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Impact of E-Banking Service Quality on Customers Satisfaction in Osun State, Nigeria

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Abstract

Electronic banking services are provided basically by all the banks in Osun State, with the aim of decongesting the banking hall and providing convenient and satisfactory services to customers. Yet, bank customers experience delayed services, as the banking halls and ATM stands are always crowded. This study investigated the impact of e-banking service quality on customers satisfaction in Osun State, Nigeria. Survey data was collected from 195 customers (respondents) of the FCMB Branch Osogbo. The regression analyses were used to analyze the data. Findings showed that customers are relatively satisfied with quality of e-banking services (Responsiveness and Reliability) but were dissatisfied with the fees/charges compared to quality of services provided by the banks. The result showed that reliability and responsiveness have significant positive impact on customers' satisfaction. On the other hand, fees/charge have a significant inverse relationship with customers satisfaction. It is thus recommended among other banks; to reduce their fees/charges on e-banking services, this would lead to greater patronage of the e-banking services. This in turn will lead to decongestion of the banking halls and higher customers satisfaction.

Keywords: Customer Satisfaction, E-Banking, Fees/charges, Reliability, Responsiveness, Service Quality.

I. Introduction

The rapid advancement of information and communication technology (ICT) has significantly transformed the global banking industry by changing the way financial institutions deliver products and services to customers. Electronic banking (e-banking) has become one of the most important innovations in the banking sector, enabling customers to perform financial transactions through digital channels such as Automated Teller Machines (ATMs), Internet banking, mobile banking applications, Point-of-Sale (POS) terminals, Unstructured Supplementary Service Data (USSD), and other electronic payment platforms. These technologies have improved the speed, convenience, accessibility, and efficiency of banking operations while reducing customers' dependence on physical banking halls. In Nigeria, the adoption of e-banking has accelerated in recent years due to increased smartphone penetration, internet connectivity, financial inclusion initiatives, and regulatory reforms aimed at promoting a cashless economy. However, the effectiveness of these electronic banking channels depends largely on the quality of services delivered to customers, as service quality remains a critical determinant of customer satisfaction and loyalty (Ighomereho et al., 2022; Olowofela et al., 2024).

Service quality in electronic banking refers to customers' overall assessment of the efficiency, reliability, responsiveness, security, ease of use, accessibility, and effectiveness of electronic banking platforms in meeting their banking needs. Unlike traditional banking, e-banking service quality emphasizes the ability of digital platforms to provide uninterrupted, secure, and user-friendly services while ensuring customers' confidence and trust in electronic transactions. High-quality e-banking services not only improve customers' experience but also enhance operational efficiency, reduce transaction costs, and strengthen the competitive position of banks. Conversely, poor network connectivity, delayed transaction processing, failed transfers, cyber security concerns, and inadequate customer support may negatively affect customers' perceptions and satisfaction with banking services. Recent empirical studies conducted in Nigeria have consistently shown that reliability, security, responsiveness, and ease of use are among the strongest predictors of customer satisfaction in electronic banking environments.

Customer satisfaction represents the degree to which customers perceive that banking services have met or exceeded their expectations. Satisfied customers are more likely to maintain long-term relationships with their banks, recommend the institution to others, and continue using electronic banking channels. As competition within Nigeria's banking industry intensifies, customer satisfaction has become an essential indicator of organizational performance and sustainability. Banks therefore invest heavily in digital technologies, cyber security infrastructure, customer relationship management systems, and innovative financial technologies to enhance customers' banking experiences. Nevertheless, despite these investments, many customers still experience challenges such as failed electronic transactions, delayed reversals, network interruptions, fraud, system downtime, and inadequate technical support, which continue to influence their level of satisfaction with e-banking services.

In Nigeria, electronic banking has experienced remarkable growth following the implementation of the cashless policy by the monetary authorities and the increasing adoption of digital financial services. Commercial banks now encourage customers to utilize electronic channels for payments, fund transfers, bill payments, account inquiries, and other banking transactions. Although these innovations have increased banking convenience and operational efficiency, customers' expectations regarding service quality have also increased significantly. Modern banking customers demand uninterrupted services, transaction accuracy, data security, prompt complaint resolution, and user-friendly digital platforms. Failure to provide these service quality dimensions may reduce customer confidence and satisfaction despite the availability of advanced technological infrastructure. Studies conducted across different states in Nigeria indicate that dimensions such as reliability, responsiveness, assurance, privacy, and ease of use significantly influence customers' satisfaction with electronic banking services.

Osun State, like many states in Nigeria, has witnessed substantial growth in electronic banking adoption among civil servants, traders, entrepreneurs, students, and other categories of bank customers. Financial institutions operating within the state increasingly depend on digital banking platforms to improve service delivery and reduce congestion in banking halls. Despite these developments, customers continue to report occasional challenges associated with network failures, unsuccessful electronic transfers, ATM cash shortages, delayed transaction reversals, and security concerns. These issues raise questions regarding the quality of electronic banking services delivered by banks and the extent to which such services influence customer satisfaction. Consequently, examining the impact of e-banking service quality on customer satisfaction in Osun State is important for identifying areas requiring improvement and for providing evidence-based recommendations that will enhance service delivery within the banking industry.

Several recent studies have examined the relationship between e-banking service quality and customer satisfaction in Nigeria. Ighomere et al. (2022) reported that website quality, functional quality, recovery quality, and security quality significantly influence customer satisfaction among internet banking users. Similarly, Ademola and Kazeem (2022) found that reliability, responsiveness, and assurance positively and significantly affect customer satisfaction with electronic banking services. Olowofela et al. (2024) further established that ease of use, reliability, and security remain significant determinants of customer satisfaction among bank customers in Nigeria. More recently, Onamusi and Oguntimehin (2026) also confirmed that reliability, security/privacy, and ease of use positively predict customer satisfaction among deposit money bank customers.

