UNIVERSITY OF CAPE COAST

# ASSESSING PERCEIVED IMPACT OF FINANCIAL INNOVATION ON CUSTOMER SATISFACTION AMONG CUSTOMERS OF CHOSEN BANKS WITHIN THE AYAWASO NORTH MUNICIPALITY, GREATER ACCRA

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MARCH 2024

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BY

AMIDU ALI

Dissertation submitted to the Department of Business Programmes, College of Distance Education, University of Cape Coast in partial fulfilment of the requirements for the award of Master of Business Administration degree in Finance.

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# DECLARATION

## Candidates Declaration

I, Amidu Ali, hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature: ……………………… Date: ………………………..

Name: Amidu Ali

## Supervisor's Declaration

We hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of thesis laid down by the University of Cape Coast.

Supervisor's Signature: ……………………… Date: ………………………..

Name: Dr. Michael Owusu Appiah.

## ABSTRACT

The Ghanaian banking sector continues developing various products and services through financial innovation efforts. This has culminated in a competitive environment leading to most banks developing new products and services such as e-banking, ATM, internet banking, mobile banking, and e-commerce among other popular products and services geared towards meeting unique customer demand and satisfaction (Senanu & Narteh, 2022). The research explores various dimensions of financial innovation, encompassing digital banking solutions, and advanced service delivery methods. Employing a combination of surveys, and data analysis, it scrutinizes how these innovations impact customers' banking behaviors, levels of satisfaction, and overall financial improvement. Additionally, the study investigates how customer attributes and preferences intersect with financial innovation and its impact on customer satisfaction. The study used a purposive sampling technique to understand factors that either facilitate or impede financial innovation adoption and acceptance among bank customers in this particular region. A survey conducted obtained feedback from 78 customers of three banks. These three selected banks were Fidelity Bank, ADB Bank, and Bank of Africa Limited. Furthermore, the findings of the study indicate that financial innovations have impacts on customer satisfaction. Key areas of which are faster transactions, convenience, personalization, as well as accessibility among others. Key security and technical issues were raised. These areas must be a matter of concern for the banking sector. Financial institutions should prioritize enhancing user experiences and personalizing promotions to retain existing customers and attract new ones seeking convenient online banking services.

**KEYWORDS**

Customer Satisfaction

Financial Behavior

Traditional Banking

Modernized Banking

Quality of Products

Services

Fintech

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Finally, to my mum, my brothers and sisters, especially Braimah Ali, Adiza Ali, and Asamawu Ali for their support in contributing enormously towards my academic journey: I say, may Allah bless you all.

## DEDICATION

To my mother, Mariama Amidu, I dedicate this work with so much love for all your sacrifices in making sure that I got educated at all costs

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## LIST OF ACRONYMS

B2B: Business - to – Business

B2C: Business- to - Customer

C2C: Customer - to - Customer

ATM: Automated Teller Machine

E – COMMERCE: Electronic Commerce

DFID: Department for International Development

POP: Point of Sales

MMDAs: Metropolitan, Municipal and District Assemblies

ADB: Agricultural Development Bank

FINSAP: Financial Sector Adjustment Program

FINSSIP: Financial Sector Strategic Plan

FINTECH: Financial Technology

# CHAPTER ONE

# INTRODUCTION

This dissertation investigates the impact of financial innovation on customers of banks in Ayawaso North, Ghana, exploring aspects such as digital banking adoption, customer satisfaction, investment decisions, and spending habits. By analyzing customer perceptions and experiences through a comprehensive questionnaire, the study aims to understand how financial innovation shapes the local banking landscape and individuals' financial well-being. It also aims to identify factors driving innovation in the region and assess its effects on the accessibility and affordability of financial services. Through examination of adoption patterns, the research will reveal how individuals benefit from financial innovations. Ultimately, the study seeks to provide actionable recommendations to enhance financial well-being and promote inclusion in Ayawaso North's banking sector

## Background to the Study

Ghana has recently bolstered its financial sector by expanding payment service providers, including mobile money operators and FinTech companies, collaborating with major financial institutions to innovate solutions for the unbanked (Michael, Kwabena, Carlos, Barbara, & Nana, 2019). New offerings like online platforms, QR codes, ATM, and agency banking have enhanced accessibility, and improved customer satisfaction. Additionally, initiatives such as cybersecurity regulations and mobile money interoperability projects have been introduced to strengthen the network (Jameaba, 2022).

