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A Qualitative Study of the Problems and Prospects of Online Banking in Developing Economies – Case of Nigeria

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Abstract

The dawn of the new millennium brought with it a plethora of activities that has impacted strongly on the academic field especially consumers' adoption of new technologies. This has continued to generate a great deal of interest in the academic arena and the business sector is not an exception. Researchers in these fields have been and are still formulating and extending various theories for online context. In an attempt to advance knowledge in these areas as well as build a concrete foundation which can serve as a spring board, various published literatures have been reviewed in different countries and at various times. The purpose of this paper is to qualitatively explore the problems and prospects of online banking in developing economies with Nigeria as a case study.

The analysis of the data gathered produced various reasons for the non adoption of internet banking services in Nigeria. The findings provide a basis for financial managers to understand the reasons for non-adoption on this innovative services as well as paves ways to enhance the creation of awareness and promotion.

Keywords: Financial services, Banking, Financial Services, Consumers, Nigeria

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INTRODUCTION

Technology has become the rave of the moment. Its rapid development has heralded a new dawn. And this has become a new dawn of possibilities for businesses of all shapes and sizes. And the financial institutions all over the world have embraced internet banking services as channel for both sales and marketing of their products. The adoption of the internet and internet banking services in the developed and developing economies serves as the basic motivational factors for banks to consolidate on the internet banking channel to reach out to millions of their customers.

International network or internet as it is generally called today has been viewed as the amalgamation of network of computers which enables organizations as well as individuals to engage in communications through electronic means, it also assists in the conduct of businesses, sharing of and accessing already stored information. The World Wide Web (www) and the internet are the most widely used information channels ever (Laukkanen 2007). However, advancement recorded so far in technologies especially those related to communications and information are attracting attention in business transactions; the banking industry is however not an exception (Lichtenstein and Williamson 2006). The world is becoming a global village as a result of advancement in information and communication technologies. Unfortunately, the diffusion of electronic banking services in the developing countries of the world lags behind that of developed countries (Akinici et al 2004; Al-Somali, et al., 2009).

In the developing economies, several factors could be adduced for the usage and non-usage of internet banking services. Ezeoha (2006a) contend that the adoption of internet banking services in Nigeria has been very slow in comparison to the developed countries and some African as well as other developing countries.

This research will therefore, explore in greater depth the barriers to the adoption of internet banking services in Nigeria as well as provide a greater insight and address the scarcity of information and understanding of the critical factors affecting the acceptance and usage of internet banking services in the Nigerian context. The outcome it is believed will provide bank managers and other financial operators a viable tool, which will serve as a helpful reference that can be adopted, adapted and further, used to develop their internet banking applications for a stronger growth of the services within the Nigerian environment.

The significance of this study includes the fact that:

1. Internet banking services is a new innovation in Nigeria (a developing country); it is therefore a worthwhile topic to study so that the quantity and quality of services in Nigerian banking sector can be enhanced for the future.
2. Internet banking has been widely studied in the developed countries, few studies have been conducted in developing countries, and it is has not been investigated in detail in Nigeria, this research fills the gap.

Like other countries, Nigeria, as a developing country is seeking to belong to the hi-tech countries of the world; therefore, adopting new technologies will modernize and improve various services such as e-banking, e-Shopping, e-Governments, etc; all these services require a strong understanding of the information technology systems and its usage at all levels, cutting across age, cultural and religious boundaries. Pucihar (2006) stated that fear and distrust forms the basis for non adoption of the technology in the developing countries but further stressed that there are opportunities for growth in the future. Based on the researches conducted in Malaysia by Suganthi and Balachandran (2001) and Ndubisi (2007), they argued that security and privacy issues topped the list for non adoption. In the same vein, Al-Khaldi and Wallace (1999) and Almogbil (2005) also found security and website content as militating factors in Saudi Arabia.