The concept of ‘Customer Satisfaction` needs to be understood to establish its relationship with service quality delivery. The phrase does not only refer to a happy customer, but rather complex than that. Customer satisfaction is a term most widely used in the business and commerce industry. It is a business term that explains a measurement of the kind of products and services provided by a company to meet its customers' expectations. For some people, this may be seen as the company's key performance indicator. In a bid to achieve customer satisfaction, banks employ different strategies such as physical decentralization of branches around population/commercial areas, making them accessible to customers, and have also taken advantage of Information Communication Technology (ICT). ICT has introduced a number of new systems in all aspects of business activities and banks have not failed to explore this in their desire for customer satisfaction. One of the systems that have come along with ICT is electronic banking, otherwise known as e-banking.

E-banking is of paramount importance in meeting user expectations. Customer satisfaction in the context of consumption as "the summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the customers prior feelings about the consumption experience". In other words, customer satisfaction reflects a post-purchase evaluation of product quality given pre-purchase expectation. With the provision of electronic banking services in virtually all the banks in Osun State, aimed at decongesting the banking hall and providing convenient and satisfactory services, customers still experience delayed services. It takes hours to affect a simple transaction, and the hall is always full of customers waiting to either pay in or withdraw money from their accounts. The situation is even worse during festive periods or when workers' salaries and other emoluments are paid to workers at the end of each month, which has become a norm within the Osun State.

Researchers observed that although the adoption of electronic banking by banks has made some changes in time consumption in banks, the changes do not reflect the accurate service that is expected from the banks. Some customers see banking activities in Osun State as time consuming or wasting. The aim of this study, therefore, is to examine the effect of e-banking service quality (Reliability, Responsiveness and fees/charges) on customer satisfaction in Osun State.

A. Statement of Problem

The banking industry in Nigeria has undergone significant transformation through the adoption of electronic banking (e-banking) technologies such as Automated Teller Machines (ATMs), Internet banking, mobile banking, Point-of-Sale (POS) terminals, Unstructured Supplementary Service Data (USSD) banking, and other digital payment platforms. These innovations were introduced to improve delivery service, reduce congestion in banking halls, increase operational efficiency, and provide customers with faster, safer, and more convenient banking services. Despite these technological advancements and substantial investments by deposit money banks, customers continue to experience numerous service quality challenges that negatively affect their banking experience and overall satisfaction.

In Nigeria, complaints relating to failed electronic transactions, delayed transaction reversals, unstable banking applications, poor network connectivity, ATM downtime, inadequate customer support, security concerns, and high transaction charges remain common among bank customers. These recurring challenges suggest that the mere availability of e-banking services does not necessarily guarantee high customer satisfaction. Rather, customers evaluate electronic banking services based on important service quality dimensions such as reliability, responsiveness, security, ease of use, efficiency, and service availability. When these dimensions are inadequate, customer confidence and satisfaction decline.

Service quality has consistently been identified as one of the strongest determinants of customer satisfaction in the banking industry. Customers expect electronic banking platforms to be available at all times, provide accurate and timely transaction processing, protect confidential information, and resolve service failures promptly. However, empirical evidence continues to show that deficiencies in reliability, security, responsiveness, and ease of use significantly reduce customer satisfaction and loyalty among bank customers.

Although several studies have investigated electronic banking and customer satisfaction in Nigeria, many of these studies were conducted before the rapid expansion of digital banking services experienced in recent years or were limited to other geographical locations such as Lagos, Ogun, Abuja, or northern Nigeria. Consequently, their findings may not adequately reflect the present realities and peculiar experiences of bank customers in Osun State, where customer demographics, technological infrastructure, banking competition, and service delivery conditions may differ considerably from those of other states.

Furthermore, available empirical evidence from Osun State indicates that while customers appreciate the convenience associated with e-banking services, they remain dissatisfied with several aspects of service quality, particularly transaction charges, delayed service delivery, and occasional service failures. The study conducted in Osun State revealed that reliability and responsiveness positively influence customer satisfaction, whereas excessive service charges negatively affect customers' perceptions of electronic banking services. These findings suggest that significant service quality gaps still exist despite increasing digital banking adoption.

The increasing dependence on electronic banking following Nigeria's digital payment initiatives has made service quality more critical than ever before. Customers increasingly rely on digital banking channels for financial transactions, making uninterrupted, secure, and efficient service delivery essential. Persistent service failures not only reduce customer satisfaction but may also discourage continued usage of electronic banking channels, weaken customer trust, and adversely affect the competitiveness and profitability of banks. Another concern is that many existing studies have examined electronic banking generally without comprehensively evaluating the individual dimensions of e-banking service quality and their respective influence on customer satisfaction. There remains limited empirical evidence focusing specifically on how reliability, responsiveness, security, ease of use, and efficiency collectively influence customer satisfaction among bank customers in Osun State. This creates an important knowledge gap that requires empirical investigation.

In view of these identified gaps, there is a need for an empirical investigation into the impact of e-banking service quality on customers' satisfaction in Osun State, Nigeria. The findings of this study will contribute to existing literature by providing current evidence on customers' perceptions of e-banking service quality, identifying the service quality dimensions that most strongly influence satisfaction, and providing practical recommendations that will assist banks operating in Osun State in improving their electronic service delivery and enhancing customer satisfaction. However, the trend these days is to reduce human capital numbers to attain more efficiency and maximize profit, this urged us to focus on E-banking services which lead to a remarkable reduction in bank cost and the time needed to complete customers' transactions. In spite of the positive impact of depending on such services, some customers may receive negative perceptions because of the small amount of human communication to perform their needs.

