" E-Payment Perception Between Palestinian Banks' Customers "

Masters of Business Administration Program

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Abstract

This study investigates the factors that influence banking customers' attitudes towards utilization of e-Payment. The study also examines if these attitudes vary by demographic variables.

The study shows that many customers are likely to have enough knowledge and skills in using the computer and dealing with the Internet. Also, the trust of online transactions, in addition to the lack of sufficient awareness of the various aspects of e-payment seems to be major factor that are associated with the willingness to conduct e-payment transactions. Analysis of variance shows no significant differences in customer attitudes due to demographic variables.

The study concludes that a high responsibility is hanged on shoulders of Palestinian Banks, the banks should work hard to increase the level of trust and awareness of e-payment and this will result in an increase the level of e-payment utilization.

Contents

Chapter One: Introduction

Introduction

This study aims to find out the factors that influence banking customers' attitudes towards utilization of e-payment. Generally, it is needed to know all the factors that affect e- payment. This study also aims to test hypothesis about the relationship between these factors.

Electronic payment (usually referred to as e-payment) is referred to money which is exchanged only electronically. And this involves usage of computer networks, the internet and digital stored value systems. The e-payment is a fulfillment technology that is considered to be relatively new in the Middle East (and especially in Palestine). Although e-payment now considered to be part of the daily lives of people in North America and Europe.

A literature survey was done, which is considered the secondary data, in order to come up with the most required factors. Primary data was used also through designing a questionnaire and distributing it to three Banks operating in Palestine: Bank of Palestinian, Al-Quds Bank, and the National Bank; the survey included 50 customers selected conveniently. All collected data was later analyzed using SPSS program, in order to come up with conclusions and later the needed recommendations.

The literature discusses the definition of e-payment and all the factors that have an effect on it. The following chapters of this study will show the relationship between e-payment and other factors, the way it can be measured and eventually will come up with conclusions and recommendations concerning the ways that would enhance or increase the utilization of e- payment.

Online payment systems remain a major factor in today's ecommerce sector. Because businesses are expanding globally and also offering online options, the need for alternative forms of payment are quite significant. The use of online payment systems began in the 1960's and was used mainly among financial and

banking institutions. It was during this time that ATM's and credit cards were first introduced to consumers. Since then, the use of online payment systems has increased substantially and has changed the way consumers do business. Online payment systems have also served as a catalyst for new business formations and social practice.

Electronic payment systems began with Electronic Fund Transfer (ETF). An electronic fund transfer is defined as a financial application of Electronic Data Interchange (EDI), which sends credit card numbers or electronic checks via secured private networks between banks and major corporations. Since then, several other forms of electronic payment systems have come into existence and can be broadly divided into four general types: Online Credit Card Payment Systems, Electronic Check System, Electronic Cash System, and Smart Card based Electronic Payment System.

Research Problem and Problem Definition

Unfortunately, most banks are aware that most of the customers do not utilize the e-payment channels available by each bank, and as a matter of fact it was a high demand by top management of those banks, to conduct researches and studies about e-payment utilization and how to improve it in the country.

There is a large literature on the factors that influence e-payment. This literature will indicate that there are relationships between trust in the security, awareness of the existence, demographics, regulations and promotion for e-payment and e-payment utilization.

Research Objectives

1. To spot the factors and variables that have an influence over e-payment and this was done by exploring secondary data and thorough literature.
2. To test whether those variables affect e-payment.
3. To come up with recommendations that would improve the role of banks practices in utilization for e-payment.

4. To know which one of the payment methods through banks is the most preferred by customers.

Research Questions

The following questions were developed to quid this study:

1. Is there a relationship between the level of customer trust in security and guaranteed delivery of e-payment transactions and the penetration of e-payment in Palestine?
2. Is there a relationship between the level or customer awareness & appreciation of the advantages of e-payment and the penetration of e-payments in Palestine?
3. Is there a relationship between the existence of e-payment regulations and mandates and the penetration of e-payments in Palestine?
4. Are there any differences in the penetration of E-payment among any one of the demographic factors (Ex: age, gender, income level, and education)?

Importance of the Research

As Technology evolves to the new generation, it is becoming seriously critical to adopt the needed techniques to convince new customer to fully utilize the e-payment channels.

One of the most critical issues for Banks today is the e-payment. It is considered a useful technique utilized to motivate customers to conduct all their payments, transactions, purchasing through internet and the World Wide Web. The state of art that you can enjoy your payment regardless of your location, whenever internet connectivity is available. As a consequence, visitors to the bank will decline gradually as the utilization of e-payment increase.

Therefore, the importance of this research is linked to the significance of developing unique e-payment system in Palestinian banks that affect e-payment utilization.