Within the African continent, Atemnkeng and Nzongang (2006) in their research about internet banking services in Cameroon and other French speaking countries also commented on lack of adequate infrastructures and government policies as some of the factors responsible for the non-usage of internet banking services in these countries. In a study carried out in Ghana by Abor (2005) and in Nigeria by Ezeoha (2005) and Adesina and Ayo(2010), infrastructures and government policies were discovered to be factors responsible for non adoption of these services; these support the findings of Lichtenstein and Williamson (2006) in Australia and Corrocher (2002) in Italy as well as Eriksson et al (2005) in Estonia. Chang (2006) also stressed that some customers who had earlier signed up to internet banking services in Taiwan, abandoned it due to security and privacy issues.

Moreover, the high level of competition among the financial institutions all over the world is one of the major factors driving the supply of internet banking services by these institutions to their customers; however, the demand of these services by banking customers have come under scrutiny by various researchers. Researchers such as Ezeoha (2005); Durkin. et al., (2008); Haque., et al (2009); Adesina and Ayo (2010) stressed that the acceptance and usage of the internet banking services by banking customers is still negligible despite the huge investments on the internet technology by various financial institutions all over the world. Unfortunately, there are very limited understanding of the barriers to the adoption of internet banking services in the Nigerian context; though; the print and electronic media daily advance reasons based on the personal experiences of the authors/writers, however, these reasons are often based on hearsays and have no academic input.

In an attempt to identify and understand these barriers within the Nigerian context, this researcher sought answers to questions such as:

- Is the country economically, politically, technologically, culturally and socially healthy for the adoption of the internet banking technology?
- Are the current states of infrastructures able to support the internet banking services?
- Does the previous bank failures and current state of internet frauds and other money laundering issues a problem to the bank customers' non-usage of the internet banking technologies?

However, the answers to these and more will shed a lot of light on the reasons for usage and non-usage of internet banking services in Nigeria. The limited understanding of these factors is based on the fact that very little research has been undertaken in Nigeria and this forms the crux of this research.

Nigerian Economic profile

Table I shows the general information about Nigeria, however, World Bank (2012) report states that Nigeria is rich in mineral resources ranging from coal, petroleum, bauxite, tin, iron ore, etc. In addition to these are the multiple agricultural resources from groundnut pyramids in North, cocoa plantations in the west and oil palm products in the east – the country also boasts of healthy rivers full of fishes and other aquatic animals; despite this opulence in wealth, the nation's economy has not been in the very best of shapes (Ezeoha, 2005; Eze 2009; Gbadeyan and Akinyosoye-Gbonda (2011). While the country can boast of several mineral deposits in various states, concentration have for years been on oil (Central Bank of Nigeria 2009, 2010). The fight for the "national cake" is the root of corruption in a country, which should be one of the richest countries in the world after gaining independence since 1960 (Nwankwo 2003; Eze 2009). The resultant effect of this is the incessant political upheavals, poor economic management as well as brain drain by elites due to lack of jobs.

Table I: General information about Nigeria

Location	Western Africa, bordering the Gulf of Guinea, between Benin and Cameroon
Capital	Abuja - Officially transferred from Lagos to Abuja on 12 December 1991
Administrative divisions	36 states and 1 Federal Capital Territory. Abia, Adamawa, Akwa Ibom, Anambra, Bauchi, Bayelsa, Benue, Borno, Cross River, Delta, Ebonyi, Edo, Ekiti, Enugu, , Gombe, Imo, Jigawa, Kaduna, Kano, Katsina, Kebbi, Kogi, Kwara, Lagos, Nassarawa, Niger, Ogun, Ondo, Osun, Oyo, Plateau, Rivers, Sokoto, Taraba, Yobe, Zamfara
Population	160 million (2009 estimate)
Land area	923, 768 sq km (356,669 sq miles)
GDP per capita	\$2,199
Population density	82.2 per km