It is clear that banks are trying to encourage their clients to use E-banking services more by offering some additional benefits such as better exchange rates or reductions on some fees. In spite of these benefits, a noticeable number of clients are still stuck in the middle between these benefits and worry about the lack of personal connection with banks employees. Due to the numerous benefits of electronic banking to the Nigerian economic activities, several attempts have been made by the scholars in the recent times to explore how electronic banking has satisfied the needs of customers of deposit money banks. It is worth noting that the majority of studies on this subject matter have not fully explored the effect of e-banking service quality on customers' satisfaction in Osun State. In recent times, the gap in which this study intends to fill. This study therefore seek to find out how electronic banking services quality influence customers satisfaction in Osun State, using customers of First City Monument Bank (FCMB), Osogbo branch.

B. Research Questions

- What is the relationship between electronic banking responsiveness and customers satisfaction in Osun State?
- What is the relationship between electronic reliability and customers satisfaction in Osun State?
- What is the effect of fees/charges on customers satisfaction in Osun State?

C. Objectives of the study

The main objective of this study is to examine the impact of electronic banking service quality on customers satisfaction in Osun State. Other specific objectives of the study are to:

- ❖ ascertain the relationship between electronic banking responsiveness and customers satisfaction in Osun State.
- ❖ examine if any relationship exists between electronic banking reliability and customer satisfaction in Osun State.
- ❖ determine the effect of fees/charges on customer satisfaction in Osun State.

D. Research Hypothesis

The research study is geared towards testing the following hypothesis:

Ho$_1$: There is no significant relationship between electronic banking responsiveness and customer satisfaction in Osun State.

Ho$_2$: There is no significant relationship between electronic banking reliability and customer satisfaction in Osun State.

Ho$_3$: There is no significant effect on fees/charges on customers satisfaction in Osun State.

E. Scope of the Study

This study is focused on service quality and customers' satisfaction on electronic banking. Also the variable was dependent (Customer Satisfaction) and the measure for dependent variable was Patronage and independent variable was (Service Quality). More so, the following dimensions (Responsiveness, Reliability and Fees /Charges) with the sample analysis from customers of FCMB Branch Osogbo were analyzed.

F. Significance of the Study

This study is significant because it will provide empirical evidence on how the quality of e-banking services influences customers' satisfaction among deposit money banks in Osun State, Nigeria. The findings will be valuable to bank management by identifying the aspects of electronic banking service quality that require improvement, including reliability, responsiveness, security, ease of use, and service efficiency. Improving these dimensions can enhance customer satisfaction, strengthen customer loyalty, and improve the competitive performance of banks.

The study will also benefit customers by encouraging financial institutions to improve their electronic banking platforms, thereby reducing transaction failures, network interruptions, and delays in service delivery. According to Rahmon, Adewoye, and Ayantoso (2024), "reliability and responsiveness have significant positive impact on customers' satisfaction," while excessive fees and charges negatively influence customer satisfaction. These findings highlight the importance of delivering high-quality electronic banking services to improve customers' experience in Osun State.

Furthermore, the study will assist policymakers and financial regulators in developing policies that promote quality digital banking services. Olowofela, Lisoyi, and Olaiya (2024) found that "ease to use, reliability and security have a positive significant impact on customer satisfaction." This suggests that improving these service quality dimensions can increase customers' confidence in electronic banking and encourage wider adoption of digital financial services in Nigeria.

The study is equally significant to academics and future researchers because it will enrich the existing body of knowledge on electronic banking service quality and customer satisfaction, particularly within the context of Osun State. It will also serve as a useful reference for future studies on digital banking, financial technology, and service quality in Nigeria. Recent empirical reviews further emphasize that improving e-service quality remains essential for enhancing customer satisfaction and maintaining the competitiveness of Nigerian banks. Finally, the study is expected to contribute to the achievement of a more customer-oriented banking sector by providing recommendations that will help banks improve service delivery, customer trust, and long-term customer relationships through quality electronic banking services.

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II. Literature Review

A. Electronic Banking

The concept of electronic banking focuses on a system through which financial service providers, customers, individuals and business can access their accounts, do transactions and obtain latest information on financial products and services from public or private networks, such as the internet. The term electronic banking is technically and intricately complex to define as it may be interpreted differently from different accessing viewpoints. The versatility of electronic banking as delivery multichannel increases the intricacy of being precisely defined in the literature. Nonetheless, several attempts have been made to offer succinct and all-inclusive meaning of electronic banking. Electronic banking as a procedure by which a customer performs banking operations online without visiting the bank. Electronic banking connotes a service that allows customers to conduct banking operations from any locations like home or office, and Internet Banking as "the process of providing banking services through technology without using physical resources of banks as well as the staff."

Rahmon, Adewoye, and Ayantoso (2024), Osun State, Nigeria. This is the most relevant study because it was conducted in Osun State on the same research topic. The authors investigated the impact of e-banking service quality on customers' satisfaction using customers of a commercial bank in Osogbo. The study found that reliability and responsiveness significantly improve customer satisfaction, while excessive charges reduce satisfaction."Reliability and responsiveness have significant positive impact on customers' satisfaction."And also provides direct empirical support for examining how service quality dimensions influence customer satisfaction in Osun State.

Olowofela, Lisoyi, and Olaiya (2024) , The authors examined the dimensions of e-banking service quality among bank customers in Nigeria. Using regression analysis, they established that ease of use, "Ease to use, reliability and security have a positive significant impact on customer satisfaction." This supports the inclusion of reliability, security, and ease of use as independent variables.

Garba, Kurfi, and Mukhtar (2025). This empirical review concluded that improvements in electronic service quality remain essential for sustaining customer satisfaction in Nigerian banks. "Improving e-service quality enhances customer satisfaction." The review confirms that service quality remains a critical determinant of customer satisfaction.