The financial services industry has witnessed a remarkable transformation over the past few decades, marked by rapid technological advancements and innovations. These technological advancements or innovations have not only changed the way financial institutions operate but have also significantly impacted the expectations and experiences of customers (Jumaa, 2023). In an era where technology drives financial innovation, understanding the perceived impact of these changes on customer satisfaction is paramount. Even though financial innovation has become quite an important tool for customer satisfaction, it is not without technical glitches or security issues (Jha, 2011).

Technical challenges and security issues make it difficult for effective financial inclusion (Ahmad, 2023). As central players in the financial sector, banks have been at the forefront of adopting and implementing various financial innovations, ranging from online banking and mobile payments to ATM services and Internet banking as well as other Artificial Intelligence-driven innovations. These innovations aim to enhance operational efficiency, expand market reach, and ultimately improve the customer experience.

In Ayawaso North Municipality, Greater Accra Region of Ghana, the banking sector has embraced these innovations with enthusiasm, striving to stay competitive and meet the evolving needs of its customer base. Technology Acceptance Model (TAM) was deployed to provide valuable insights into assessing the perceived impact of financial innovation on customer satisfaction among customers of selected banks within the Ayawaso North Municipality, Greater Accra. Utilizing TAM helped evaluate factors such as perceived usefulness and ease of use, customers' attitudes, and behavioral intentions towards innovative financial services. Understanding these factors are crucial for banks in implementing and optimizing innovative financial solutions to enhance customer satisfaction and loyalty as the study seeks to unravel the perceptions of customers on the impacts of financial innovation within Ayawaso North Municipality (Alam & Saputro, 2022).

**Statement of the Problem**

A study by Verhoef & Lemon (2013) underscores that firms that implement effective customer-centric strategies can realize a significant 23.3% improvement in customer value. This study therefore emphasizes the need for banks to understand the importance of customer-centric strategies and invest in initiatives that prioritize the customer experience. By doing so, banks can enhance customer value and ultimately achieve long-term success in the industry. In the banking industry, there is a broader challenge. Business leaders often lack a comprehensive understanding of the strategies required to attract, retain, and excite customers in the banking industry.

This overarching issue highlights the need for more robust customer-centric approaches within the banking sector. Additionally, some leaders in the banking industry specifically face the problem of lacking strategies to enhance customer satisfaction. Addressing these challenges is crucial to improving the customer experience and, subsequently, the success of financial institutions (Omodadepo Adebiyi, Ebenezer Oke, Niyilola Babarinde, & Motunrayo Moradeyo, 2013). Despite the growing adoption of financial innovations by banks, there is a noticeable gap in the understanding of how these innovations influence customer satisfaction. While the potential benefits of financial innovation are widely acknowledged, the actual impact on customer satisfaction remains an area of significant ambiguity.

This knowledge gap is particularly pronounced in the Ghanaian context, where the banking sector has been undergoing rapid transformation in recent years. The financial services landscape in Greater Accra, Ayawaso North, is further characterized by a diverse customer base with varying levels of exposure to and experience with financial innovations. Understanding the nuances of how different customer segments perceive and respond to these innovations is crucial for banks to effectively meet their needs and enhance customer satisfaction.