Population growth rate	4.8%
Literacy level	69%
Rural population	68%
Urban population	32%
Life expectancy	
Monetary unit	Naira
Language	English (official), Hausa, Yoruba, Igbo (Ibo), Fulani
Ethnicity/race	Heterogeneous
Religion	Muslim 50%, Christian 40%, indigenous beliefs 10%
E-readiness	2010 - 6% 2009 – 4.89 2008 – 3.25 2007 – 3.92
Gained independence from	Great Britain
Date of independence	October 1, 1960
Republic declared	October 1, 1963
Number of states	36 plus the Federal Capital Territory
Local Government Areas	774
Natural resources	natural gas, petroleum, tin, iron ore, coal, limestone, niobium, lead, zinc, arable land
Telephones - main lines in use	18million +
Telephones - mobile cellular	10million +
Internet Service Providers (ISPs)	5
Internet users	6.5%

The World Bank (2012) report placed Nigeria among the richest country in the world, the country is also ranked among major exporters of petroleum products. Despite these opulence and wealth, majority of the populations live below the poverty line (UNICEF (2010), 28% of die before the age of three, basic amenities such as schools, roads, electricity, pipe borne water, hospitals, etc are in short supply (Chukwuemeka 2009). The root cause of these are often blamed on the more than 30 years of military rule, unfortunately the major cause of these problems are lack of economic blueprint by these military men and women. The result of which has led to a very poor economy, lack of jobs, high crime rate, kidnapping and demand for ransom by youths, cyber crimes, etc. As a result of these, the Nigerian global image has been severely dented. Agboola (2006) further states that as a result of the new phase of crime nicknamed advance-fee fraud "419), the recent case been the celebrated and well publicist case, captioned in carious tabloids as: "Nwude, wealthiest "419" Kingpin in the net" (Ekenna 2003), based on these and more, the international financial institutions views payments such as cheques, electronics, etc, from Nigeria with caution and some are out-rightly rejected. Fortunately, various governments have constituted different bodies to fight these corruption from all fronts, the recent being the Economic and Financial Crimes Commission (EFCC). Though not much have been achieved by this and other bodies, however, government oppositions often point to these crime fighting outfits as "political tools".

But the recent consolidation of the banks may be the right step in the right direction with a view to restoring confidence and trust in the banks (Soludo 2008; Central Bank of Nigeria 2007, 2009).

Technological profile

The deregulation of the telecommunication sector and the emergence of mobile phone providers have been lauded home and abroad as one of the greatest achievements of the immediate past administration of President Olusegun Obasanjo (Mbarika, et al., 2005). However, it has been noted that the solid foundation required for the introduction of such an innovation was never in place. As ICT was not in the curriculum of most schools and colleges, the usage of computers became a tall order. And the cost of acquisition and maintenance (Durkin, et al., 2008) are often beyond the majority of the population. Gbadeyan and Akinyosoye-Gbonda (2011), argued that supply was more than demand due to lack of knowledge on its usage. Hand in hand with this is the electricity with which to charge these machines, Ezeoha, (2005) and Eze (2009) stressed that the epileptic electricity supply initially dissuaded many from purchasing mobile phones and other technological appliances. Adenikinju (2003) states that Nigeria generates more than 3500 megawatts of electricity, which is about 18% of about 35000 megawatts needed for constant electricity supply. Furthermore, Bamodu (2005) stressed that more than 92% of public and private businesses in Nigeria have mostly resorted to the use of generators, a commodity that is rare in the developed countries.

It has however become a norm for any business venture to own a generating set in order to be in business. It is a common site to find public and private businesses with different sizes and shapes of generating set; these include the Central Bank of Nigeria, government agencies, banks, and various business organizations. It is estimated that Nigeria as a nation spends about N1.95 trillion on generators per annum (Bamodu 2005). The current unsavory news emanating from government quarters was the idea of Ghana a neighboring country discussing the sale of electricity to Nigeria from 2015 as a result of a drop in the megawatts (Eze 2009). This is a draw-back for a country that should be self sufficient – however, this been blamed on poor maintenance of the existing infrastructures.

Furthermore, cost and maintenance of computers and its accessories, according to Ezeoha, (2005) tops the list of reasons for lack of interest on the some of the new innovations. Hand in hand with this is the level of income (Adesina and Ayo 2010) as well as education in many parts of Nigeria, many see the investment on computers and its accessories as white elephant project as a result of their lack of ability to maintain same with the epileptic nature of electricity and other factors and most importantly the inability to use the technologies.

