

THE EFFECT OF ICT ON CUSTOMER CARE SATISFACTION IN BANKING SECTOR

A CASE STUDY OF CENTENARY BANK, RUBAGA BRANCH

BY

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CHAPTER ONE: INTRODUCTION

1.0 Introduction

This chapter presents background of the study, statement of the problem, objectives of the study, research questions, scope of the study and significance of the study.

Background of the study

Globally, according to Safat (2017) ICT has become the heart of banking sector in the world now days. Banks have established their large ATMS and post networks for providing ATM access for 24hrs for their customers.

In Africa, Ekene, (2023), conducted a study and found out that ICT adoption affects bank performance mainly in the short run. And findings revealed that while access and use of automated teller machine are negatively associated with return on assets, they have positive and significant effects on return on earnings. The findings of the study (Binuyo, 2014) indicated that the of ICT increases return on capital employed as well as return on assets of south African banking.

In East Africa, Aman (2019) found out that ICT infrastructures fosters economic growth in east Africa

According to Moses (2023) as developing nation in east Africa, Uganda has recognized the transformative potential of ICT and has been actively embracing it to bolster its economic growth. ICT has played a pivotal role in fostering entrepreneurship in Uganda, with internet becoming more accessible, many small scale businesses have found new opportunities to reach national and international markets through online platforms.

In Uganda, Aaron wrote in Observer (8th December, 2022) that “in its recent Govtech index maturity report for the year 2022, Uganda has shown a marked improvements as they moved to group a from group bin its efforts to use technology to modernize public sector activities” according to the report, Uganda’s Govtech Maturity Index for both 2020 and 2022 improved beyond the global average on all focus areas of core government systems.

Centenary Bank is a commercial bank in Uganda. It is one of the commercial banks licensed by the Bank of Uganda, the central bank and national banking regulator. The bank was founded in 1983 as a credit trust, Centenary Rural Development Trust (CRDT), by Simeon Lutaakome, Hugh Francis Pulle, Paul Kateregga, Vincent Kirabo kya Maria, Emmanuel Mpande, and John Ogutu. In 1985, Centenary rural development bank began to provide financial services to the public. The bank became a fully licensed commercial bank in 1993, after receiving a license from the Bank of Uganda. (www.centenarybank.org.com)

1.2 Problem Statement

In the last ten years, there has been an enormous growth in the Banking sector. As a result, the competition for gaining customers and enhancing market share has been very stiff among Commercial banks in Uganda, since clients have a wide variety banks to pick from, when looking for banking products and services. The banks still find a challenge in satisfying their customers.

Despite the efforts banks Centenary bank has employed such as the introduction of Cente agents that bring services closer to clients, introduction of token numbers, introduction of mobile banking among others. The above stated measures have improved customer satisfaction however, customers are still complaining about the service delays. Therefore the research will wish to establish the relationship between ICT and customer satisfaction in commercial banks.

References

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Aman Kedir, Kemal Nure Kawo & Ahmed Hasan (2019) ICT and economic growth in east African countries: a panel data approach PDF research gate

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