Afraz and Geetha (2025), Their bibliometric review of global e-banking research concluded that service quality continues to be one of the dominant themes influencing customer satisfaction across banking systems. "Service quality remains central to customer satisfaction." This reinforces the continued relevance of service quality research.

Onamusi and Oguntimehin (2026), The researchers investigated deposit money banks in Ogun State and found that reliability, security/privacy, and ease of use significantly influence customer satisfaction. "Reliability, security/privacy, and ease of use significantly predict customer satisfaction." This recent Nigerian evidence strengthens the argument for examining these service quality dimensions in Osun State.

Banks have achieved an improved level of productivity and profitability with the handling of high volume of transactions that otherwise would not have been impossible without the use of electronic banking services. According to Erinle cited in Olorunmolu (2009), the increasing volume, complexity, competitiveness, customer satisfaction and globalization of financial service have brought about the use of e-banking services in the banking industries in Nigeria. These have induced a number of technological developments in the banking industry which include: (a) production of computers to cope with the phenomenal increase in the volume of transactions, product development and credit management, (b) The use of automated bank notes processing system by the Central Bank of Nigeria (CBN), (c) The introduction of the magnetic ink character recognition (MICR) which is an automated system for sorting Cheques and other payment instruments, (d) The use of automated teller machines (ATMs), (e) the use of smart card/value card (f) the setting up of inter-bank statement system, (g) on-line real time banking, (h) electronic fund transfer system, and others.

Therefore, it is clear that e-banking services improve business relationships with customers and promotes corporate image of banks. Customers have great regards and admiration for banks that operate e-banking services. E-banking services have become a birth right of the customer, as the customer demands flexibility in operating an account in any branch of a bank irrespective of which branch the account was domiciled. Through internet or online banking, customers would enjoy sitting in the comfort of their homes and offices and with a personal computer log in to their banks savers and transact banking activities (Ovia, 2001).

B. Service Quality

In recent marketing literature, the concept of service is used and defined in various perspectives by many scholars. A service is a commodity with no physical existence, usually created and consumed at the same time. Service as a process resulting in an outcome in a partly simultaneous production and consumption process. This definition points to the fact that service production/provision and consumption are simultaneous activities. On the issue of a service being a commodity, Edvardson et al (2005) defined service as a component of the wider product concept. Service is a component of the wider concept of products that is limited to acts, deeds and efforts (Lovelock, 2005). Yang, Jun and Peterson (2002) defined the traditional service quality dimensions in the context of online services and suggested an instrument consisting of seven dimensions to service quality (reliability, access, ease of use, personalization, security, credibility and responsiveness).

Service quality is an essential aspect in service management (Clottey, Collier& Stodnick, 2011). Service Quality Service quality is defined as the degree of discrepancy between customers' normative expectations for service and their perceptions of service performance (Parasuraman, Zeithaml& Berry, 1988). It is a concept that has aroused considerable interest and debate in the research literature because of the difficulties in both defining it and measuring it with no overall consensus emerging either. Parasuraman et al. (1988) conceptualized service quality as overall assessment of the difference between perception and expectation of service delivery.

C. Customer Satisfaction

This is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services exceeds specified satisfaction goals. This is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services exceeds specified satisfaction goals. Customer satisfaction has been one of the top tools for a successful business. Customer satisfaction is defined as an overall evaluation base on the total purchase and consumption experience with the goods or service over time (Fornell, Johnson, Anderson, Cha & Bryant 1996).

Customers satisfaction holds the potential for increasing an organization's customer base, increasing the use of more volatile customer mix and increasing the firm's reputation. Consequently, obtaining competitive advantage is secured through intelligent identification and satisfaction of customers' needs better and sooner than competitors and sustenance of customers satisfaction through better products/services. Technology is then essential in providing faster and more efficient services to customers.

D. Effect of Service Quality and Customer Satisfaction

Due to the dynamic nature of expectation, evaluations change over time form person to person and form culture to culture. What quality service is considered or the things that satisfy customers today may be different tomorrow? Customers perceive services in terms of the quality of the service and how satisfied they are overall with their experiences. According to Zeithaml and Bitner (2013), the terms satisfaction and quality were used interchangeably. But researchers have attempted to be more precise about the meanings and measurement of the two concepts, resulting in considerable debate. Consensus is growing that the two concepts are fundamentally different in terms of their underlying causes and outcomes.

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Although they have certain things in common, satisfaction is generally viewed as a broader concept, whereas service quality assessment focuses specifically on dimensions of service. Based on this view, perceived service quality is a component of customer satisfaction. Various studies have been conducted to assess the relationship between service quality and customer satisfaction. Most of the studies have focused on how the major dimensions of service quality (reliability, responsiveness, assurance, empathy and tangibles) affect customer satisfaction.

E. Conceptual Model

From the foregoing, the model customers 'satisfaction as a function of the quality of service provided by the FCMB Branch Osogbo, Osun State and it is presented in Figure 1 below.