Brief history of distress in the Nigerian Financial System

Soludo (2006) stressed that the World Bank team, which examined the financial sector shortly before the NDIC became operational in 1989, officially pointed out manifestation of distress in the banking sector. The author stated that by 1993, more than 66 banks in the country were reported to be in distress while some are terminally distressed. According to NDIC report in 1994, some of the banks licensed between 1989 and 1991 were among the ones reported to be distressed (CBN 2005).

The first hammer of liquidation fell on the likes of the then Alpha Merchant Bank, Kapital Merchant Bank, Republic Bank, Financial Trust Bank and United Commercial Bank Ltd. These banks were liquidated in 1995 while CBN/NDIC took over the management of another 37 banks that same year (CBN 2005).

A joint study of distress in the Nigerian Financial sector conducted by the Central Bank of Nigeria (CBN) and the Nigeria Deposit Insurance Scheme (NDIC), confirmed the general view of experts and financial analysts that distress in Nigerian banks was precipitated by a complex set of inter-related problems that had for long afflicted the industry (CBN 2005). These include among others:

- Poor management occasioned by lack of experience, greed and get rich quick syndrome of the society.
- Inhibitive policy environment
- Capital inadequacies
- Ownership structure and political interference in the management of government owned banks
- Widespread incidence of non-performing loans arising from economic downturn,
- Poor lending and borrowing culture and poor credit appraisal

In January 1998, 26 banks were approved for liquidation bringing the total of liquidated banks to 31 while 10 remains distressed and under the management of CBN and NDIC (CBN 2007). As at June 1999, two out of the ten banks, that is, Commercial Bank of Africa (then Fortune International Bank), and Rims Merchant bank Ltd, then Asset-Plus Bank Ltd) were restructured and recapitalized. In the light of these developments, one can assess the effectiveness of the Nigerian Deposit Insurance Corporation in ensuring the maintenance of sound and safe banking practices in the country, as well as maintenance of customers' confidence and creation a level playing field for the practitioners (CBN 2005).

Data collection Method

An open-ended interview questions were used for this study. The aim of which is to gather the relevant information for the achievement of the research objectives. The open-ended questions were made of two sections. The first section contained questions requesting participants to state clearly why they use or do not use internet banking services while the second section dealt with demographic factors comprising of age, gender, levels of income and education as well as occupation. The aim of the technological and demographic questions was basically to understand the reasons based on several factors within the demographic angle, the reasons for the usage and non-usage of internet banking within the Nigerian context. The technological questions aim to establish among others:

- a) Whether the respondents have heard and/or used internet banking services
- b) Determine their intention to use if not been used and continued usage if being used
- c) The level of computer skills and ownership at home and workplace
- d) Usage of computers and internet services within their occupations
- e) The perceptions of telecommunication infrastructures within the Nigerian state
- f) And determine the level of bank usage as well as bank services

The nature of this study requires the collection of both primary and secondary data. Primary data is of paramount importance as there are little published literatures in Nigeria on the current issues on internet banking adoption. Therefore, it was essential to gain first-hand insight knowledge from bank managers and other stakeholders in Nigeria. Individual interviews were very important tools used in the collection of qualitative data for this study. Bank staff and customers and other stakeholders were approached to participate. One advantage of using interviews was that rapport can be built in depth with each of the stakeholders (Palys, 2003; Merriam 2009; Yin 2011).

The purpose of the interview was to gain a deep insight into the factors affecting the usage and non-usage of internet banking services in Nigeria from the participants. The interviews provided a very good opportunity for very close communication as well as understanding between the researcher and the participants. These made it possible for the researcher to extract the relevant information whose accessibility was impossible via a structured questionnaire. The personal interviews also made it possible for the researcher to come face-to-face with the participants, thereby, had the opportunity to assess their expressions in the course of the discussions.

Fortunately, these discussions were highly valued by a high number of the participants who thought that issues of this nature should be discussed often as well as given prominence and attention by banks, governments and their agencies in order to tackle the problems facing various innovations such as the banking industry and the losses incurred as a result of distresses, mobile phone charges, ATM frauds, Phone banking and cyber crimes. The participants, cutting across different ages and occupations, were excited about the purpose of the study and even considered it their mouth-piece of voicing their sentiments of the near collapse of the Nigerian financial system.

