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**FUTURE PROSPECT OF INTERNET BANKING IN CAMEROON**

**Case study: Kimbo Police Cooperative Union (KIPCCUL)**

**Thesis**

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**ABSTRACT**

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<p>The research titled the Prospects of Internet Banking was carried out in Kimbo Police Cooperative Credit Union (KIPCCUL), North West region Cameroon. The research was carried out based on the observation that in most financial institutions in Cameroon internet banking is still at the introductory level and this is a high innovation that has taken place in the banking sector and many people do not want to embrace this new development.</p> <p>The aim of this research work was to find out what the future holds for internet banking in Cameroon, some of the problems faced in carrying out this activity, the benefits, the risk involved and above all some proposed solutions to make internet banking usage smooth and convenient now and in the future. A questionnaire was used to collect information, while secondary data was used to collect information from the internet, books found in library and from some documents from the responses of the questionnaire issued.</p> <p>Based on the findings, it shows that internet banking in micro finance institutions is necessary. It is worth mentioning that the aim of internet banking is to reduce the work load and make banking more convenient and efficient as well as maximizing profit as a result banks have to put in more efforts in educating their customers about the importance of this internet banking and try to make it worthwhile.</p>		
<b>Key words</b> Internet banking, micro finance, solutions, technology		

## **ABSTRACT**

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## **APPENDIX**

## 1 INTRODUCTION

History tells that technological innovations have always added up in human general and professional life. The last two centuries can easily be called the era of technological revolution. During the process of this modern technological era the innovation of computer has totally changed the landscape of today's modern world. Rapid technology advancements in this field have totally changed the worldwide economic and business atmosphere. This work was carried out to find out the prospects of internet banking in Cameroon with the case company being KIPCCUL head office located in Kumbo. The method of research was mainly by giving out questionnaires and interviews which were distributed to the staff and customers of the institution and all the targeted people responded to the questionnaires.

Electronic banking can be defined as the automated, smooth and efficient delivery of modern and traditional banking services through electronic and communicative channels. It includes the systems that customers use to access accounts, transact businesses and obtain information through networks, including the internet. These networks could be private or public. Electronic banking is, therefore, a general term describing the whole process of performing such transactions without the need to physically visit the financial institution.

Banking has always been a highly information intensive activity that relies heavily on information technology to acquire, process and deliver information to its users and as such, they need to constantly innovate and update their products and services to be able to retain the demands of the ever-increasing customers. Since the introduction of the Internet in 1969, it has evolved from the sole domain of the computer nerd and the academic to a mainstream channel of communication (Nehmzow 1997). Recently, it has been rapidly gaining popularity as a potential medium for electronic commerce. The rapid growth of the Internet has presented a new host of opportunities as well as threats to business. Today, the Internet is well on its way to become a full-fledged delivery and distribution channel and among the consumer-oriented applications riding at the forefront of this evolution are electronic financial products and services.

According to Shih and Fang (2006) internet or online banking is a new type of information system that uses emerging technologies such as the internet and has changed how customers perform financial activities. Since the first introduction of internet banking in the 1990s, internet banking has been in-

creasingly adopted by customers worldwide. This new form of banking offers bank customers round the clock access to bank services, reduced time, direct access from anywhere in the world, lower cost and the elimination of anxiety caused by carrying or moving around with cash.

The birth or the evolution of internet banking can be traced way back from the 90s and in 1990 to be specific when the very first online banking service was introduced and offered by a bank in California called the Californian bank wells Fargo. Five years later, the security first network bank also located in the US tried to boost or improved on the internet banking usage by providing a complete online banking environment. So, with this, banks had to adjust to be able to meet up with the increasing improvements in technology to be able to face the increase rate of competition that took place amongst banks at the time as a result of internet banking.

The birth of internet banking has brought information to our finger tips as we can now shop as well as pay bills via the internet. Internet banking according to the US department of treasury can be classified into three types and these include the following;

1. Informational internet banking: this is a form of internet banking where by the bank provides basic information about its products and services to its customers and this is meant for the purpose of marketing only. Like in the form of brochures.
2. Communicative internet banking: this is a form of internet banking that allows some form of communication between the bank and the customer. This communication is limited to important interactions like account inquires, new account updates, loan applications, contact information, updates etc.
3. Transactional internet banking: it is the most popular type of internet banking where transactions like deposits, withdrawals, cash transfers, online payments are made, and increased security measures are being but in place to ensure that customers don't fall prey to internet hacker's and thieves.

Customers today are demanding much more than banking services. They seek new levels of convenience and flexibility (Lagoutte, 1996) on top of the powerful and easy to use financial management tools and products and services that traditional retail banking could not offer. Online banking has allowed banks and financial institutions to provide these services by exploiting an extensive public network infrastructure (Ternullo, 1997).

