military and various industries has existed in the development of electronics, computers, and information theory. The military has historically driven such research by providing motivation and funding for innovation in the field of mechanization and computing.

The first commercial computer was the UNIVACI. It was designed by J. Presper Eckert and John Mauchly for the U.S. Census Bureau. The late 70s saw the rise of microcomputers, followed closely by IBM's personal computer in 1981. Since then, four generations of computers have evolved. Each generation represented a step that was characterized by hardware of decreased size and increased capabilities. The first generation used vacuum tubes, the second transistors, and the third integrated circuits. The fourth (and current) generation uses more complex systems such as very-large-scale integration.

Information technology today

Today, the term Information Technology has ballooned to encompass many aspects of computing and technology, and the term is more recognizable than ever before. The

Information Technology umbrella can be quite large, covering many fields. IT professionals perform a variety of duties that range from installing applications to designing complex computer networks and information databases. A few of the duties that IT professionals perform may include: Data Management, Computer Networking, Database Systems Design, Software design, Management Information System, Systems Management.

The role of ICT in promoting effective customer service in banking industries

The introduction of ICT in the delivery of banking services, especially by the new banks, has created a new wave of competition in the banking and investment industries. This affords customers more than enough options to choose the institution to do business with, thereby compelling the banks to stretch beyond normal limits in a bid to satisfy the customer. In introducing ICT in the delivery of banking services, the various institutions should make the customer the focal point of such innovations. From this observation, it is obvious that any financial institution that does not make the customer the central focus of its innovations will be missing the mark, thereby reflecting negatively on the output and overall inflow of the institution's finances. The introduction of ICT has made it easier for the banks to reach a wider clientele within short periods of time, which has largely affected the effectiveness of the bank in a very positive way. Customers having the opportunity to make banking transactions via the internet and with the aid of other ICT facilities have helped decongested the banking hall, resulting in bankers seeing to the needs of customers more quickly and effectively. The decongestion of the banking halls further saves both the bank and the customer time in order to attend to other businesses. There is also the internet electronic payment system. The Internet is experiencing rapid growth which is being largely driven by new commercial users of the network. The Internet and other global on-line networks are creating new commercial opportunities for networked commerce. However, to date, development has been limited by the lack of a payment infrastructure.

A number of initiatives have been made public for developing secure payment systems on the Internet. This examines these recent developments which could permit the creation of a new cost-effective global payment system for low value payments. The creation of an Internet electronic payment system will provide opportunities for the creation of completely new sets of global and national trading relationships. The Internet offers the possibility of an 'open systems' payment and settlement system which operates in parallel to existing, more traditional bank-based networks, and which is particularly suited to meet the currently unsatisfied requirements for processing low value payments electronically. However, the institutional framework to exploit these opportunities does not yet exist. Regulatory and policy issues will need to be addressed in order that full advantage can be taken of ICT.

The importance of ICT in delivery of banking services

One of the advantages in the use of ICT in the delivery of any banking service is the minimal use of paper work. This makes customer data and information more secure and more private as lots of security codes needed to be unlocked before a stranger has access to another customer's bank

details. Another interesting service is the transfer of money from a customer to a non-customer, with this feature; a customer provides details of his account and how much to transfer. He also needs to provide specific details of the recipient and in return, the recipient (who is not a customer of the bank) is expected to provide the same details at the time of withdrawal. There is also the transfer of funds from one account to the other.

Another interesting service is the transfer of money from a customer to a non-customer, with this feature; a customer provides details of his account and how much to transfer. He also needs to provide specific details of the recipient and in return, the recipient (who is not a customer of the bank) is expected to provide the same details at the time of withdrawal. There is also the transfer of funds from one account to the other transferring money from a current account to a savings account, and vice versa. All these are done electronically. A customer can also transfer money into the account of another customer in a different town, and within seconds, this is reflected.

To make light the fear of customers, there is also the emphasis on the security advantage of ICT banking, compared to other forms of banking (traditional form of banking). 2.4.2 Some Of The Services Delivered With The Aid Of ICT Are: Internet banking where customers make transactions outside of the banking hall with the help of a computer with internet access. Short message servicing (SMS) banking: making banking transaction with the support of a cell phone. Telephone banking, receiving statement of account via e-mail, Slip-free transactions customers making deposits and withdrawals without filling any forms. E-teller an electronic teller machine for capturing cheque details (minimizing errors).