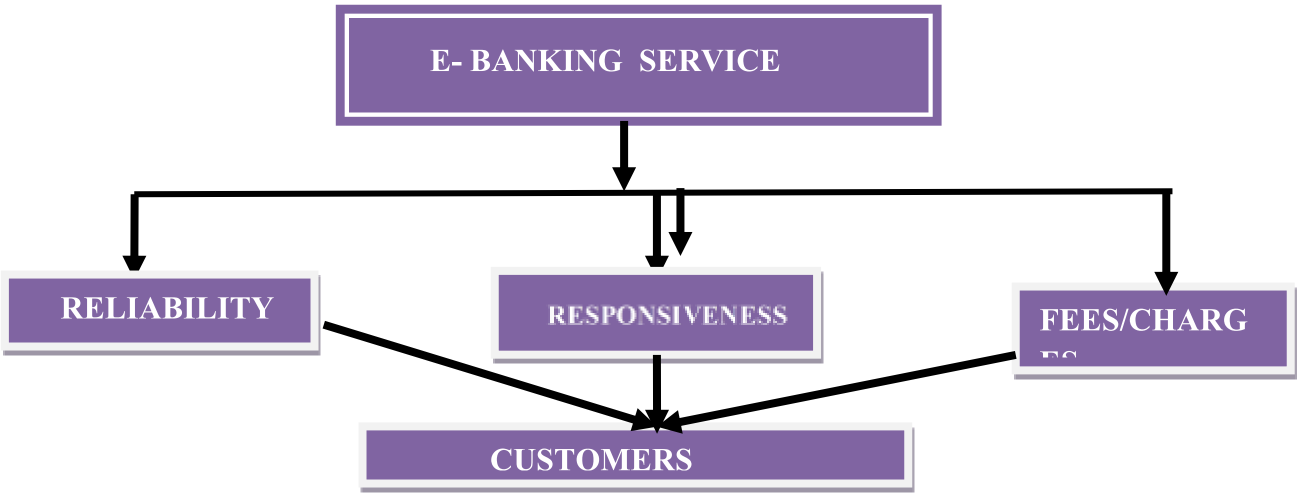

Figure 1: Conceptual model depicting customers' satisfaction as a function of service quality
Source: researchers Computation (2026)

The model of this study hinged on the traditional service quality, however, discusses three service quality dimensions to measure the efficiency of customer service highlighting areas: Reliability, Responsiveness, and Fees/Charges.

Reliability: Reliability means the service providers ability to perform the promised service both dependably and accurately. Customers expect reliable delivery service and that the service is delivered on time, in the same manner, and without errors every time. (Awoke 2010).

Responsiveness: Responsiveness is customer services' willingness to help customers and to provide prompt service. For example, keeping customers waiting may create unnecessary negative perceptions of quality. Whenever a service failure occurs, the ability to recover quickly and with professionalism can still leave customers with very positive perceptions of service quality. (Awoke 2010).

Fees and Charges: Service quality attributes in e-banking industry are important since human-internet interaction is the main service delivery and communication channel. Offering high-quality services to satisfy consumer needs at lower costs is potential competitive advantage of e-banking. Therefore, it is hypothesized that fees and charges have positive impacts on customer satisfaction (Johnston, 1997).

Customer's Satisfaction: Customers' satisfaction holds the potential for increasing an organizations customer base, increase the use of more volatile customer mix and increase the firm's reputation. Consequently, obtaining competitive advantage is secured through intelligent identification and satisfaction of customers' needs better and sooner than competitors and sustenance of customers satisfaction through better products/services. Technology is then essential in providing faster and more efficient services to customers.

The relationship in the service quality and customers satisfaction explain further that, reliability is to provide promised, dependable, accurate and consistent services to the customers. However, reliability depends on handling customer service issues, performs the services right the first time; offers services on time, and maintains a record of error-free. It also has positive impact on customer satisfaction considering the extent to which customers can rely on the service provided by the organization. The responsiveness dimension of service quality is related to the organization's willingness and ability to help customers, and to provide quick service with proper timeliness. The willingness of employees to provide the required service at any time without any inconvenience will have an impact on customer satisfaction.

On fees/charges, the bank charges are inexpensive and commensurate with the service rendered to their customers. And more so, if the charges are not appropriate with customer satisfaction, when their charges are high compared to the service rendering, this can lead to reduction in their customers and the level of their patronage all because of their charges in their service products.

F. Empirical Studies

Rahmon et al. (2024) examined the impact of e-banking service quality on customers' satisfaction in Osun State, Nigeria. Using a survey of 200 customers of a commercial bank in Osogbo, the study found that reliability and responsiveness significantly improved customer satisfaction, while high transaction charges reduced satisfaction. "Reliability and responsiveness have significant positive impact on customers' satisfaction." Contribution to the present study: This study is directly related to the present research because it was conducted in Osun State and confirms that key dimensions of service quality influence customer satisfaction.

Olowofela et al. (2024) investigated the dimensions of electronic banking service quality among bank customers in Lagos State. The study employed descriptive and regression analyses on 383 respondents and concluded that ease of use, reliability, and security significantly determine customer satisfaction. "Ease to use, reliability and security have a positive significant impact on customer satisfaction." Contribution to the present study: The findings support the inclusion of reliability, security, and ease of use as important determinants of customer satisfaction.

Shariff et al. (2024) reviewed the effect of electronic banking service quality on customer satisfaction in Nigerian deposit money banks. The review emphasized that ATM services, POS services, and other electronic banking channels contribute significantly to customer satisfaction when they are reliable, secure, and efficient. "Customer satisfaction is an important" aspect of banking service quality. Contribution to the present study: The review highlights the importance of maintaining high-quality electronic banking services to sustain customer confidence.

Afraz and Geetha (2025) conducted a bibliometric review of global research on e-banking and customer satisfaction from 2002 to 2024. The study identified service quality, technology adoption, trust, and security as recurring themes influencing customer satisfaction. "Service quality" is a major research theme in e-banking satisfaction studies. Contribution to the present study: The review confirms that service quality remains central to customer satisfaction research and supports continued investigation in Nigeria.

Onamusi and Oguntimehin (2026) investigated deposit money banks in Ogun State using a quantitative survey and PLS-SEM. The study found that reliability, security/privacy, and ease of use significantly predict customer satisfaction and that customer trust strengthens these relationships. "Reliability, security/privacy, and ease of use" significantly predict customer satisfaction. Contribution to the present study: This recent Nigerian study provides strong evidence that improving these service quality dimensions can enhance customer satisfaction.