### **1.1 Aim of the thesis**

The study was guided by the following objectives

The main aim of the thesis work is to provide the reader with a general knowledge of internet banking services and how it operates in Cameroon with its prospects. However, the work equally had some other objectives which included the following.

To find out the major challenges that internet banking faces in Cameroon

Risk involved in internet banking was another objective of the study

The benefits of internet banking to the bank customers and bank staff

The innovations and mega trends that have taken place in the banking sector

Lastly to propose some solutions to the major challenges that faces internet banking in Cameroon

### **1.2 Problem statement**

In the recent years there has been a great increase in the number of banks that offer internet banking services in Cameroon and there has equally been a great increase in the number of customers who use internet banking. However, this new venture is quite expensive to establish and maintain. Therefore, there is a great need to investigate the future prospects of internet banking as this sector keeps on innovating and advancing. The researcher in the study thus sought to find out what the future holds for internet banking in Cameroon, propose solutions to the problems of internet banking and ways to reduce the risk involved in internet banking

### **1.3 Importance of the study**

This study will be of immense importance not only to the researcher but to other members of the society some of which include the following:

**Governments:** The study will provide the necessary data to the government to help them in policy formulation and enable them to be able to control its finances efficiently hence be efficient regulators.

**Banks:** The information and analysis from the study will help banks and other financial institutions to be able to provide quality services to its customers and make them able to solve some of the major

problems that arise as a result of internet banking usage. The banking organizations in Cameroon will also have a benchmark for measuring their electronic banking services and their financial performance

**Customers:** Bank customers will be able to carry out their transactions from the comfort of their homes or workplace hence saving on time and resources; they will also gain a better understanding of how to carry out bank services using electronic banking.

**Researchers:** Researchers will be able to add to their research work about electronic banking and gain a better understanding on this field. The findings can also be used in future as reference material.

## 2 THEORIES ON INTERNET BANKING

In order to make this work worthwhile we will be looking at some of the theories on internet banking and customers' perception towards the adaptation of internet banking. A few scientists researched people's recognitions in terms of selecting internet banking for collective purposes and one of such is the Technology Acceptance Model abbreviated as TAM, to also understand why customers are not embracing internet banking it will be important to equally examine the theory of planned behavior which was put in place by Ajzen ( 1985, 11-38 )and lastly the innovations diffusion theory put in place by Rogers (1983) and all this seek to show the factors that influence customers perception on the adaptation of internet banking

### 2.1 Technology Acceptance Model

The Technology Acceptance Model, (TAM) was presented by Davis (1989). Utilizing TAM as a theoretical base, this examination tries to put in place an incorporated model to clarify different variables influencing personal acknowledgment and utilization of web managing an account globally. Notwithstanding the conventional builds of TAM, perceived convenience and perceived usefulness, another development which is that of perceived risk has been added to the model. Perceived risk has web architecture and trust as its predecessors. The method of reasoning behind incorporating saw chance in TAM in expanding administrative concentrate on basic test to offer protected and secure virtual condition to enable their clients to make full utilization of e-managing an account administration. There are developing worries about risk in internet managing an account as well as benefits over the world. Perceived risk mirrors the customer's recognition about the uncertainty of results that relate fundamentally to looking and picking data of item as well as administrations before settling on any suitable choice. In the event that the clients discover any difference in their genuine purchasing encounters and purchasing objectives, they will see higher risk and hence they may cease or maintain a strategic distance from the utilization of the item or administration being referred to. Since most of the web administrations are working in an open environment, their applications and results are powerless against security and protection dangers, for example, phishing exercises, malwares, spywares, parodying, and secret word sniffing, and so on. (Vivo et al., 1998). during the most recent couple of years, web-based crimes have expanded enormously and furthermore featured the various instances of the burglary or extortion, breaks of individual protection and assaults by programmers (So & Sculli, 2002; Littler & Melanthiou, 2006). This combined with the observation that online administrations include more hazard than some



other customary exchange administrations have prompted client's conviction that when somebody utilizes online administrations, for example, web keeping money, e-ticket booking, internet shopping, and so on his/her own security may likewise be risked (Tan, 1999; Martin & Camarero, 2008).

## **2.2 Diffusion Innovation Theory**

Diffusion of innovation is a hypothesis that tries to clarify how, why, and at what rate new thoughts and innovation spread. Rogers, (1998) an educator of correspondence thinks about, advanced the hypothesis in his book *Diffusion of Innovations*; the book was first distributed in 1962, and is presently in its fifth version (2003). Rogers (1998) contends that dissemination is the procedure by which a development is imparted after some time among the members in a social framework. The birthplaces of the dissemination of advancements hypothesis are changed and traverse different orders.