Slip-free transactions customers making deposits and withdrawals without filling any forms. E-teller - an electronic teller machine for capturing cheque details (minimizing errors) Swipe card service an e-teller for capturing details on a Swipe automatic teller machines (ATM) card.

Other areas that have accelerated since the introduction of ICT include

- Good management.
- A competitive edge over other non-ICT banks.
- Time effectiveness - saving both customer and bank enough time.
- An opportunity to bank at any time of the day.
- Minimizing human error.
- Fewer customers filling the banking halls at any point in time.

Some of the features that are yet to be introduced soon in our banks are

- Online stopping of cheque - faster and quicker - happening in real-time.
- Transfer of money from one customer to the other using a mobile phone.
- Third party money transfer - transferring money to people without bank accounts.
- Mobile (M) commerce purchasing of tangible commodities, using the mobile phone as a means of transaction.
- ATM/POS (point of sale) payment.
- Paying utility and cable satellite bills via the internet.

Methodology

Introduction

In view of the available strategies and criteria for gathering information and analysis, the researcher seeks to describe the methods used and adopted, together with identified banking institutions in the effectiveness and efficient use of these communications facilities in order to provide a meaningful and purposeful data.

Gathering of information (primary data)

The method of gathering information for this project took the following forms: Interviews, Observation and Questionnaire.

Secondary data Search engines Desk study/ work

Interviews

To know how effective and efficient management uses these facilities, interviews were granted to some workers and managers. Interviews were also conducted to prove responses and investigate motives of the respondents of the questionnaires. Interviews conducted were at the premises of GT Bank in Cape Coast and the responses were written down

Observations

Personal observations were also made about the use of these facilities in some banks like the Ghana Commercial Bank and National Investment Banks all in Cape Coast. The time and how customers move in a queue before they are attended to were also observed.

Questionnaire

This is a written set of questions to which the respondents record their answers. The questionnaires were open-ended questions. As a means of collecting information from these banks, questionnaires were given to some of the bank officials to answer and even to some students who make use of these banks. The questionnaires were also sent to the GT Bank in Cape Coast.

The Secondary data adopted include:

Search engines

Most of our information and research were also retrieved from the internet and other search sites.

Desk study work

A number of books were also reviewed to get certain other vital information about the topic of research.

Data presentation and analysis

Overview (data presentation, finding and analyses)

This part of the study concerns findings and analyses of the study. That is, the analysis of questionnaire and interviews, and the justification for adopting these methods.

Justification for interviews

The use of interviews and conversations enabled the interviewers to determine the reaction of the interviewees to a satisfactory response on the topic of study.

Justification for observations

This comes out naturally during any of the research methods and enables the researchers' to see things as they are. During the visit, there searcher's kept a close eye on clients who come into the banking hall to do business. The observers took note on the patronage of customers by these modern communication facilities.

Justification for questionnaire

Questionnaire used enabled people to produce accurate and reliable information. Having face to face contact, respondents will be nervous when answering questions.

Method of testing

To test this hypothesis, responses obtained from people on questions covering the study will be relied on. Those responses from management of GT Bank will also not be overlooked.

Table 1: Administration of questionnaire

	Number of Questionnaire	questionnaire respondents	Percentage (%)
Customers	40	40	100
Management	5	5	100
TOTAL	45	45	100

Responses to data were good, in that respondents gave their maximum cooperation. There were no objections. The questionnaire were satisfactorily answered and returned to the researchers.

Table 2: Customers' responses

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5years	29	72.5	74.4	74.4
	6-10years	10	25.6	25.6	100.0
Missing	Total	39	97.5	100.0	
	System	1	2.5		
Total		40	100.0		

In the table above, 72.5 percent were customers between the years of 1-5, 25.0 percent represent 6-10 years and 2.5 percent did not indicate any and therefore missing. This shows that greater percentage of the banks customers were fairly new and therefore management must put in place systems that will encourage them to stay.