Terms Definition

For the purpose of this study, the following definitions have been stated:

- E-Payment: payment transactions conducted through the use of Plastic cards or through the internet or wire transfers, so, it's any payment transaction conducted through the help of technology.
- Palestinian Banks in the study: Is Locally Palestinian banks operated in Palestine.
- C2C: Customer to Customer.
- C2B/G: Customer to Business or Government.
- B/G2B/G: Business or Government to Business or Government.
- PSP: Payment Service Provider.

Chapter Two: Literature Review

Introduction to E-Payment System

This chapter presents a review of literature related to the study, it consist of a review to the relationship between trust in the security, awareness of the existence, demographics, and relevant regulations and its effect on e-payment utilization.

Electronic-Payment is considered as a term associated with individuals using well-known credit cards (e.g. Visa or MasterCard) to conduct non face-to-face payments while connected to the Internet using a home PC or laptop. Practically, any payment transaction conducted through the help of technology (software and/ or hardware) can be at least partially classified as e-payment. This includes C2C, C2B/G, B/G2B/G or B/G2C payments done through PCs, bank ATM devices, Mobile Devices using various methods including credit cards (international and national ones), debit cards, pre-paid disposable cards as well as direct bank account transfers. Many payment methods can be used for online purchases (Hsieh, 2001; Roberts, 2004a; Roberts, 2004).

Carow and Staten (1999) conducted those customers' preferences among debit cards, credit cards, and cash for gasoline purchases. Education, income, and presence of a number of credit cards were associated with greater use of credit cards than cash, they found that convenience, not borrowing capacity of credit, was the greatest determinant of a credit card user.

The Federal Reserves 1995 *Survey of Consumer Finances*, Kennickell and Kwast (1997) analyze the influence of demographic characteristics on the likelihood of electronic payment instrument usage. It was found out that higher level of education and financial assets increase the likelihood of electronic payment usage.

Some Results from Previous Studies

In addition, Mantel (2000) surveys the literature on customer payment decision-making and finds out that three factors explain customer electronic banking usage:

1) Wealth

2) Personal preferences, such as incentives, convenience, control, budgeting, privacy, security, and personal involvement.

3) Transaction-specific factors. Including a broad list of factors help explain sometimes inconsistent behaviors.

According to Humphrey, Kim and Vale (1997) efficient payment instruments would lead to greater electronic payment usage because of their lower cost, relative to paper-based payments.

The study of Mantel (2000) outcomes explains why customers are increasingly choosing to use debit cards, based on the changes in the incentives and attributes financial institutions have begun bundling with debit cards, although credit cards are well known for providing convenience and short-term interest-free loans.

Advantages and Disadvantages of E-Payment

In other words, the concerns related to mistrust and lack of security are usually mentioned by customers, merchants and even banks when discussing e-payment, although IT companies specialized in developing e-payment solutions to improve security and trust measures involved. In all cases, the awareness of the cost & mechanism of conducting e-payment transactions in addition to the appreciation of the benefits that e-payment offers to relevant parties (which include cutting cost, 24*7 operation, location insensitivity) will probably be key factors affecting its market penetration.

For online payment systems, the most vital factor may be security (Mavridis et al., 1999). Sahut & Galuszewska (2004) pointed out that identification, confidentiality, authentication, data integrity, non-repudiation, and customer solvency as key levels of security surrounding payment alternative.

Factors Affecting Customers' Decisions to Go Online or Not

The usage of the internet banking starts as a decision from the customers of the banks, customers would choose whether to switch from the traditional way of doing their banking transactions by visiting the bank fiscally or by going on line and use the internet banking service.

According to Rogers and Shoemaker (1971), consumers go through "a process of knowledge, persuasion, decision and confirmation" before they are ready to adopt a product or service. So the first step when introducing a new service or products is to inform customers about the service and its benefit and try to persuade the customers and drive them to use the new service.

Concerning the internet banking service, costumers would take a lot of things in their consideration before taking the decision whether to go on line and use the internet banking or not.

Convenience with the new service would affect customer's decision to adopt the service or not and so if customers feel convenience with the e-banking service he or she would be more likely to use the internet banking.

From the viewpoint of the consumers, the decision to use Internet banking is frequently motivated by convenience and efficiency (Bruno, 2003).

Online account holders do not have to make a trip to the local branch, queue, or be constrained by the bank's opening hours (Lassar at el., 2005).

Awareness and knowledge, customers should have a good knowledge about the new service in order to be able to choose to use it.

Sathye (1999) identified lack of awareness as one of the main factors hindering the migration of consumers to Internet banking in Australia.