Rogers (2003) suggests that four fundamental components impact the spread of another thought: the development itself, correspondence channels, time, and a social framework. This procedure depends intensely on human capital. The development must be broadly received with a specific end goal to self-support. Inside the rate of reception, there is a time when an advancement achieves minimum amount. The classes of adopters are trailblazers, early adopters, early larger part, late lion's share, and laggards. Diffusion shows itself in various ways and is exceedingly subject to the sort of adopters and development choice process. The standard for the adopter classification is ingenuity, characterized as how much an individual embrace another thought.

Diffusion happens through a five– stage basic leadership process. It happens through a progression of correspondence channels over some stretch of time among the individuals from a comparative social framework. Ryan and Gross (1943) initially recognized appropriation as a procedure in 1943. Rogers' five phases (steps): awareness, interest, evaluation, trial, and adoption are integral to this theory. An individual may dismiss an advancement whenever amid or after the appropriation procedure. Abrahamson inspected this procedure basically by suggesting conversation starters, for example, how do in fact wasteful advancements diffuse and what obstructs effective developments from getting on? Abrahamson influences proposals for how authoritative researchers to would more be able to exhaustively assess the spread of innovations. In later releases of *Diffusion of Innovation*, Rogers (2003) changes his phrasing of the five phases to: learning, influence, choice, execution, and affirmation. In any case, the depictions of the classes have stayed comparable all through the versions.

TABLE 1. The five stages of the adoption process. Source Diffusion of Innovations 5<sup>th</sup> edition by Everett Rogers.

Stage	Definition
<b>Knowledge</b>	The individual is first exposed to an innovation, but lacks information about the innovation. During this stage the individual has not yet been inspired to find out more information about the innovation.
<b>Persuasion</b>	The individual is interested in the innovation and actively seeks related information/details.
<b>Decision</b>	The individual takes the concept of the change and weighs the advantages/disadvantages of using the innovation and decides whether to adopt or reject the innovation. Due to the individualistic nature of this stage, Rogers notes that it is the most difficult stage on which to acquire empirical evidence.
<b>Implementation</b>	The individual employs the innovation to a varying degree depending on the situation. During this stage the individual also determines the usefulness of the innovation and may search for further information about it.
<b>Confirmation</b>	The individual finalizes his/her decision to continue using the innovation. This stage is both intrapersonal (may cause cognitive_dissonance) and interpersonal, confirmation the group has made the right decision.

### 2.3 Theory of Planned Behavior

The Theory of Planned Behavior (TPB) is proposed by Ajzen in 1985 (22) as an expansion of the Theory of Contemplated Action (which was identified with deliberate conduct), as a result of the impedi-

ments of TRA in managing practices over which individuals have fragmented volitional control. The TPB presented a third autonomous determinant of expectation, seen conduct control. TPB is a hypothesis that predicts ponder conduct, since conduct can behavioral control can, together with expectation, is utilized to anticipate conduct. Expectation means that a man's availability to play out a given conduct, and it is the prompt predecessor of conduct. The expectation is in view of demeanor toward the conduct, subjective standard, and seen behavioral control, with every indicator weighted for its significance in connection to the conduct and populace of intrigue. When in doubt, the more positive the state of mind and subjective standard, and the more prominent the apparent conduct control, the more grounded ought to be the individual plan to play out the conduct being referred to. This hypothesis has been broadly utilized as a part of assortment of settings including IT acknowledgment inquire about, clarify and foresee private venture executive's decisions to embrace IT, in web-based shopping explore and so forth.

## **2.4 Benefits of Internet Banking**

The number of people with internet bank accounts has exploded in recent years, with many people seeing it as an easier and more convenient way to control their personal finances. Some of the advantages of internet banking include the following:

Online access also gives you a sense of control over your account, as you can perform all your everyday banking tasks yourself, rather having to go through a bank staff member, which can sometimes be time-consuming and frustrating. You can also get an easier overview of your account, and search archives for older transactions. Source American based research journal vol5. Issue 12 December 2016

You always have 24-hour banking with banking online. When visiting a bank in person, and sometimes with telephone services too, there are restricted hours of operation. Banking can effectively be done paperless most of the time. No need for mountains of statements, letters, to be filed and stored for future reference. Some banks offer deals if you go paperless. Source American based research journal vol5. Issue 12 December 2016

Most banks now offer you smartphone apps, allowing customer to monitor and manage their finances on the move, as well as via a home or work computer. Internet banking is especially useful and convenient for setting up and monitoring regular bill payments for utility services, rent, or mortgage payments etc. Source American based research journal vol5. Issue 12 December 2016