ANALYSIS

Glesne (2006) and Berg (2007) all contributed information on how information gleaned from qualitative research should be collated and analyzed usually through open coding. Each takes a slightly different approach, but collectively, their suggestions provides for a comprehensive method in collecting, collating and analysis of data collected in this study. Glesne (2006) suggested various methods of cataloguing and indexing information, as well as various methods and sources of data collection in order to be thorough.

Information analysis

In keeping with Glesne's suggestions as well as that of Saunders et al, (2009), various methods of collating data were utilized in this study and these also included the categorization of the analyzed data into subsections in line with the research objectives and questions. This enabled the researcher to compare and contrast the data from different sources such as various aspects of the literatures reviewed and data gathered through interviews; however, not all collected data could be themed as some information did not have relationship with the research objectives.

Table 2: Demographic characteristics of participants

Variables	Categories	n
Gender	Male	11
	Female	9
Age range	20 – 25	5
	26 – 30	3
	31 – 35	2
	36 – 40	3
	41 – 45	2
	46 – 50	1
	51 – 55	2
	56 – 60	1
	60 and above	1
	Marital status	Married
Divorced		2
Never married		6
Areas of residence	Town	9
	City	11
Levels of education	No certificate	3
	Certificate/diploma	5
	First degree	7
	Masters	5
	Doctorate	0
Work status	Self employed	3
	Full time employment	8
	Unemployed	3
	Student	6
Income levels /per month	=N=0.00 – =N=30,000	9
	=N=31,000 – =N=60,000	3
	=N=61,000 – =N=120,000	3
	=N=121,000 – =N=130,000	1
	=N=131,000 – =N=160,000	2
	=N=161,000 – =N=190,000	1
	=N=200,000 and above	1

FINDINGS

Below are the thematic evidences gleaned from the data collected from 20 participants which addressed the reasons for the usage and non usage of internet banking services within the Nigerian context.

Security and privacy factors

Security and privacy issues from the discussion with most of the participants in this study topped the list as one of the most important factors affecting the adoption and usage of internet banking services in Nigeria. Participant 1, a mobile phone dealer at one of the busy markets in Abuja, clearly stated that she has never used and will never use the internet banking services.

According to her;

"I prefer to visit the bank every evening to deposit my money and collect it when I need it, I do not want my details to be splashed everywhere in the name of online banking and you do not know who is looking or making use of it. I am aware of the internet banking services and I was a former staff of a bank but I will not use the internet banking services because of what happened when I was in the banks and the constant negative headlines in both the print and electronic media.

Participant 8 a top cop in the fight for cyber-crimes stated that:

"issues about the internet are new to the force and the necessary equipments to fight such crimes are not always there, however, the resources at our disposal are currently been used.

The availability or otherwise of the necessary tools with which to fight cyber crimes by the police, since the banks will do all it can to exonerate themselves, gives the banking public a serious cause for concern and every reason to be careful with their personal details. This clearly drives home the overwhelmingly acknowledged reasons by many researchers such as Cadogan (2002); Pikkarainen, et al., (2004); Abor, (2005); Tung, et al., (2008); Lee (2009); Olalekan (2011) and others, for the non adoption of internet banking services and is also in line with the views on privacy (Lee 2009) as the right of individuals and organizations to decide how anyone else should use their own details.

However, as a result of the universal use of the internet technology and the high rate of interest on internet and internet banking services within the business cycles, security and privacy has become a major concern and is therefore a critical barrier to the adoption process of internet banking services.

Telecommunication infrastructures

It is a general consensus that bank managers and other players in the financial industry target the affluent and those that have the finances. Internet banking adoption however depends solely on the skills of customers to use the services based on the availability of the necessary technological and communication infrastructures. This study revealed that the Power Holding Company of Nigeria (PHCN) formerly called the Nigerian Electric Power authority (NEPA) and its incessant power fluctuation (Adesina and Ayo 2010), which in most cases causes damages to various types of appliances, even with high powered stabilizers – forms another serious reason why customers will rather go to the bank than buy a computer for home use as the telephone services and light might never give it the opportunity to work.