Customers must be informed not just about the new services but also about the benefits of the new services in order to convince them to use it.

Risk and security is an important factor that affect the usage of the internet banking service because customers will not adopt any service if he or she felt that this service is not having a good degree of security and can't keep them away from risk unless he or she is forced to do so.

security concerns related to transacting on the Internet can hamper the enthusiasm of many potential users (Gerrard et al., 2006).

Perceived risk is associated with consumers' uncertainty about decision outcomes and possible negative consequences associated with a particular choice (Dowling and Staelin, 1994).

A high level of perceived risk is considered to be a barrier to propagation of new innovations (Ostlund, 1974). Influenced by the imagination-capturing stories of hackers, customers may fear that an unauthorized party will gain access to their online account and serious financial implications will follow.

Thorton Consulting (1996), which concludes that: perceived lack of security, is one of the main obstacles of growth in the number of online banking users.

Although for the financial companies, the risk is becoming an element that needs to be kept under control under any circumstances, in the case of implementation of some IT projects, risk management becomes a key to success (Dospinescu & Rusu, 2006).

Another thing would affect customer's decision to go on line and use the internet banking is the easy to use and understand the service.

It was found those consumers' previous experiences with the internet technology or their current use of other electronic banking services enhances the likelihood of one adopting internet banking (Lee and Lee, 2001).

The Wallis Report (1997) identifies that technological innovation "must be easy to use" to ensure customer take-up or acceptance.

"The degree to which an innovation is difficult to understand or use" was one of the reasons for failure of home banking in the USA (Dover, 1988).

Adoption of new technologies often comes across a certain amount of resistance to change from present ways of operating. Commenting about technology adoption, Quinn and Mueller (1982) state "human beings what they are, there tend to be resistance to change".

For customers to change present ways of operating and take up new technology, it must "fulfill a specific need" (Wallis Report, 1997).

Access to internet and computer are prerequisite for customers to take the decision to go on line and use the internet banking service.

Since the online banking services are delivered through the medium of the Internet, consumers have to be familiar with a set of accompanying technologies such as a personal computer and a web browser (Lee et al., 2005).

O'Connell (1996) identifies lack of access to computers/Internet as one of the possible reasons for slow adoption of Internet banking.

The Wallis Report (1997) states "as the Internet becomes more widely accessible . . . households will conduct their financial transactions over the Internet".

In addition to the four mentioned factors, attitudes toward new technologies may be linked to a set of personal characteristics. For instance, people with high

educational attainment may have an aptitude for computers and possess good information processing skills.

Certain individuals may also be averse to the idea of banking online due to their low educational attainment or unavailability of adequate information about this distribution channel (Nielsen, 2002). So, educational attainment will affect the customer's decision to go on line and use the e-banking.

These qualities are crucial in the context of electronic banking and therefore a relationship between formal education and adoption is propounded.

The decision to go online will be affected also by the age of the customer because young generation is most likely to try the new technology.

Schooling aside, previous research has indicated that consumer innovators tend to be younger and that a part of the mature customer segment may perceive computer technologies as confounding and stress-inducing (Im et al., 2003; Elder et al., 1987).

It should consequently come as no surprise that age has been found to be an important determinant in the online banking acceptance studies (Flavián et al., 2006).

The results reported in Flavián et al. (2006) indicated that women were also less likely to conduct their banking activities online.

So, we can conclude that the decision to go on line and use the internet banking is affected by six main aspects:

1. Knowledge about the service and its benefits.
2. Fear from security and risk by using the internet to conduct the financial transaction.
3. Convenience and easy to use the service.
4. The access to the internet/computer.
5. Resistance to change from the traditional way and use the e-banking.
6. Customer's characteristics (age, gender, educational attainment).

Chapter Three: Theoretical Framework and Development of Hypothesis

Variables of the Study

The dependent variable is e-payment utilization in Palestine, which is the variable of primary interest, and I will focus on three independent variables, and one moderating variable that affect e-payment, and these variables are as follows:

Independent Variables:

- Trust in the security and guarantee of the delivery of payment transactions.
- Awareness of the existence, and advantages of e-payment services.
- Relevant regulations, mandates and references.