Internet banking is especially useful and convenient for setting up and monitoring regular bill payments for utility services, rent, or mortgage payments etc. It doesn't matter where you are when you do your banking online - you can be in another part of the country to where your bank operates and still have access to your account, or even access your account from abroad for no extra cost. Sometimes banking via the web is cheaper. This is because it costs the bank less in terms of staffing, property upkeep etc. You can therefore often get some great bargains with internet accounts. It is often possible to get better interest rates through online banking. Some offers, and deals are also only available online. Source American based research journal vol5. Issue 12 December 2016

## **2.5 Disadvantages of Internet Banking**

Some of the disadvantages of internet banking include the following

At least an essential level of web and PC knowledge, if you wish to do your managing an account on the web. Individuals who are utilized to the traditional saving money will find that the online form is totally extraordinary. Utilizing a site is not clear to a novice. The regular assistance and support from the bank is extremely limited (managing an account sites are frequently more provided towards offering clients additional saving money administrations, as opposed to helping them to utilize the site). Source American based research journal vol5. Issue 12 December 2016

Fraud and ID robbery are the greatest reasons for worry for some individuals, in spite of the fact that most would agree by and by that more individuals are scammed through tricks where false messages request that they sign into their accounts on fake sites (giving their name and secret passwords), known as "phishing", financial associations do lose sensitive data some of the time. Source American based research journal vol5. Issue 12 December 2016

It can be at times very easy to forget about automated bill Installments. You set them up and after that do not monitor them. After some period of time like 6 months later you may return to find that your bill has changed and you have been overpaying. On the other hand, some of the time you have more cash charged from your record than you were anticipating.

Saving money online is totally impersonal and in addition, making the experience less friendly, this can make issues with more complex transaction, for example, applying for an advance or a loan. The

capacity to pass on inconspicuous data is regularly lost when saving money on the web and it is additionally hard to know whether the individual at the flip side handles what you are attempting to state. Web saving money sites are regularly set up to prioritize publicity and offer additional banking services, instead of enabling the clients to utilize the site. Ads frequently take up a large portion of the extra space on the page, while connections to help and support, or contact points of interest for addressing an individual from staff face to face are little content connections that can be hard to find. Online banking also relies on you having at the very least, a working computer and a reliable internet connection. If your computer is unreliable or old, or your connection speed is slow, or patchy, it is a difficult service to use. Risk is everywhere and so in global internet banking risk is equally present. However, some of the risk that can be faced in global internet banking include the following

## **2.6 Risk with Internet Banking**

There are different malicious contents that taint a huge number of PCs consistently. Some of these contents live in your PC and quietly gather and store login and secret key data that you may enter on any site. This data is then sent by means of your web association with malicious people that utilization this for unapproved access to your bank account and different destinations expecting you to sign in. Ensure you run general malware clears on your PC to maintain a strategic distance from these traps. Source American based research journal vol5. Issue 12 December 2016

Interception attempt of key client authentication information is a major hazard in web-based saving money. Information can be captured on the way to the bank's servers, and programmers may have the capacity to duplicate this data and after that utilization it later on for fake purposes. Most present-day banks utilize 128-piece SSL encryption and firewalls for passing on data to and from the bank's servers. Be that as it maybe, programmers are here and there ready to break this encryption to get to your information for unlawful purposes. Source American based research journal vol5. Issue 12 December 2016

There is a possibility that the database that stores information about your financial balance and security qualifications is hacked and your data is bargained. In spite of the fact that, banks take most extreme assurance to make preparations for this hazard, it has occurred before, and is probably going to happen once more. Online banking security certainly has risks, and you should be aware that some banks limit your liability as a customer if you are the victim of an online banking fraud. You should also be aware that FDIC insurance does not cover any issues resulting from online banking frauds.

To stay away from such dangers and keep your web based managing an account exchanges sheltered and secure, you ought to consider more secure ways like VPN. A VPN secures your online movement with abnormal state encryption. It makes a protected passage for your information routing and anonymize your identity.

## **2.7 Future Prospects of Internet Banking**

Improvement patterns, right now, for banks are regularly observed specialization and outsourcing. In the event that a bank has a thin client fragment they need to achieve, they will probably pick up clients successfully. A few banks have inclined towards old methods for just offering credit and store items to clients of certain zone. In any case, a few banks are as yet ready to adapt to all-inclusive keeping money style. (Fungacova & Toivanen & Tölö 2015.). some of these mega trends include the following

Study done by the Federal Reserve of US characterizes portable managing an account or mobile banking as utilizing one's cell phone to get have aces to the account or some other money related record. Portable managing an account is generally done either by getting to your bank's site page through the web program on your cell phone or by utilizing an application downloaded to your cell phones.