Table 3: Commonly used communication facilities

		Frequency	Percentage	Valid Percent	Cumulative Percentage
Valid	ATM's	36	90.0	90.0	90.0
	Telephone Banking	1	2.5	2.5	92.5
	E-commerce	1	2.5	2.5	95.0
	Online Banking	1	5.0	5.0	100.0
Total		1	100.0	100.0	

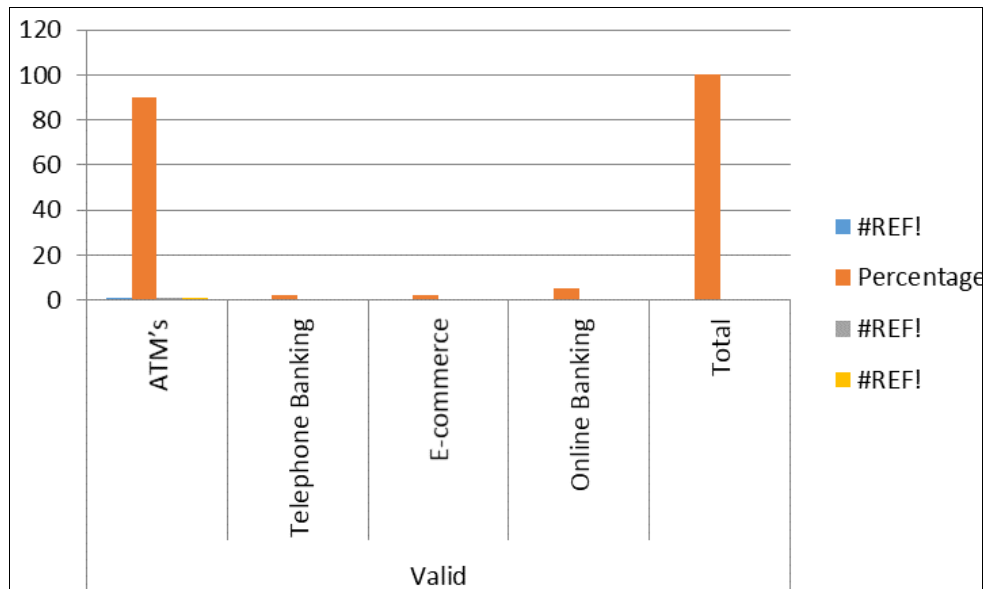


Fig 1: Commonly used communication facilities

In the above figure, 90% of customers were common with ATM's, 25% represent telephone banking, 2.5% represent telephone banking, 2.5% represent E-com and 5.0 percent to online banking.

The analyses above show that ATM is the commonest facility to customers; hence the bank should advertise more on the usage of the other facilities.

Table 4: Perception of the use of modern communication facilities at GT Bank

		Frequency	Percentile	Valid Percentile	Cumulative Percentile
Valid	Very good	16	40.0	40.0	40.0
	Satisfactory	23	57.5	57.5	97.5
	Unsatisfactory	1	2.5	2.5	100.0
	Total	40	100.0	100.0	

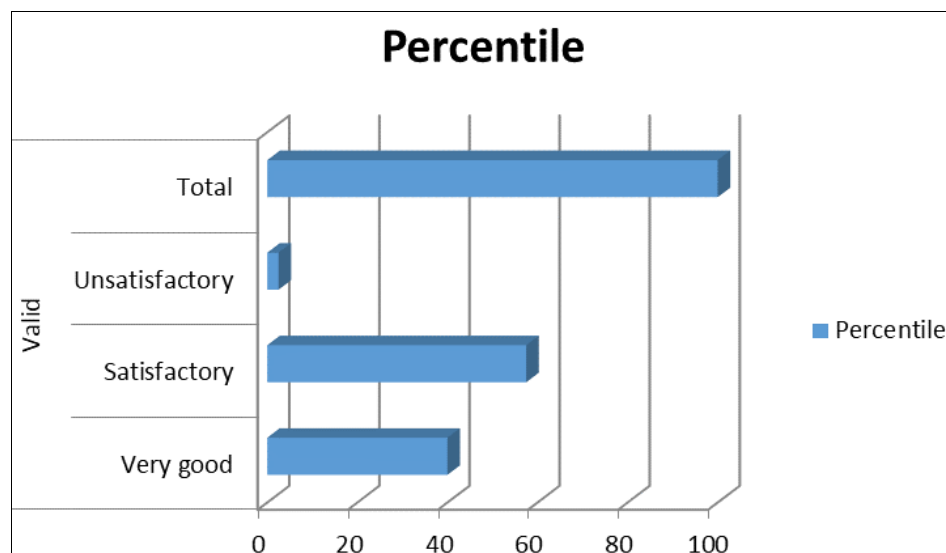


Fig 2: Perception of the use of modern communication facilities at GT Bank

In the above figure, 40% were of the view that the use of these facilities is very good whiles 57.5% were satisfied and 2.5% unsatisfied.