Findings further revealed that the non existence of basic infrastructures in the rural areas coupled with low education and abject poverty has resulted in poor banking cultures in the rural parts of Nigeria. Unfortunately, most businesses in the urban areas cannot afford the cost of maintaining a generating set; hence they rely solely on the amount of electricity supplied.

Participant 5 averred thus:

“three years ago (i.e. 2009) we decided to diversify into food and drink management, but in an attempt to meet with the demands of cold drinks we invested on generators and approached the banks for loans. We discovered that the cost of running the generating set was higher than the cost of the rent and other expenses put together. Some weeks we will be fortunate to have one or two days of five hours electricity; the rest is on the generating set, as a result of our inability to meet with customer’s demand for cold drinks due to lack of electricity, we closed the pub..

In the same vein, Participant 12 stated:

“my parents invested on a cyber café due to its high demand in our area in 2011. However, it was closed down after six months due to the high cost of running the whole business on a generating set and the stabilizers was not helping matters.

Trust

Interviews among some bank customers and staff revealed that few bank customers sometimes use the internet banking services for the payment of goods and services to enhance quick delivery but they do not generally use the services for their daily transactions. Rather they prefer physical cash payment and the issuance of cheques. Most of the customers have serious concerns about the internet channel – which bothers on security and privacy.

The following statements from various bank customers highlight this issue of trust;

Participant 3 stressed that: *“most bank customers do not trust the bank channels; my organization nevertheless, uses the internet banking services, but we are very much concerned with the communication highways”.*

Participant 2, a former staff of a big organization, in the same vein stated that:

“my former company only uses internet banking services as the last resort”.

The above statements were corroborated by Participant 1 a bank staff:

“ most corporate organizations who have internet banking facilities in their offices, still prefer to issue one cheque covering a list of staff salaries and a list of staff names are sent to the bank for the bank to only debit the organization and credit individual account staff with the amount specified for their names. The non-usage of the services by corporate organizations, and their preference for using the banks for such issues as salary payment lays credence to the fact that trust is greatly lacking even among corporate organizations”.

The partial adoption was further blamed on the internet as an open-system, not secure and can be easily accessed by any one from anywhere in the world. Another bank staff, Participant 19:

“most small scale businesses are simply afraid to register for the internet banking services for fear of attack on their accounts.

Other reasons for the lack of trust on the system and its non-usage were the views which can be considered as representative of millions of non-users of the system as illustrated by Participant 9:

“sometimes it is difficult to remember my user name and password and the best way to achieve it is to scribble it on a piece of paper. The fear is that should I for any reason misplace this paper, the consequences will be better imagined”.

Some customers however, complained that the elaborate procedures involved are simply too much for them to add to their current loads of thoughts. This assertion was corroborated by another bank staff, Participant 6, thus:

“we have had several cases of customers calling in every day for a new password or password reset. Customers often complain (even among the elites) about either loss of password or that they have forgotten it”

The research findings also revealed that some customers, in addition to having little or no trust on internet banking technology, also perceives the reliability of the system in different forms. The following statement by participant 4 further illustrates this point:

“I believe that all businesses big or small normally operate within their level of financial capacity, a simply click of the mouse can cause serious fraud which is the more reasons why so many businesses will either chose to be a non-adopter or a partial adopter”.

Another major reason for the lack of trust and fear of triability stems from the fact that when problems arise, the customers have to go to the banks to sort the problems out, which takes more time, energy and the emotional problems. And apart from being time consuming, it could last for weeks in the process of investigation by the banks, thereby giving the customers emotional problems and delay in their business transactions. Olasanmi (2010) stressed that trust and fear affect online banking customers who are victims of internet fraud. Ezeoha, (2006b) pointed out that people do not like to be ripped off, whether online or offline.