Mobile wallet is a wide definition yet it fundamentally implies installment made utilizing cell phones.it additionally stores each receipt and data on installment exercises. In portable wallet there can be anything one would have in a typical wallet: coupons, loyalty cards and so on. The distinction is quite recently that it is in the web. The individual utilizing portable wallet has the wallet with him/her at whatever point there is access to web. (Schatt & Laplanche 2014.)

Shadow Banking Broadly described the shadow banking is basically credit intermediation involving entities and activities outside of the regular banking system. Using non-bank channels to intermediate credit can have advantages and contributes to the financing of the real economy. However, such channels can also become a source of systemic risk. This can happen if they are structured to perform bank-like functions (e.g. maturity and liquidity transformation, and leverage) and when they are linked with the regular banking system heavily. Appropriate monitoring of shadow banking and appropriate policy regulations helps to prevent such systemic risks. (Shih and fang 2004)

An innovation has brought about fascinating advancements to saving money. Contact less abilities have presented mobile wallets, watches and contact less cards which have been expanding quickly. There have been theories of society ending up practically wallet less in the following decade. Utilization of money has been in decrease for quite a while as of now and could be even sliced down the middle in the following ten years. Versatile wallets for example, Apple Pay, Android Pay and Samsung Pay are probably going to diminish the utilization of money considerably more quickly. Contact less innovation is being executed to transporting to an ever-increasing extent. This new innovation is not only for more youthful ages as individuals in their 40s have begun to take cell phones and versatile wallets as their own. As indicated by prospects, future will not be cashless regardless of greater part will utilize portable wallets. There will be numerous choices for strategy for installment later.

To stay away from such dangers and keep your web based managing an account exchanges sheltered and secure, you ought to consider more secure ways like VPN. A VPN secures your online movement with abnormal state encryption. It makes a protected passage for your information routing and anonymizes your identity. The banks should make sure they update their soft wares regularly and even put in place stronger software's to ensure that their software's are not hacked

### 3 PRESENTATION OF CASE COMPANY

The Kimbo Police Cooperative Credit Union Limited (KIPCCUL) micro finance institution was created in 1969 with COBAC regulation number 19505/11/01/2001 and the ministerial decision no 00353/MINFI/27/07/2001. This was thanks to moral encouragement of the then commissioner of public security Sanyi Ngong who inspired some 16 elements of Bui National Security to come up with a thrift and a loan scheme. The membership was limited to the police security and borrowing above savings was permitted with no formal policy. The union was then affiliated to CAMCCUL after the decision of a board meeting and the books of record of the union were audited for the first time on the 20 July by Gerald Wortel. The union continued to rise with no major infrastructure and equipment's. KIPCCUL annual report.

The managements and membership became limited to policemen and women then evolved from police monopoly to the approval of the civilian membership by the AGM to open membership with the post of the organization president reserved for the police and to total openness and Mr. Nformi Blasius became the first civilian president effectively from 13/12/2002. Since creation 12 presidents have ruled KIPCCUL up to date. It presently has 3 branches one in Doula at Sidiko Bonaberi, in Yaoundé at rue lycee bilingue, omnispport Yaoundé and in Bamenda at mile 3 opposite the farmers. It also has 2 collecting branches one at Tobin and the other at squares. Its head office is located at the Mbve motor park along the Kumbo Nkambe high way. The organization set up of KIPCCUL is made up of the General Assembly, Board of Directors, and the Women's committee, the General Manger, the Youth Committee, the Credit Committee and the Education Committee. The General Assembly is made up of the members of the union. Members review the union and take decision at the annual general meeting which holds once a year. This meeting gives members the opportunity to criticize, propose, recommend and elect representatives. Source:( KIPCCUL annual report 2017).

The company has a vast range of in banking products and services and this include international sending and receiving of money via Western Union, money changing services, they issue travelers cheques to their customers who do business internationally, international bank transfers, E statement of account, mobile banking and ATM services. Apart from these internet banking related services they also offer other services to their customers and this include the following.