Moderating variable:

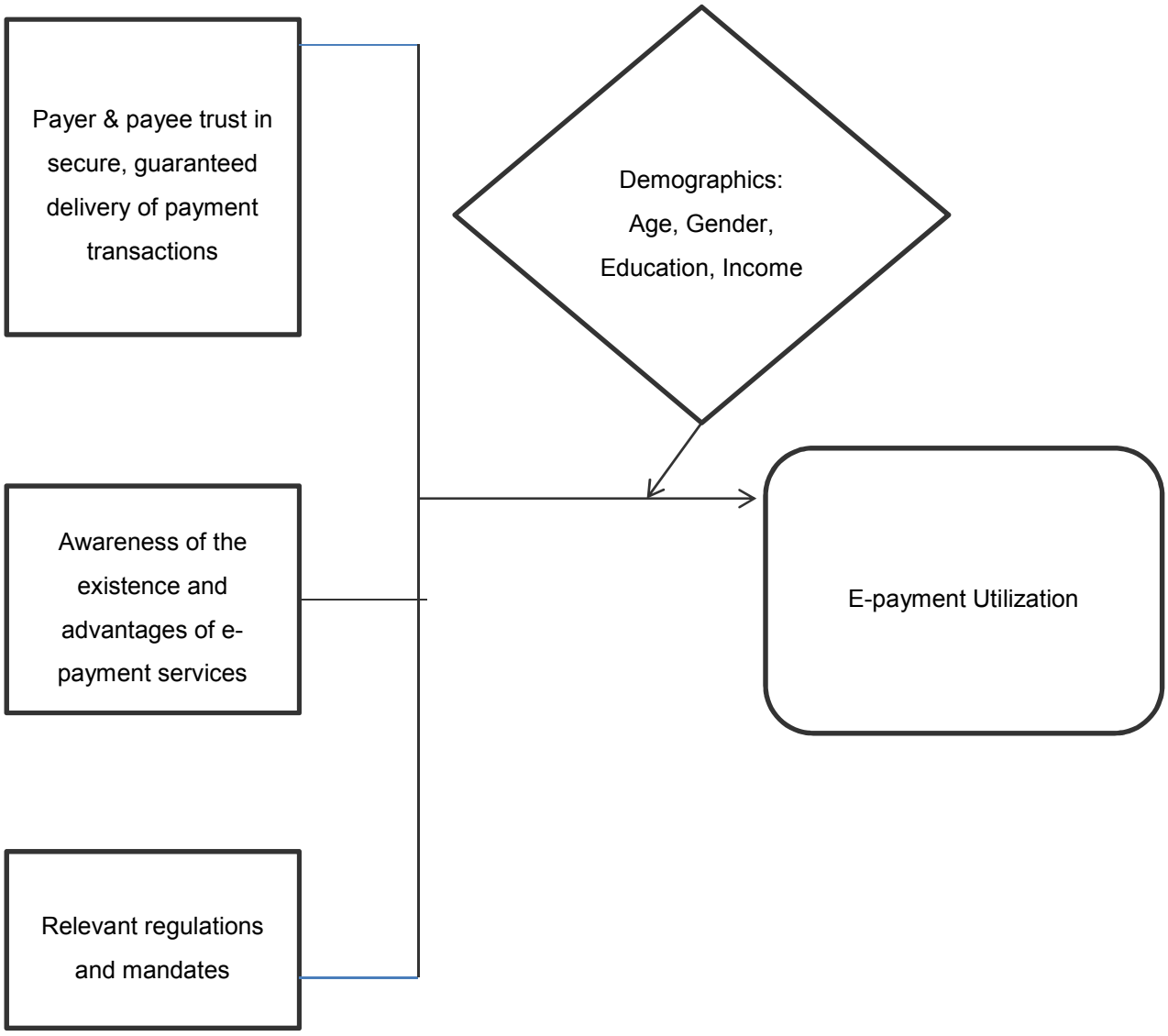
- Demographics (Educational level, Income level, Age and Gender).

Those variables may be more important in affecting e-payment utilization came from my informal talking with some customers at banks where they gave me background about their level of using e-payment. Also, this idea came by reviewing the literature of some researchers who talked about this subject.

The Theoretical Framework

The below diagram illustrates the theoretical framework of the study:

Moderating Variable



The Independent Variables

the Dependent Variable

The Hypotheses

After identifying the important variables that have an effect on e-payment utilization, and establishing the relationships among them through logical reasoning in the theoretical framework, it is now important to test whether the relationships that have been organized do hold true. Therefore, it is of great interest to develop and formulate testable statement.