This means that customers perceive satisfactory use of these communication facilities. Hence GT Bank should continue to use them to enable it expand customer base.

Table 5: Challenges encountered in the use of these communication facilities at GT Bank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	System breakdown	21	52.5	52.5	52.5
	Power outage	14	35.0	35.0	87.5
	Poor customer service	5	12.5	12.5	100.0
	Total	40	100.0	100.0	

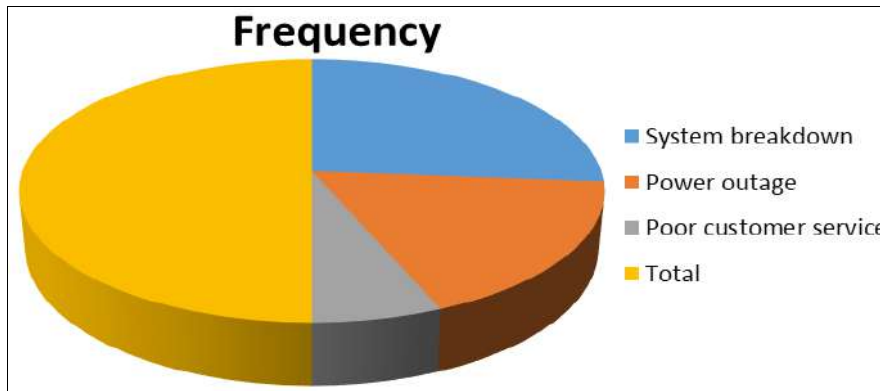


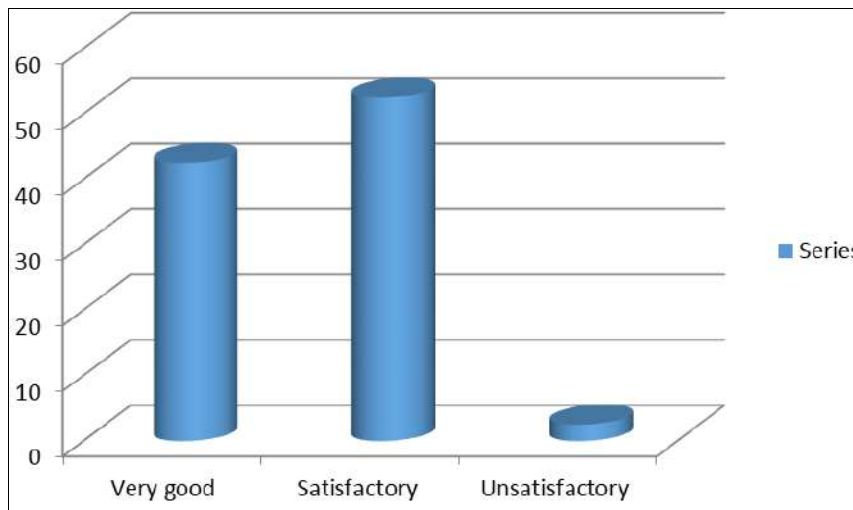
Fig 3: Challenges encountered in the use of these communication facilities at GT Bank

In the above figure, 52.5% represent the problem of system breakdown, 35% represent power outage and 12.5% indicates poor customer service.

In the above table and graph, it is note that, the biggest challenge to customers is system breakdown. Hence the bank should ensure that good facilities are used so that customers do not get frustrated during their use.

Table 6: Level of satisfaction with the communication facilities at GT Bank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very good	17	42.5	43.6	43.6
	Satisfactory	21	52.5	53.8	97.4
	Unsatisfactory	1	2.5	2.6	100.0
	Total	39	97.5	100.0	
Missing	System	1	2.5		
Total		40	100.0		



Responses

Fig 4: Level of satisfaction with the communication facilities at GT Bank

In the figure above, 42.5% of users said the communication facilities available were very good whiles 52.5% were satisfied with the communication facilities available. Users who were unsatisfied with the communication facilities available were 2.5%.

It was therefore noted that customers are really satisfied with the communication facilities available. Therefore the bank should continue to employ the use of the facilities in order to save time and prevent customers from joining queues to do business with the bank.

Table 7: Frequency with which customers patronize the services of GT Bank?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Regularly	27	67.5	69.2	69.2
	Irregularly	4	10.0	10.3	79.5
	Occasionally	8	20.0	20.5	100.0
	Total	39	97.5	100.0	
Missing	System	1	2.5		
Total		40	100.0		

In the figure above, 67.5% of customers patronize the services of GT Bank regularly, while 10% patronise their

services irregularly and 20% patronise the services occasionally.