Saving account; it is an account available for customers to grow their savings. It produces an annual interest, for the customer to benefit from his interest, he/she must respect the rules of savings, that is the possibilities to leave the bank and make use of your money. The account operate as follows, deposits can be made during working hours by any persons other than the account holder, if the third party has the account number and name of the account holder. Withdrawals can be made at any time, especially during working hours and at agencies of KIPCCUL. (Source KIPCCUL annual report 2016)

Current account; this account is mostly for business people. With a current account, no interest is given to the customer, but the customer can withdraw his money at any time. When a customer opens a current account, it is advisable for the customer to own a cheque book which would enable him to withdraw money from his or her accounts. The current account provides the advantages of a loan and overdraft unlike a saving account. (Source KIPCCUL annual report 2016)

Salary account; this account is meant for both salary earners of public and private sector. This enables the workers to obtain their monthly salary from KIPCCUL. When a customer has a salary account, he is provided with a personal cheque book that is used to withdraw money at the end of the month. When a customer has a salary account, he can obtain a loan or an overdraft from the bank. (KIPCCUL annual report 2016)

Money transfer services: KIPCCUL has two different transfer operations that is the internal money transfer and Western Union. With the internal money transfer cash, a customer can send and receive money nationally within the various agencies of KIPCCUL, like Bamenda, Douala and Yaoundé. When a customer transfer's money, there are some charges allocated to the amount. The charges would depend on the amount sent. This money can be received in the specific destination within three minutes. KIPCCUL also operates a transfer system known as Western Union. With Western Union, you must not be a customer of KIPCCUL before you benefit from these services, it is open to every person. With Western Union, money can be sent and received nationally and internationally. Upon receiving money through Western Union, the customer is required to fill the receiving form with some valid and vital information received from the sender. (KIPCCUL annual report 2016)

### **3.1 Reasons for Choosing the Study Area**

The study area was chosen because the institution offers internet banking services and enough material could be gotten for this project. Also, the institution is in the same town where the researcher lives

making it less stressful since the researcher leaves from the house to the institution at a less transport cost

The study area was equally chosen because the union gives access to her internship candidates to do practical's as well as reading the theory.

Moreover, the fact that the place is populated area where questionnaires on primary data collected can easily be carried out was one of the reasons for choosing the study area.

### **3.2 Data collection method**

This section of work tackles the method and the procedure involved in the collection of data to reflect the objects and hypothesis that have been tested to establish a better understanding of the topic under study. However, the data required for the proper understanding was obtained using both the primary and secondary sources of data collection. The primary source involves data obtained directly from the field which are; questionnaires observation interviews While the secondary sources on its own part involved mainly data received from other writers published and unpublished as well as research studies from the organizations archives and the internet. However, this research targets KIPCULL head office in Kumbo town and some customers with some seventy questionnaires that were distributed to staffs and customers of the institution.

### **3.3 Sampling and Sampling techniques**

When conducting a research it is almost impossible to study the entire population that you are interested in. If you were to survey the entire population it would be extremely timely and costly. As a result, the researcher uses sample to gather data. A sample is a subset of the population being studied. It represents the largest population and is used to draw in references about that population. The researcher in her study brings out the following characteristics of a good sample design. The sample design must result in a true representative sample of the population the design must be such that it systematically can be effectively controlled and must be such that the result from the study can be applied, for the universe in general with a reasonable level of confidence. It must be viable in the content of funds for the available study. Based on the objectives and hypothesis of the study, KIPCCUL staff and some members were chosen. With this, the probability was used this is a sample in which every item of the population has an equal chance of inclusion in the sample.

### **3.4. Reasons for Data Collection Method Used**

The data collection methods used was both the primary and secondary data. Reasons for primary data collection method used this involves questionnaire design and administration account for the following reasons

It is very flexible and enables the researcher to collect large amount of information

It is a very easy way to get relevant information quickly.

It is cheap as it can be used to collect large amount of information

Reasons for secondary data collection method used the reasons for data collection used are as follows

The researcher used it because the primary data faced problems on interviewing some elderly members who did not want to disclose their financial information.

The researcher also used this method because observation needs patient and she did not have much time to observe for a very long time due to time limitation.

Text books give the author more material for the study.

## 4 PRESENTATION AND ANALYSIS OF DATA

### Identification of Respondents

The respondents were relatively workers and members of KIPCCUL who were eligible, present and available for the study at the time of the researcher's internship. These questionnaires were administered at the KIPCCUL head office located at kumbo. All who were issued the questionnaires responded with their own individual opinions.

TABLE 2. Distribution of questionnaires according to sample size

Sample size	Number of sample
Members	50
KIPCCUL staff	20
Total	70

### 4.1 Analysis of Staff Responses

The data was collected, grouped and analyzed with the use of tables. Data of 20 staff and 50 members is analyzed and presented in two sections. Section one deals with KIPCCUL staff and section two deals with KIPCCUL members.

TABLE 3. Identification of respondents by gender

Gender	Frequency	Percentage
Male	7	35
Female	13	75
Total	20	100

As seen from the TABLE 3 above, out of 20 staff who answered the questionnaire, 7 were males making a percentage of 35 and 13 were females giving a percentage of 65 making a grand total of 100 per cent.