Babatunde & Salawudeen (2017) carried out a study on the analysis of the impact of electronic banking on customers' satisfaction in Nigeria. They employed both descriptive and inferential statistics to analyze the data collected. In addition, simple frequency counts, percentages and the Chi-square were used in the data analysis. Findings show that 22 credit officers or 62.9% of respondents agree with the opinion that electronic banking system has made banking transactions easier, 11 credit officers representing 31.45% strongly agree, while 2 of them representing 5.7% were undecided and none of the respondents either disagree or strongly disagree. The study concludes that the adoption of electronic banking has enhanced the banks' efficiency, making it more productive and effective**.**

Sadaf & Rahela (2017) studied the impact of internet banking service quality on customer satisfaction in New Delhi. Their results showed that internet banking service quality dimensions have a significant impact on the customer satisfaction of internet banking customers. Each of the dimensions namely efficiency, system availability, fulfillment, privacy, contact, responsiveness and contact individually contribute 70% to the overall customer satisfaction in internet banking.

In a similar study, Areeba, Mudassir, Talha, Shoaib & Adnan (2016) analyzed the impact of e-banking on customer satisfaction in Pakistan. The study adopted a quantitative research design to analyze data collected from 264 e-banking users from different cities in Pakistan. Results of the study revealed that there is momentous relationship between service quality dimensions and customer satisfaction in e-banking in Pakistan, with more or the weight of reliability, responsiveness and assurance among the five dimensions. The study concluded that service quality in e-banking leads to satisfied customers, thus banks can gain competitive advantage by offering better quality services to their customers.

Ogunlowore & Oladele (2014) examined the impact of electronic banking on satisfaction of corporate bank customers in Nigeria. Structured questionnaires were analyzed by simple descriptive statistics. Findings showed that there is a significant relationship between electronic banking and Customers' satisfaction. Also, E-banking has become popular because of its convenience and flexibility, and transaction related benefits like speed, efficiency and accessibility.

Simon (2016) in her study on the effect of electronic banking on customer satisfaction in selected commercial banks in Kenya also shares the same opinion with Ogunlowore and Oladele (2014). No doubt several works have been done on this study both in Nigeria and Diaspora. However, the research gap that necessitated this paper is that little has been done in Osun State, thus, the satisfaction of banks' customers as it relates to e-banking services quality in Osun State needs to be further research. Also, the dimensions for e-banking service quality used in the works reviewed do not capture a salient issue such as fees/charges on e-banking services provided by deposit money banks. To bridge this gap, this study model fees/charges as an explanatory variable, along with other key variable in the e-banking-customer satisfaction model as it relates to Osun State.

III. Methodology

A. Research Design

The descriptive survey method was used for this study. This method was appropriate for the study because it allows the researcher to collect data without manipulation of any variable of interest. It also affords the respondents the opportunity for equal chance of participation in the study.

B. Population of the study

The population of this study comprises of all the First City Monument Banks Customers in Osogbo Osun State, Nigeria. The survey conducted shows that the population of the bank customers in Osogbo branch was put at 2000, being the total average number of customers coming to the bank per week (Source: researcher survey)

C. Sample Size and Sampling Technique

Since the population size can be covered by researchers. Therefore, a total of 200 was captured as the sample size of the study which represents 10% of the study population. The respondents were selected through simple random sampling techniques. A total of 200 questionnaires were administered, out of which 195 were retrieved for the study. The respondents responded to a questionnaire consisting of some demographic questions and questions on each dimension of service quality on five-point Likert Scale.

D. Method of Data Collection

The data were collected from primary source. Questionnaire was used in gathering necessary data from the respondents for the study.

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E. Method of Data Analysis

Regression analyses were applied to determine the extent of effect each of the identified proxies for e-banking service quality has on customer satisfaction in e-banking, as well as their significance level. To achieve this, this paper states that customers' satisfaction is a function of the quality of e-banking service they enjoy. It is worth noting that responses from the questions on the sampled questionnaire were coded to form the proxies for e-banking service quality using the five-point Likert scale using Statistical Package for Social Sciences (SPSS, Version 22).

F. Model of Specification

The formula is given as:

$Y = f(X)$

Where Y = Customer's Satisfaction (Dependent Variable)

F = Functional Relationship

X = Electronic Banking (Independent variable)

Where:

The model used is shown below:

$Y = b_1x_1 + b_2x_2 + b_3x_3 \ldots\ldots\ldots\ldots\ldots + \mu$

Simple linear form is stated below

$CS = \beta o + \beta_1 EBRP + \mu$ ……………………………..equ i

$\beta o + \beta_2 EBRL + \mu$ …………………………… equ ii

$\beta o + \beta_3 FC + \mu$ ………………………..…. ……….equ iii

Where:

EBRP = Electronic Banking Responsiveness

EBRL = Electronic Banking Reliability

FC = Fees/Charges

μ = Error Term

IV. Results and Findings

This analysis was carried out on the customers' satisfaction data collected from the 195 respondents on the 3 electronic banking service quality variables using the 5-point Likert scale using SPSS 22.0.

This finding, Akarara (2019) who concluded that Since fees/charges on e-banking services is not peculiar to state, it is recommended for deposit money banks, to reduce their fees/charges on e-banking services, this would lead to greater patronage of the e-banking services and in turn lead to decongestion of the banking halls and greater customers' satisfaction.

A. Frequency Tables

Table 1: Demographic analysis of respondents

Age of the respondents			
		Frequency	**Percent**
Valid	1-20 years	33	16.9
	21-40 years	77	39.5
	41-60 years	68	34.9
	61 years and above	17	8.7
	Total	**195**	**100.0**

Source: Field Survey, (2026).