Table 8: What are the views of clients on the use of these modern communication facilities compared to the manual way of banking services?

		Frequency	Percentile	Valid percentile	Cumulative percentile
Valid	Excellent	21	52.5	53.8	53.8
	Good	18	45.0	46.2	100.0
	Total	39	97.5	100.0	
Missing	System	1	2.5		
Total		40	100.0		

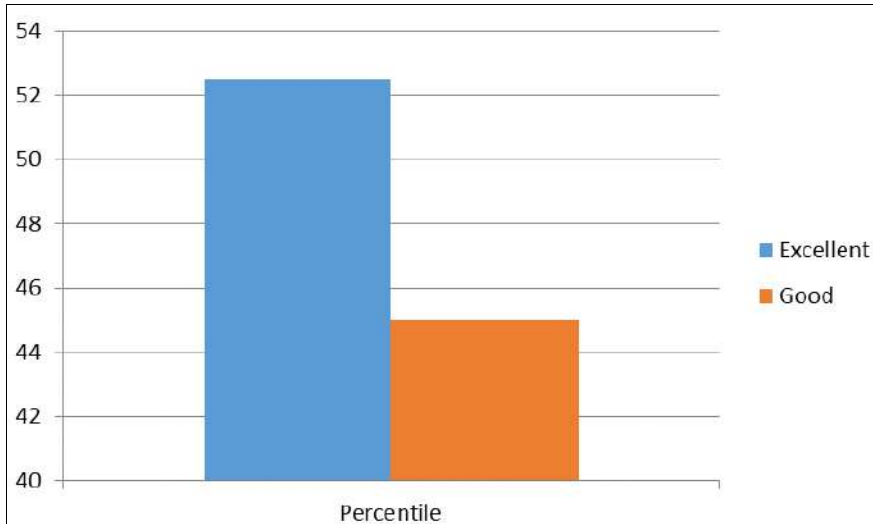


Fig 5: Views of clients on the use of these modern communication facilities compared to the manual way of banking services

In the figure above, 52.5 percent of customers were of the view that the use of these modern communication facilities are excellent, 45.0 percent good and 2.5 percent missing which shows that some respondents did not indicate any response. This means that generally, customers are of the view that the usage of these modern communication facilities is excellent as compared to the traditional way of banking so there have to be the more adoption and use of these facilities.

What is your company's perception on the usage of these modern communication facilities?

Table 9: Management's responses

		Frequency	percentile	Valid percentile	Cumulative percentile
Valid	Good	1	20.0	20.0	20.0
	Satisfactorily	4	80.0	80.0	100.0
	Total	5	100.0	100.0	

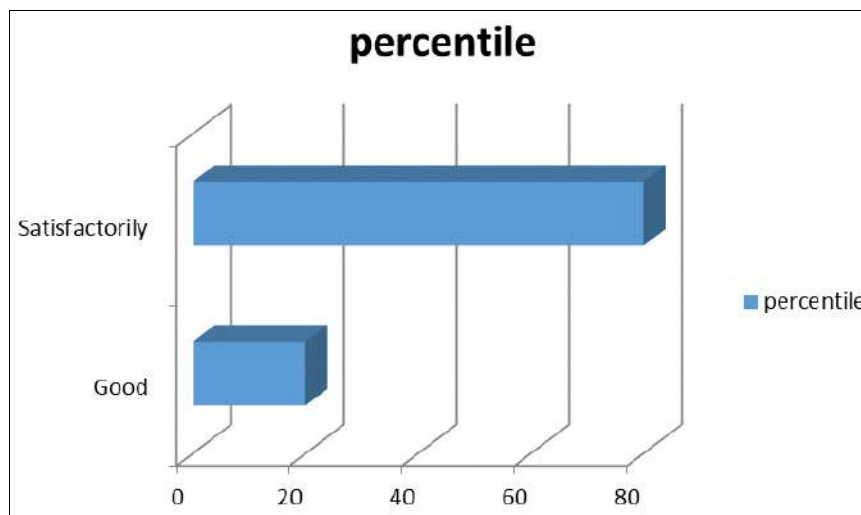


Fig 6: Management's responses

In the figure above, the company's perception on the usage of these facilities is 80.0 percent satisfactory and 20.0 percent representing good. In this figure, generally,

perception of management on these facilities is satisfactory so they must adopt a strategy which will let them maintain the satisfactory level.