This was echoed by participant 8 who pointed out that:

“most bank customers have no trust, and would rather go to the bank for the money to be transferred by a bank staff, than do it him or herself as he or she will get all the blames should anything go wrong”.

Although there was a similar concern from interviewees, but the major differences are the words of participant 14 who stressed that:

“the banks have not done anything to dispel these rumors. They have allowed the rumor mills to keep rolling”.

However, participant 18, an advertising guru, stated that:

“such negative adverts are the reasons for wrong perceptions by customers and major reasons for non-usage of the internet banking services”.

But Participant 11 stated that:

“hacking into customers accounts is not peculiar to Nigeria. It is a global problem that has been living with the financial industries all over the world”.

Poverty

Despite the opulence and wealth which has been ascribed to Nigeria as a country as a result of the abundance mineral and agricultural resources (World Bank 2011) and the flamboyant lifestyle of some Nigerian who are either well placed in government or have a direct or indirect connection with powerful clique (Chukwuemeka 2009), some Nigerians have continuously lived below the poverty line as described by the United Nations; poverty is still a big threat to some Nigerians (Eze 2009).

Findings of this research revealed that the problems of poverty among Nigerian are overwhelmingly high, among which are able-bodied and women without jobs and no hope for any meal of any shape, overcrowdings and poor sanitations. Participant 6 summed up the effect of poverty thus:

“the high level of poverty with able bodied men and women waking up every day with nothing to lay their hands on is dangerous for any society”.

Occupation

During a visit by this researcher to a fisherman in Lagos close to a big river, the following discussion ensued:

Researcher: Are you aware that you can keep the much money you make from your sales in the banks and it will yield you interest?

Fisherman: I do not go to the banks. I do not understand what they do there. I am not educated.

Researcher: But the bank officials will put you through and also explain the details to you.

Fisherman: I have been doing this for more than 30 years, I keep my money safe in my house and it is better for me.

Researcher: You live very close to the river; the river could over flow and sweep away the money. Don't you think it is better in the bank and you can use the internet banking services?

Fisherman: Like I told you, I have never used the banks and I have never heard about internet banking services.

Some of the research participants such as fishermen, farmers, petty traders, herdsmen, bus drivers, etc, do not use the banks in Nigeria and most have no idea about internet banking services.

Cost

The World Bank (2012) reports that more than half the population lives under the poverty line coupled with the high rate of inflation occasioned by successive government policies, and even the current removal of oil subsidies; findings of this research revealed that the cost of food items have sky-rocketed. Findings further revealed that in Nigeria, nothing is cheap and definitely not computers and its accessories; hence many Nigerian citizens cannot afford mobile phones as stated by some of the participants. The cost of making calls and sending text messages have all gone beyond the roof. Responses from telecom operators blamed the high cost of running and maintaining telecommunications substations which often run out of fuels and other attendance cost of employing security guards on each station due to vandalisms and thefts of the equipments for the high cost of calls/texts. This practice of security firms watching over telecommunication substations is not obtained in developed countries such as the United Kingdom; it was however observed by this researcher that it is cheaper to make calls to Africa and other developing countries from the UK than for families and friends in these countries to call UK numbers as shown in Tables 3.

Table 3: Cost of calls from the United Kingdom to the Nigeria

	Lyca	Lebara	Vectone
Charges per minute to Nigeria (Landline)	1p	1p	1p
Charges per hour to Nigeria (Landline)	60p for sixty minutes	60p for sixty minutes	60p for sixty minutes
Charges per minute to Nigeria (Mobile)	8p	8p	6p
Charges per hour to Nigeria (Mobile)	£4.80 for sixty minutes	£4.80 for sixty minutes	£3.60 for sixty minutes

Table 3: Cost of calls from Nigeria to the United Kingdom

	MTN	Etisalat
Charges per <u>second</u> to the UK landlines and mobiles	=N=50 per second	=N=50 per second
Charges per <u>minute</u> to the UK landlines and mobiles	=N=3,000 (for one minute or 60 seconds)	=N=3,000 (for one minute or 60 seconds)

Note: Calls are charged per SECOND

Tables 3 shows that calls from the UK to Nigeria at £4.80 with an exchange rate of =N=250 to a pound will cost a caller from the UK =N=1,200 in Nigerian naira. However, a call from Nigeria to any UK number will cost =N=3,000 per minute which translates to twelve pound sterling (£12) in one minute, based on the above computation. Findings also revealed that telecommunications has not only become a big business in Nigeria, it has also provided employment opportunities for many especially graduates with no office jobs.