Table 1 shows the age range of the respondents. 33 (16.9%) of the respondents were between 1-20 years old, 77 (39.5%) of the respondents fell between 21-40 years old, 68 (34.9%) of the respondents fell between 41-60 years old, while 17 (8.7%) were 61 years and above. This shows that

21-40 years (39.5%) age of respondents mostly participated in the questionnaire and already considered as young adult.

Table 2: Sex of the Respondents

		Frequency	Percent
Valid	Female	83	42.6
	Male	112	57.4
	Total	**195**	**100.0**

Source: Field Survey, (2026).

Table 2 shows the Gender of the respondents, in which male were 112 (57.4%) while the Female 83 (42.6%). Based on the figure, there were more male among the respondents covered in this study. Based on the collated questionnaires, the highest of the population comprised of male 57.4% respondents while 42.6% were female. This shows that there are mostly male involved in working and shown interest in participating in the research study.

Table 3: Educational Qualifications

		Frequency	Percent
Valid	SSCE	36	18.5
	ND/NCE	50	25.6
	HND/BSC	81	41.5
	PGD/MSC	19	9.7
	PHD	9	4.6
	Total	**195**	**100.0**

Source: Field Work, (2026).

Table 3 explains that educational qualifications of the respondents. 36 (18.5%) of the respondents attained SSCE Certificate, ND/ NCE qualifications 50 (25.6%), HND/BSC. qualifications 81(41.5%) of the respondents attained, PGD/ MSC. qualifications 19(9.7%) of the respondents While, 9 (4.6%) of the respondents attained PhD. qualification. This Table indicates that most of the respondents covered in this questionnaire were HND/BSC.

Table 4: Length of Patronage

		Frequency	Percent
Valid	0-5years	44	22.6
	6-10years	61	31.3
	11-15 years	53	27.2
	16-20 years	21	10.8
	21-25 years	10	5.1
	26-30 years	6	3.1
	Total	**195**	**100.0**

Source: Field Survey, (2026).

Table 4 reveals the respondent's length of patronage. 44 (22.6%) of the respondents has spent between 0-5 years, 61 (31.3%) of the respondents' years of patronage fell between 6-10 years, 53 (27.2%) of the respondent has spent between 11-15 years, 21 (10.8%) of the respondent has spent between 16 - 20 years, 10 (5.1%) of the respondent has spent between 21 - 25 years. While 6 (3.1%) of the respondent has spent between 26-30 years, This Table shows that most of the respondents that filled the questionnaire were those who have spent 6-10 years of patronage.

Table 5: Marital Status

		Frequency	Percent
Valid	Single	58	29.7
	Married	119	61.0
	Divorced/Separated	18	9.2
	Total	**195**	**100.0**

Source: Field Survey, (2026).

Table 5 shows the marital status of the respondents. 58 (29.7%) of the total respondents were Single, 119 (61.0%) of the respondent were Married, 4 (3.6%), while 18(9.2%) of the respondent were Divorced/ Separated. This Table shows that most of the respondents were married.

Table 6: Profession of Respondents

		Frequency	Percent
Valid	Government Employee	39	20.0
	Private Employee	43	22.1
	Business	41	21.0
	Self Employee	33	16.9
	Student	29	14.9
	House Wife	10	5.1
	Total	**195**	**100.0**

Source: Field Survey, (2026).

Table 6 shows the profession of the respondents in which, 39 (20.0%) of the respondents were Government Employees, 43(22.1%) of the respondents were Private Employees, 41(21.0%) of the respondents are doing Business, 33(16.9%) of the respondents were Self Employees, 29(14.9%) of the respondents were Student.. While 10 (5.1%) of the respondents were House Wife. This implies that private employee were mostly partaken in this questionnaire.

B. HYPOTHESIS ONE

H_{o1}: There is no significant relationship between electronic banking responsiveness and customer satisfaction in Osun State.

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.605[a]	.366	.362	.739
a. Predictors: (Constant), EBRP				
b. Dependent variable: Customers satisfaction				

Source: Authors Computation (2026).

Table 7 shows the model summary of the regression analysis for hypothesis one which reveals significant relationship between electronic banking responsiveness and customer satisfaction. The result shows an R value of 0.605[a] (60.5%), this denotes a 60.5% significant contribution of electronic banking responsiveness to customer satisfaction. The R Square value of 0.366 means that, 36.6% changes in customer satisfaction is explained or accounted for by electronic banking responsiveness. While the remaining 63.4% variations are caused by other factors or variables which are not included in this model but captured under stochastic error term.

Table 8: ANOVA						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	60.817	1	60.817	111.236	.000[b]
	Residual	105.521	193	.547		
	Total	166.338	194			
a. Dependent Variable: Customer Satisfaction						
b. Predictors: (Constant), EBRP						

Source: *Authors Computation (2026).*

Table 8 represent the ANOVA result of the regression analysis conducted on the contribution of electronic banking responsiveness to customers' satisfaction. From the F-statistics value shows 111.236, this explains that the independent variable (electronic banking responsiveness) represents a significant impact on customers' satisfaction and reveals a high rate of relevance. The Sig. level showing .000[b] explains that the variable (electronic banking responsiveness) is statistically significant at 99% confident level as it is less than .001.