The following null and alternative hypotheses are formulated and will be examined in the research:

1) H_0#1: There is no relationship (ρ1) between customer trust in security and guaranteed delivery of e-payment transactions and the penetration of e-payments

$$H_0\#1: \rho 1 = 0$$

H_A#1: There is a relationship (ρ1) between customer trust in security and guaranteed delivery of e-payment transactions and the penetration of e-payments

$$H_A\#1: \rho 1 \neq 0$$

2) H_0#2: There is no relationship (ρ2) between customer awareness & appreciation of the advantages of e-payment and the penetration of e-payments

$$H_0\#2: \rho 2 = 0$$

H_A#2: There is a relationship (ρ2) between customer awareness & appreciation of the advantages of e-payment and the penetration of e-payments

$$H_A\#2: \rho 2 \neq 0$$

3) H_0#3: There is no relationship (ρ3) between the existence of relevant regulations and mandates and the penetration of e-payments

$$H_0\#3: \rho 3 = 0$$

H_A#3: There is a relationship (ρ3) between the existence of relevant regulations and mandates and the penetration of e-payments

$$H_A\#3: \rho 3 \neq 0$$

4) H_0#4: There are no differences between any one of the factors affecting the penetration of E-payment and the demographic variables (e.g. age, genders, income, education).

$$H_0\#4: \rho 4 = 0$$

H_A#4: There are differences between any one of the factors affecting the penetration of E-payment and the demographic variables (e.g. age, genders, income, education).

$$H_A\#4: \rho 4 \neq 0$$

Chapter Four: Research Design and Methodology

Type of The Study

This study is considered an analytical Hypotheses testing research, a correlation study since it describes the relationship between the dependent variable (e-payment utilization) and the independent variables (trust in the security and guarantee of the delivery of payment transactions and awareness of the existence, and advantages of e-payment services, and the regulations and rules), and the moderating variables (demographics).

Study Settings

My study will be conducted in a non-contrived setting because it is correlational study. So, this study will be made in normal settings in Ramallah where some banking customers will help us in explaining their e-payment utilization.

Data Collection Methods

Secondary data was used, through the literature done by different researchers. Some articles were reviewed, from which factors were determined. It was for interest to concentrate on these variables that have a great impact on e-payment utilization. These factors were tested to see the effect of them on e- payment utilization.

In addition to Secondary data, Primary data will be used through designing a questionnaire for the purpose of the study.

Tools: The Questionnaire Design

A questionnaire was designed (in Appendix 1) and distributed personally on the 50 customers in Ramallah selected conveniently. The questionnaire consisted from 24 questions, distributed between four parts as follows:

1) Personal information (the Profile questions) to analyze the moderating variable.
2) Research questions (Variable questions) Yes or No questions.
3) Liker five Scale questions.
4) Ranking question.

Unit of Analysis

- Population and Study Unit:

Our studying unit in our research is the target population which consists of the customers of 3 Palestinian banks (Bank of Palestine, Al Quds Bank, and the National Bank) in Ramallah area.

- Sample, sample method and Unit Size:

The population of the study targeting banks' customers in Ramallah. As a matter of fact 50 customers were selected from those three banks to be tested. A convenient sampling method was used to select the 50. A questionnaire was distributed on them to test their e-payment usage.

Preparing Data for Analysis

After distributing the questionnaire on the 50 customers, 37 of them were collected. Then, making sure that all were filled, it was submitted for analysis to test the hypothesis being formulated previously, using SPSS window software program. Finally, after entering the data on the SPSS, it was checked again that all the questions were entered properly and filled in to analyze the needed information properly.

Goodness, Reliability and Validity of the Scale

Testing the goodness of the data is done through testing the reliability and validity of the measure. In testing reliability, we test consistency and stability. Consistency indicates how well the items measuring a concept hang together as a set, and how well these items are positively correlated to one another. Cronbach's alpha reliability coefficient is used as a measure to test the inter correlations between the variables. The closer the Cronbach's alpha coefficient is near 1, the higher internal consistency reliability.

The following tables and results illustrate the Reliability test for each variable of the study:

a)

Reliability Statistics	
Cronbach's Alpha	N of Items
.499	4

The table above illustrates the reliability analysis for "***Existence of relevant regulation***". We found that Cronbach Alpha was almost equal to 0.5 which means that the questions have high internal consistency and reliability which means that they are positively related to each other.

b)

Reliability Statistics

Cronbach's Alpha	N of Items
.511	3

The table above illustrates the reliability analysis for
"Trust in security and Guaranteed Delivery of e-payment transactions". We found that

Cronbach's Alpha was equal to 0.511 which means that the questions have high internal consistency and reliability, which means that they are positively related to each other.

c)

Reliability Statistics

Cronbach's Alpha	N of Items
.720	3

The table above illustrates the reliability analysis for:
"***Awareness and Appreciation of the Advantages of e-payment "***. We found that Cronbach's Alpha was equal to 0.720, which means that the questions have high internal consistency and reliability which means that they are positively related to each other.

d)

Reliability Statistics

Cronbach's Alpha	N of Items
0.501	6

Also the table above illustrates the reliability analysis for "***E-payment utilization***". We found that Cronbach Alpha was almost equal to 0.5 which means that the questions have internal consistency and reliability which means that they are positively related to each other.