DISCUSSIONS

Findings of this research revealed that internet banking has been viewed by banks and customers as a cost reduction channel. It also saves time and knows no geographical boundaries. On the part of small businesses, however, it is viewed as an added cost in terms of acquisition and maintenance of computer equipments by individuals and small scale businesses. The findings further revealed that most customers who have adopted internet banking services believes that it has a lot of potentials in terms of its advantages, but most users also believes that there are more problems attached to internet banking services than the advantages as evidenced from the findings, this is mainly due to the security and privacy issues on one hand and dearth of telecommunication infrastructures, poor education of the users and poverty (low income) issues on the other. Therefore Nigerian banks are better off pursuing the acceptance and patronage of the banking industry after years of distrust due to bank failures and gradually build on this with internet banking as an innovation; if the internet communication technology is to play a role and become a pillar in the development of the Nigerian economy, then all hands, (the government, government agencies, banks and customers), must be on deck to ensure its workability.

The qualitative methodology employed for this study and the findings from all the data collected clearly demonstrates that internet banking services will take a very long time for customers to embrace the services in Nigeria.

Managerial contributions

The scanty literatures on internet banking services in Nigeria have been expanded with this study. While privacy and security issues have been blamed as one of the major factors for the non usage of internet banking services by several researchers in previous researches, this study have in the course of data collection unearthed other factors which is believed will be of use to bank managers and other financial players:

- Banks must align themselves with the government and other private sectors to provide infrastructures, establish computer centers, support projects that can create jobs – this author believes that the funding of these meaningful projects will also improve the living standards of the populace especially the youths and could lead to bank usage and internet banking adoption while reducing crime and internet banking frauds as these youths will be fully engaged and their intelligence put to better use.
- The development of new products to meet the needs of the Nigerian banking customers is very important; this is because the current western system adopted in whole does not fit into the diverse multi-cultural institutions of Nigeria and their occupational needs. As more money are outside the bank vaults, concerted efforts will be on how to sell banking in general and internet banking services in particular to the rural farmers, fishermen, herdsman in the North and the petty traders all over the country. A proper and well structured product will assist in bringing these men and women to adopt banking practices and ultimately adopt internet banking services.
- The issues of lack of government intervention in the area of promulgation of relevant laws to safeguard customers' money have also been blamed as a factor; however, this research revealed that a proper education and enlightenment programme by the government and its agencies will go a long way in checkmating the incidences of internet banking crimes – while it is extremely important for the government to join the global war on cyber crime by promulgating tougher laws as well and ensuring its implementation.

CONCLUSION

An innovative idea which was expected to take the Nigerian market by storm have not yielded the desired result as a result of several factors ranging from poor infrastructures, poverty, trust, and the unripe climate political on which they operate. Unfortunately, more than ten years after the introduction of internet banking services by First Atlantic Bank Plc took that giant stride and more than five years after they merged with other banks, internet banking services is still crawling in Nigeria.

The findings clearly shows that the government has a lot to do in enacting financial related laws to safeguard banking customers' money and the provision of necessary infrastructures, jobs for the youths and encouragement of teaching of ICT in all institutions. Finally the addition to academic research/knowledge clearly draws overall summary of the study and points the way upon which future researchers can develop their research works.

LIMITATIONS AND FURTHER RESEARCH

This study has some limitations. Though this study identified some barriers to internet banking in Nigeria, however, this researcher believes that there are other factors which could still serve as barriers to internet banking services which were not included in this research. Therefore, there is need for future researchers to look into others such as cultural values and its impact on technology; generations X and Y and their influence on the adoption of internet banking services in Nigeria as well as the impact of the national environment. These limitations pave ways for further studies.

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