TABLE 4. Identification of respondents by age group

<b>Range</b>	<b>Frequency</b>	<b>Percentage</b>
<b>20-35</b>	14	70
<b>36-45</b>	5	25
<b>46-60</b>	1	5
<b>Total</b>	20	100

The TABLE 4 above illustrates how 14 respondents were between the age of 20 -35 having a percentage of 70, while 5 respondents were between 36-45 giving a percentage of 25 and only 1 respondent was between the age of 46-60 giving a percentage of 5 implying a grand total of 20 respondents with a 100 per cent.

TABLE 5. Does your institution offer internet banking?

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Yes</b>	20	100
<b>No</b>	0	0
<b>Total</b>	20	100

From TABLE 5 above out of the 20 respondents, 20 of them are for the fact that the institution offers internet banking services.

TABLE 6. Are the internet banking services secure?

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Yes</b>	16	80
<b>No</b>	4	20
<b>Total</b>	20	100

From question above 16 out of the 20 respondents believe that the internet banking services in the credit union are secured and this gives a percentage of 80. This is because the bank has a good internet

banking software and they update it often to prevent hacking while 4 of the 20 are of the fact that the internet banking services are not secured giving a percentage of 20 and a grand percentage of 100. This can be related to the Technology Acceptance Model that brings out some of the factors that influence on customers perception and utilization of internet banking and one of these factors is the perceived risk. This means that some customers do not utilize internet banking because they feel it is not secure enough as indicated on the table 6 above.

TABLE 7. Do the customers frequently use the service?

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Yes</b>	10	50
<b>No</b>	10	50
<b>Total</b>	20	100

The TABLE 7 above shows that 10 of the 20 respondents believe that internet banking services are not frequently used. This is because internet banking is still at the introductory level in Cameroon and so many people are not yet fully utilizing this service, and this gives a percentage of 50. 10 out of the 20 respondents think that internet banking is frequently used by the staffs and this gives us a percentage of 50. This can be related to the Technology Acceptance Model which clarifies the usage and acceptance of internet banking. It proves that according to the staffs of this institution customers are not really utilizing this internet banking as they have just a 50 % acceptance rate.

TABLE 8. Do you face any challenges when operating internet banking?

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Yes</b>	15	75
<b>No</b>	5	25
<b>Total</b>	20	100

It can be analyzed from TABLE 8 above that out of the 20 staff respondents 15 say they face many challenges when operating internet banking services. This is so because when something new is introduced it will normally take some time and many people find it difficult to adapt to the new system and 5 out of the 20 respondents say they do not face challenges when operating internet banking services. This can be linked to the Diffusion Innovations theory which clarifies the rate at which new technologies spread. Internet banking is an innovation and it comes with its own advantages as well as its own

challenges. from the table the rate at which this modern technology spreads are slow because the staff faces a lot of challenges when utilizing this internet banking.

TABLE 9. Has the internet banking service reduce work load?

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Yes</b>	20	100
<b>No</b>	0	0
<b>Total</b>	20	100

From TABLE 9 above all the 20 staff say that internet banking has reduced the work load this is because the paper work is reduced and not many customers come to the bank except for very important issues since the customers can access their accounts from anytime and anywhere and this gives a percentage of 100.

#### 4.2 Analysis of Customer's Feedback

TABLE 10. Identification of respondents by gender

Respondent	Frequency	Percentage
Male	20	40
Female	30	60
Total	50	100

The TABLE 10 indicates that of the 50 respondents 20 are male and 30 are female.

TABLE 11. Identification of respondents by age

Respondents	Frequency	Percentage
20-30	10	20
31-40	20	40
41-50	15	30
51-60	5	10
61 and above	0	0
Total	50	100

The age distribution TABLE 11 shows that most of the respondents are between the age group of 30 and 60.

TABLE 12. Do you carry out internet banking?

Respondents	Frequency	Percentage
Yes	40	80
No	10	20
Total	50	100

From this TABLE 12, 40 respondents say they carry out internet banking and this gives a percentage of 80 while 10 out of the 50 respondents say they do not carry out internet banking services and this might be because they feel it is not secured enough and so they prefer the traditional banking system as confirmed by the technology acceptance model where perceived risk is a hindrance to the adaptation and utilization of internet banking.

TABLE 13. Is the internet banking service convenient?

Respondents	Frequency	Percentage
Yes	50	100
No	0	0
Total	50	100

All the respondents to this question say internet banking is convenient. This is because you can have access to your bank details anytime and anywhere and you need not go to the bank all the time except in very important and delicate issues and confirms the Technology Acceptance Model where the perceived convenience is a factor that influences on customers perception and utilization of internet banking as indicated on the TABLE 13 above where all the respondents say internet banking is convenient and this gives a percentage of 100.



TABLE 14. Is internet banking secured?