Summary of findings, Recommendations, Conclusion and Reference

Findings

GT bank is a major financial institution in the country which offers services to customers. Based on these, it contributes a lot of taxes to the nation and it has a good image and reputation in the country. GT bank is faced with competitors like NIB, SG-SSB, Ghana Commercial Bank, etc. The bank is striving hard to be the leader in banking institutions in the country. The bank is pumping a lot of money in promotional activities in order to achieve its goals. Their promotional activities include advertisement and sponsorship and some sporting nation and it has a good image and reputation in the country.

GT bank is faced with competitors like NIB, SG-SSB, Ghana Commercial Bank, etc. The bank is striving hard to be the leader in banking institutions in the country. The bank is pumping a lot of money in promotional activities in order to achieve its goals. Their promotional activities include advertisement and sponsors hip and some sporting activities. The bank has in place modern communication facilities which have helped facilitate work at the bank.

Among these facilities include the use of Automated teller machine cards (ATM's), online banking, and credit card usage among others. But from the research, the most patronized and ICT facility is the Automated teller machine cards (ATM's).weaknesses analyze them

In the other banks like Ghana commercial bank, their customers are mostly in queues because they have limited knowledge on these facilities. They also have few customers using the ATM cards even though they have very large customer base. Their Automated teller machine (ATM's) is mostly not in good condition. Form personal observations in Cape coast, SG-SSB's customer base are few as compared to Ghana Commercial Bank so their customers are always not in queues.

Recommendations

GT bank has done well over the years to be at least amongst the leaders in the country. But there are few failures in some areas which must be critically attended to.

First, GT bank should make the customer the focal point of its activities. From this observation, it is obvious that any financial institution that does not make the customer the central focus of its innovations will be missing the mark, thereby reflecting negatively on the output and overall inflow of the institution's finances.

Second, the bank must keep close eyes on its competitor's activities and analyze them critically. This will expose their strengths and weaknesses and design the more usage of these modern communication facilities to be the leader in the banking industry in Ghana. The bank should also advertise more on the usage of telephone banking and online banking to let customers have an in-depth knowledge of these facilities as most customers are only familiar with the ATM's.

Again, the bank should train more personnel to service all its facilities to curb the problem of system breakdown. In making these modern communication facilities known to the general public, the bank should give out brochures and magazines that contain information about these facilities. Furthermore, GT Ghana Limited should also recruit more trained personnel to serve all customers present at the bank as this helps save breakdown.

In making these modern communication facilities known to the general public, the bank should give out brochures and magazines that contain information about these facilities. Furthermore, GT Ghana Limited should also recruit more trained personnel to serve all customers present at the bank as this helps save both the customers' and the bank's time. Finally, the bank should also handle customer complaints carefully in order not to lose its clients or customers. All suggestions and contributions by customers should also be taken care of critically.

Conclusion

The usage of these facilities is viewed as the most paramount weapon used by banks to pitch their strengths against competition in the industry. Looking at the benefits of the usage of these modern facilities within the industry, it is very prudent for companies or financial institutions to adopt the usage of these facilities to enable them stay in business. At the end of this research, it is known that a banks growth depend solely on the usage of these modern communication facilities in recent times.

Modern communication facilities and ICT in general play an important role in modern day banking in that, it has help develop marketing activities at GT Bank and has increased its customer base, makes work easier and also convenient to use. In this research, it has been determined that the most efficient and effective way of using these facilities to enhance marketing activities in the banking industry is to make it always readily available at any time of the day.

References

1. Buse S, Tiwari R. The Mobile Commerce Prospects A Strategic Analysis of Opportunities in the Banking Sector, Research Project Mobile Commerce, University of Hamburg. 2006.
2. Buse S, Herstatt C. Strategic Implications of Mobile Banking for Banks and Financial Enterprises, 2006, 522-529.
3. Knudson SE, Walton IJK, Young FM. Business-to-Siness payments and the role of financial electronic data interchange. Federal Reserve Bulletin 80(4); 269-278. Philip Kotler, Marketing Fundamentals, (4" edition)
4. Tiwari R, Buse S, Herstatt C. Mobile Banking as Business Strategy: Impact of Mobile Technologies on Customer Behaviour and its Implications for Banks, in: Technology Management for the Global Future Proceedings of PICMET. 2006. '06.www.ginks.comwww.itweek.co.ukwww.vnunet.com