Table 9: Coefficients						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	**(Constant)**	**1.003**	**.298**		**3.372**	**.001**
	EBRP	.162	.015	.605	10.547	.000
a. Dependent Variable: Customer Satisfaction						

Source: *Authors Computation (2026).*

Table 9 shows the regression coefficients of the contribution of each independent variable to criterion variable. The beta coefficient value of the independent variable shows 0.605, this explains that 1% increase in electronic banking responsiveness will increase customers' satisfaction by 60.5%. Sig. value for the constant showed .000, this depicts that there is less than 99% assurance that the null hypothesis is correct. The study therefore rejects the null hypothesis and accepts the alternate hypothesis that there is significant relationship between electronic banking responsiveness and customer satisfaction in Osun State following the *p-val showing (.000<0.05).*

HYPOTHESIS TWO

Ho_2: There is no significant relationship between electronic banking reliability and customer satisfaction in Osun State.

Table 10: Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.586[a]	.344	.341	.778
a. Predictors: (Constant), EBRL				

Source: *Authors Computation (2026).*

Table 10 shows the model summary of the regression analysis for hypothesis one which reveals significant relationship between electronic banking reliability and customer satisfaction. The result shows an r value of 0.586[a] (58.6%), this denotes a 58.6% significant contribution of electronic banking reliability to customer satisfaction. The R Square value of 0.344 means that, 34.4% changes in customer satisfaction is explained or accounted for by electronic banking reliability. While the remaining 65.6% variations are caused by other factors or variables which are not included in this model but captured under stochastic error term.

Table 11: ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	61.267	1	61.267	101.179	.000[b]
	Residual	116.867	193	.606		
	Total	178.133	194			
a. Dependent Variable: Customers' satisfaction						
b. Predictors: (Constant), EBRL						

Source: *Authors Computation (2026).*

Table 11 represent the ANOVA result of the regression analysis conducted on the contribution of electronic banking reliability to customers' satisfaction. From the F-statistics value shows 101.179, this explains that the independent variable (electronic banking reliability) represents a significant impact on customers' satisfaction and reveals a high rate of relevance on the dependent variable. The Sig. level showing .000[b] explains that the variable (electronic banking reliability) is statistically significant at 99% confident level as it is less than .001.

Table 12: Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	.803	.329		2.440	.016
	EBRL	.171	.017	.586	10.059	.000
a. Dependent Variable: Customers' Satisfaction						

Source: *Authors Computation (2026).*

Table 12 shows the regression coefficients of the contribution of the independent variable to criterion variable. The beta coefficient value of the independent variable shows 0.586, this explains that 1% increase in electronic banking reliability will increase customers' satisfaction by 58.6%. Sig. value for the constant showed .000, this depicts that there is less than 99% assurance that the null hypothesis is correct. The study therefore rejects the null hypothesis and accepts the alternate hypothesis that there is significant relationship between electronic banking reliability and customer satisfaction in Osun State following the *p-val showing (.000<0.05)*

HYPOTHESIS THREE

Ho_3: There is no significant effect of fees/charges on customers satisfaction in Osun State.

Table 13: Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.791[a]	.625	.623	.740
a. Predictors: (Constant), FEEC				

Source: *Authors Computation (2026).*

Table 13 shows the model summary of the regression analysis for hypothesis one which reveals significant relationship between fees/charges and customer satisfaction. The result shows an r value of 0.791[a] (79.1%), this denotes a 79.1% significant contribution of fees/charges to customer satisfaction. The R Square value of 0.625 means that 62.5% changes in customer satisfaction is explained or accounted for by fees/charges. While the remaining 37.5% variations are caused by other factors or variables which are not included in this model but captured under stochastic error term.

Table 14: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	176.652	1	176.652	322.218	.000[b]
	Residual	105.810	193	.548		
	Total	282.462	194			
a. Dependent Variable: Customers' Satisfaction						
b. Predictors: (Constant), FEEC						

Source: *Authors Computation (2026).*

Table 14 represents the ANOVA result of the regression analysis conducted on the contribution of fee/charges to customers' satisfaction. From the F-statistics value shows 322.218, this explains that the independent variable (fee/charges) represents a significant impact on customers' satisfaction and reveals a high rate of relevance on the dependent variable. The Sig. level showing .000[b] explains that the variable (fee/charges) is statistically significant at 99% confident level as it is less than .001.

Table 15: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.569	.231		-2.465	.015
	FEEC	.224	.012	.791	17.950	.000
a. Dependent Variable: Customers' Satisfaction						

Source: *Authors Computation (2026).*

Table 15 shows the regression coefficients of the contribution of the independent variable to criterion variable. The beta coefficient value of the independent variable shows 0.791, this explains that 1% decrease in fee/charges will increase customers' satisfaction by 79.1%. Sig. value for the constant showed .000, this depicts that there is less than 99% assurance that the null hypothesis is correct. The study therefore rejects the null hypothesis and accepts the alternate hypothesis that there is significant effect on fees/charges on customers satisfaction in Osun State following the *p-val showing (.000<0.05).*

V. Conclusion and Recommendations

The level of response or the promptness of response the banks give to customers' complaints on electronic banking services determines the level of customers' satisfaction. From the findings of this study, it is clear that customers are relatively satisfied with the quality of electronic banking services provided by the First City Monument Bank in terms of Responsiveness and Reliability.

Major finding of this study is that almost all the e-banking service quality proxies are positively related to customers' satisfaction except for fees/charges. Customers are dissatisfied with the fees/charges they pay for various e-banking services of their banks. Majority of them indicated that the charges/fees of their banks are not commensurate with the quality of electronic banking services provided by the banks. The other service quality proxies used in this work (responsiveness and reliability) should be improved upon at interval to bring about greater customers satisfaction and decongestion of the banking halls. Since fees/charges on electronic banking services is not peculiar, it is recommended for banks to reduce their fees/charges on electronic banking services, this would lead to greater patronage of the e-banking services and in turn lead to decongestion of the banking halls and greater customers' satisfaction. Banks should also endeavor to give prompt response to customers' complaints on electronic banking services as this to foster customers' satisfaction.

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