Respondents	Frequency	Percentage
Yes	28	56
No	22	44
Total	50	100

28 of the 50 customers who were issued questionnaires say that internet banking from their point of view of secured but 22 say it is not secured, this might be as a result of the fear that the software's can be hacked and many other issues this makes many people scared of utilizing this service giving a no percentage of 44 and a yes percentage of 56 thus a grand total of 100 % as seen in the Technology Acceptance Model.

TABLE 15. Are you well orientated on the utilization of internet banking services?

Respondents	Frequency	Percentage
Yes	40	80
No	10	20
Total	50	100

TABLE 15 shows that the customers are well orientated on the usage of internet banking services as indicated by an 80 % acceptance ratio. This is because when any new thing in introduced the bank has a responsibility to orientate the users who are the customers and that is why they all confirm to the fact that they are well orientated on the usage of this service

TABLE 16. Do you face any challenge in utilizing this service?

Respondents	Frequency	Percentage
Yes	45	90
No	5	10
Total	50	100

The TABLE 15 above indicates that 45 out of the 50 respondents say they have challenges when utilizing this service. This is because this activity is still at its introductory level in Cameroon and many find it difficult to switch from the traditional banking method to this innovative banking method .And 5 of the 50 respondents say that they Do not have any challenges utilizing the service giving a yes percent-

age of 10 and this fact connects to the Diffusion Innovations Theory which tries to clarify the rate at which new innovations spread. This internet banking is a new innovation in the banking sector and many customers find it quite difficult to use the service a grand total of 100%.

#### **4.4 Summary of findings**

From all of the above responses we see that internet banking plays an important role not only to the bank customers but also to the employees as the work load is reduced. It can also be seen that many of the customers face many difficulties in adapting to this new system because they are used to the traditional banking method, so the banks have to try to orientate their customers about the internet banking services they offer and try to bring out its advantages so as to encourage the customers to embrace this innovation in the banking sectors. Internet banking is thus a very vital innovation of the modern banking sector and its prospects is worth researching because of the great level of competition it brings amongst banks not only in Cameroon but to the world at large.

## 4 CONCLUSION

The world we live in has been increasing its pace of changes gradually over the years. As fragile as banking business and finance sectors are, the global changes and trends require fast but proper adjustments from the enterprises dealing with finance.

Cameroon is at its earliest stages of e-banking utilization, and as a result there is a need for investors to receive information that will empower clients' dispositions towards e-banking utilization in Cameroon, for example, emphasizing on the positive wellbeing highlights in any advertising effort. It is also important to enhance the security components of the framework being utilized, since this could promise the clients that e-banking is an experimental mode to perform exchanges. There is a need to have trust, reliability, accessibility and awareness of e-banking services and products offered by the banks. Banks ought to likewise offer appropriate instructions and preparation to the clients emphasizing straightforwardness and wellbeing in utilizing e-banking benefits so as improve their general trust in the utilization of electronic banking benefits in the long term. There is a need to make e-banking in Cameroon easy to understand since numerous clients in Cameroon are yet to become technically equipped in using these services.

With everything considered, this study gives a confirmation that doubtlessly indicates that customers see e-dealing with a record regarding its support, comfort, constancy, cost ampleness, dependability, beneficial, and accessibility. Electronic dealing with a record is obviously transforming into a matter of need and holds the key that will help the banking industry with detailing their marketing procedure and furthermore keep on contending in the 21st century where competition amongst banks is at its peak.

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**QUESTIONNAIRE****Dear sir/Madam**

I am a final year student at Centria University of Applied Science in Kokkola, Finland by name Mbenkum Ancela. I am carrying out a research on the topic, "Future prospect of internet banking in Cameroon". This will be used as analysis in my final thesis, please kindly answer the following questions by either ticking "Yes" or "No".

**Thanks for your understanding****Date:** \_\_\_\_\_**Sign:** \_\_\_\_\_**STAFF**

- 1) Gender                      Male                       Female
- 2) Age ; 20-30                       31-40                       41-50                       51-60   
60+
- 3) Does your institution offer internet banking? Yes  No
- 4) Are the internet banking services secure? Yes  No
- 5) Do the customers frequently use the services? Yes  No
- 6) Do you face any challenges when operating internet banking? Yes  No
- 7) Has the internet banking service reduced work load? Yes  No

**CUSTOMERS**

- 1) Gender                      Male                       Female
- 2) Age ; 20-30                       31-40                       41-50                       51-60   
60+
- 3) Do you carry out internet banking? Yes  No
- 4) Is the internet banking service convenient? Yes  No
- 5) Is internet banking secured? Yes  No
- 6) Are you well orientated on the utilization of internet banking services? Yes  No
- 7) Do you face any challenge in utilizing this service? Yes  No