To sum up all the above results, we can see the following table:

The Variables	Cronbach Alpha (Reliability of internal Consistency)	Number of items
Existence of relevant regulations and mandates	0.499	4
Trust in security and guaranteed delivery of E-payment transactions	0.511	3
Awareness and appreciation of the advantages of E-payment	0.720	3
E-payment utilization	0.501	6

Chapter Five: Analysis and Results

After collecting the data from all customers and entering it for analysis using the SPSS program which helps us to determine which hypotheses is to be accepted or rejected.

In the following sections , the analysis will provide us with the results : First , general statistics for personal information , which in turn will give general view and understanding of the chosen sample through using Frequency and Percentage analysis. Second, testing the hypothesis which in turn shall prove either the alternate hypothesis or the null hypothesis will be established through bivariate correlations, Pearson Coefficient (R), and Significant Value (P-Value). Finally, the analysis should take into consideration the effects of age and working experience as moderating variables for the purpose of this study, through One-Way ANOVA Tests, because there are more than two groups in the variables.

Also, for the analysis of the questionnaire and conducting the findings, the SPSS program was used.

Sample General Statistics

The following tables show the frequencies for the Demographic (Moderating) variables:

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	22-30	20	54.1	54.1	54.1
	more than 30	17	45.9	45.9	100.0
	Total	37	100.0	100.0	

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	29	78.4	78.4	78.4
	Female	8	21.6	21.6	100.0
	Total	37	100.0	100.0	

Education Level					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachelors	23	62.2	62.2	62.2
	Master	7	18.9	18.9	81.1
	None of above	7	18.9	18.9	100.0
	Total	37	100.0	100.0	

Income Level (NIS)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Between 2000-4000	28	75.7	75.7	75.7
	More than 4000	9	24.3	24.3	100.0
	Total	37	100.0	100.0	

Total Sample Correlations (Relationships Analysis, Hypotheses Testing)

The results and interpretations for the hypothesis, to know the relationships between each one of the independent variables with the dependent variable are as follows.

Awareness	Trust	The regulations
R=0.432 P = 0.005	R = 0.324 P = 0.040	R = 0.244 P = 0.803

Correlations

		Awareness	Trust	Regulation	e-Payment
Awareness	Pearson Correlation	1	-.071	.396(*)	.464(**)
	Sig. (2-tailed)	.	.665	.011	.003
	N	37	37	37	37
Trust	Pearson Correlation	-.071	1	.017	.323(*)
	Sig. (2-tailed)	.665	.	.917	.042
	N	45	45	45	45
Regulation	Pearson Correlation	.396(*)	.017	1	.020
	Sig. (2-tailed)	.011	.917	.	.905
	N	45	45	45	45
e-Payment	Pearson Correlation	.432(**)	.324(*)	0.244	1
	Sig. (2-tailed)	.005	.040	.803	.
	N	37	37	37	37

The first null hypothesis states that "There is no relationship between customers trust in security and guaranteed delivery of e-payment transactions and the

penetration of e-payments". To test this hypothesis, we use ***Pearson Test*** which gives the results in the Table above (Correlation Table).

The test shows that there is a moderate positive relationship between Trust & e-Payment utilization (correlation coefficient r = 0.324) with a significance value of p = 0.040 (p < 0.05) which means that we reject the null hypothesis & accept the alternative hypothesis.

The second null hypothesis states that "There is no relationship between customer awareness & appreciation of the advantages of e-payment and the penetration of e-payments". To test this hypothesis, we use ***Pearson test*** which gives the results in the Table below (Correlation Table).

This test shows that there is a positive relationship between Awareness & e-Payment utilization (correlation coefficient r = 0.432), with a significance value of p = 0.005 (p < 0.05) which means that we reject the null hypothesis & accept the alternative hypothesis.

The third null hypothesis states that "There is no relationship between the existence of relevant regulations and mandates and the penetration of e-payments". To test this hypothesis, we use ***Pearson Test*** which gives the results in the Table below (Correlation Table).

This test shows that there is a slightly positive relationship between Existence of Relevant Regulations and Mandates & e-Payment utilization (correlation coefficient, r = 0.03), with a significance value of p = 0.803 (p > 0.05) which means that we accept the null hypothesis.

Correlation Analysis for the Moderating Variables

Although I have concluded that the existence or not of the correlations between the independent variables from one side, and the dependent variable along with its dimensions from another. I still need to understand the moderating variables effects on these relationships by analyzing the same above correlations split between each variable's groups.

The Variables	Age groups	Sum of squares	DF	Mean Square	F	Sig.
The Awareness	From 22-30	1.151	5	0.230	0.849	0.496
	Over 30	8.749	34	0.257		
	Total	9.900	39			

The analysis that will show the results will be conducted using one way ANOVA test for multiple groups and Bivariate for gender because it's only consists of two groups and the results were in the tables below :

The Variables	Gender groups	Sum of squares	DF	Mean Square	F	Sig.
The Awareness	Male	1.894	5	0.379	2.535	0.047
	Female	5.081	34	0.149		
	Total	6.975	39			

In total, the table that summarizes the relationships between the dependent variable and each one of the independent variables with the moderating variables groups is as follow:

ANOVA

		Sum of Squares	Df	Mean Square	F	Sig.
Age	Between Groups	1.151	5	.230	.894	.496
	Within Groups	8.749	34	.257		
	Total	9.900	39			
Gender	Between Groups	1.894	5	.379	2.535	.047
	Within Groups	5.081	34	.149		
	Total	6.975	39			
Education	Between Groups	2.711	5	.542	1.577	.193
	Within Groups	11.689	34	.344		
	Total	14.400	39			
Income	Between Groups	2.166	5	.433	.932	.473
	Within Groups	15.809	34	.465		
	Total	17.975	39			

The fourth null hypothesis states that "There is no relationship between customer demographics (age, gender, income, and education) and the penetration of e-payments". We use ***ONE WAY ANOVA*** to test this hypothesis which gives the results in the Table above.

The ANOVA tables illustrates that the values of (F), the significance level for all variables is greater than 0.05 except for (Gender = 0.047) which is almost 0.05, which means that we accept the null hypothesis.

For the moderating variables (demographic) , there are no differences between E-payment independent variables due to Age, Education, and income level, because P-Value is greater than 0.05, but for the moderating demographic variable (Gender) , there are differences between E-payment independent variables, because P-Value is less than 0.05 as we can see in the tables above.

Analysis for Yes, No, and Ranking Questions

Questions 1, 2 & 3 in the questionnaire have been analyzed and their results are shown in Tables below.

The tables below illustrate that 64.9% of respondents have sufficient knowledge in using computer and 62.2% of respondents have sufficient knowledge in using internet, and 32% of respondents only prefer using E-payment service to make their payments over the traditional payment methods, as follows:

Q #	The question description	Yes %	No %
1	Do you sufficient knowledge of using the computer?	65	35
2	Do you sufficient knowledge of using the internet?	61	39
3	Do you prefer using E-payment service to make your payments?	32	68

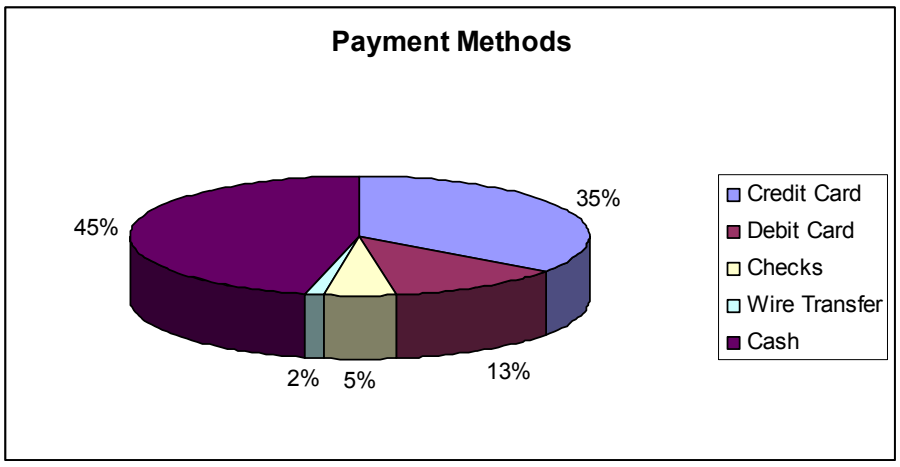
Ranking Question (Payment Methods):

The last question in the questionnaire is regarding the payment methods preferences (with 1 indicates the most favorable and 5 indicates the least): the tables below illustrate how the respondents rank the different methods of payment. As we can see 46% of them prefer using cash, while 35% prefer to use Credit Card.

Ranks of Payment Methods

Rank	1	2	3	4	5
Credit Card	22.5	12.5	20.0	20.0	35.0
Debit Card	12.5	17.5	35.0	22.5	12.5
Checks	17.5	37.5	17.5	25.0	5.0
Wire transfer	22.5	27.5	17.5	20.0	1.5
Cash	25.0	5.0	10.0	12.5	46.0
Total	100.0	100.0	100.0	100.0	100.0

The Payment Methods	Rank	Percentage %
Credit Cards	2	35
Checks	4	5
Cash	1	46
Debit Cards	3	12.5
Wire transfer	5	1.5



Chapter Six: Conclusions and Recommendations

Conclusions and Results

After analyzing the research study and the results in the preceding chapters, it can be concluded that:

1) E-payment can be affected by more than one variable with different sensitivities, those variables according to the study are: Trust and security, awareness of customers, and regulations and mandates.
2) There are no differences among groups of moderating variables (Age, Education, and Income level); except for the Gender (there are differences).
3) According to Customers point of view, they prefer to make their payments mostly through Cash, then Credit and debit cards, checks, and the last by wire transfer.
4) According to my study, only 32% of respondents prefer to use E-payment system, while 68% of them prefer the traditional way.
5) Many Banks' Customers don't have enough knowledge to handle e-payments and internet issues; they lack the experience to normal PC usage.
6) The study also shown that some responsibility lies on the shoulders of those banks, which are not paying sufficient efforts to raise the awareness of e-payments to their customers.
7) The e-payment systems used by banks are still not mature and easy to use, and not adaptable with all web browsers and new versions of internet explorer, and those systems to be adjusted to be user friendly and easy to deploy.

Recommendations

According to the results of the study, Palestinian Banks and their managers must focus on these issues to increase the usage of E-payment service:

Increase the level of awareness about E-payment benefits between Banks' customers through meetings and workshops.

1) Increase promotion campaigns for E-payment services.
2) Reduce the costs for customers who use the services of E-payment.
3) Give incentives and discounts for customers who pay using E-payment instruments.
4) Increase the security for financial transactions.

Appendices

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The Questionnaire

Dear Participants,

Kindly note that I am an MBA student at Birzeit University, I need your assistance to answer this questionnaire which is part of my survey About “E-Payment perception between Palestinian Banks’ Customers”, supervised by **Prof. Dr. Nidal Sabi**.

The purpose of this questionnaire is to collect relevant data from different customers about the above topic.

I hope that you will give me your time to fill this questionnaire, and I can assure you that any given information will be confidential and used for research purposes only.

Thank you very much for your time and cooperation. I greatly appreciate your help in furthering this research.

Yours Sincerely,

Rawan Mahmoud Siam

March, 2016.

Part One: The Profile Information:

- Kindly put a tick in the appropriate box.

1. Age	☐ Less than 22	☐ From 22 to 30	☐ More than 30	
2. Gender	☐ Male	☐ Female		
3. Educational Level	☐ Bachelor	☐ Master	☐ PHD	☐ anything else
4. Monthly Income (NIS)	☐ Less than 2000	☐ From 2000 to 4000	☐ More than 4000	

Part Two: Yes & No Questions:

Q No.	The Question	Yes	No
5	Do you have sufficient knowledge of using a computer?		
6	Do you have sufficient knowledge of using the internet?		
7	Do you prefer using E-payment service to make your payments?		

Part Three: Research Questions (Likert Scale):

SA= Strongly Agree, A= Agree, N= Neutral, D= Disagree, SD= Strongly Disagree.

Statement	SA	A	N	D	SD
8. Electronic payment process requires computer connected to the internet					
9. There are laws governing the operations of electronic payment					
10. It's necessary to obtain an official receipt supported when conducting the electronic payment					
11. Is not necessary to be a receipt signed by a competent employee and stamped on the side to be formally					
12. Must keep receipts for payments and for the purposes of audit, for example					
13. It's necessary to have a confirmed number reaches consumers through SMS or e-mails as a substitute for paper receipt					
14. Deal with the electronic payment faster than dealing directly with the employee					
15. Deal with the electronic payment easier than dealing directly with the employee					

16. Deal with the electronic payment cheaper than dealing directly with the employee					
17. The amount paid to the concerned party will arrive when you use the traditional payment					
18. Safety standards on electronic payment meet the minimum desirable needed					
19. There is no risk to provide credit card information when conducting electronic payment					
20. There is no risk to provide bank account information when conducting electronic payment					
21. It's necessary to have a credit card to the buyer to be able to pay using electronic payment					
22. Do you prefer electronic payment, providing the seller (or the company) for more than one way to pay					
23. Electronic payment save of time and effort to the seller					

Part Four: Ranking Question:

Q24: How would you rank the following Payment methods preferences from the more preferred to the least , by putting numbers from 1 to 5 , starting from 1 to indicate the preferred choice?

Credit Cards -------

Debit Cards --------

Checks ----------

Wire transfer -------

Cash ----------

Other Notes and Comments:

_____
_____
_____
_____
_____

Thank you for your valuable contribution