This study is important for understanding the role of financial innovation in driving economic development, promoting financial inclusion, enhancing banking sector competitiveness, informing policy formulation, and assessing the socioeconomic impact of financial services within the municipality and Ghana as a whole. Many Ghanaian stakeholders in the financial sector keep developing and incorporating financial technology to improve efficiency and customer experience. This continues to increase the volume of transactions (Senanu & Narteh, 2022). Through financial innovations, banks like the Central Bank of Ghana, GCB Bank, Ecobank, Apex Bank, and Barclays Bank among others offer a wide range of financial services such as internet banking, SMS banking, and Mobile Money platforms to individuals and businesses in Ghana (Carsamer, 2018).

Mobile money has emerged as a game-changer in providing financial services to underserved regions, with numerous banks in Ghana providing feature-rich apps allowing users to deposit checks, make purchases, send money, or locate ATMs swiftly (Ali, Mariama, & Daniel, 2018). Prioritizing secure connections remains paramount for customers accessing banking apps to safeguard their data. Ghana has witnessed remarkable growth in its mobile banking sector. According to a report by Statistics Portal, Statistica, nearly

39% of individuals aged 15 and above -owned a mobile money account as of January 2021, positioning it as one of Africa's fastest-growing markets.

**Purpose of the Study**

The study aims to explore how new financial innovations affect customer satisfaction in Ayawaso North Municipality. By examining this relationship, we seek to understand how innovations like digital banking or new financial products impact customers' overall satisfaction with their banking experience. This research will shed light on the dynamics between financial innovation and customer happiness within our municipality's banking landscape.

**Objectives of the Study**

The specific objectives of this dissertation are:

1. To assess the perceived impact of financial innovations on customer satisfaction among bank customers in Ayawaso North Municipal, Greater Accra.
2. To identify the specific financial innovations that are most influential in shaping customer satisfaction.

**Research Questions**

1. How do customers of banks in Ayawaso North Municipality perceive financial innovations introduced by their respective banks?
2. Which financial innovations are most influential in shaping customer satisfaction?

## Significance of the Study

This study is significant for several reasons:

Academic Contribution: It contributes to the existing body of literature on financial innovation and customer satisfaction by providing insights from the perspective of customers in a Ghanaian context. Practical Implications**:** Findings from this research will be valuable for banks operating in Greater Accra as they can use the insights to develop and implement more customer-centric innovation strategies. Policy Implications: Regulators and policymakers can benefit from understanding how financial innovations impact customer satisfaction, allowing them to create a conducive environment for responsible innovation in the banking sector.

## Delimitations

This dissertation primarily concentrates on customers of banks located within the Greater Accra Region of Ghana, specifically Ayawaso North. While this region is significant due to its vibrant banking sector, the findings may not be entirely generalizable to other regions or countries with distinct economic, cultural, or regulatory contexts.

## Limitations

The research relies on a sample of bank customers who volunteered to participate, which may introduce a selection bias. Those who chose to participate may have different characteristics or experiences than those who declined. It is clear that the study only focuses on bank customers in urban areas, excluding rural customers who may have different banking behaviors and preferences. Furthermore, the research does not take into account the impact of external factors such as political instability or economic fluctuations, which may affect banking behaviors differently in other regions or countries.

**Organization of the Study**

The research is divided into five chapters. Chapter One covers the study's background, problem statement, objectives, research questions, significance, and scope. Chapter Two conducts a literature review on the subject. Chapter Three outlines the study's methods, including research design, study area description, target population, data sources, sample size, sampling procedure, data collection tools, and analysis methods. Chapter Four presents and interprets the study's results. Finally, Chapter Five provides a summary, conclusions, and recommendations

**Scope of the Study**

This study focuses on bank customers in Ayawaso North, Greater Accra Region of Ghana, as it represents a diverse and dynamic segment of the country's banking industry. The research will consider a range of financial innovations, including but not limited to mobile banking, internet banking, digital payment solutions, and fintech collaborations. The study will primarily employ qualitative research methods to gather and analyze data.

# CHAPTER TWO

# LITERATURE REVIEW

## Introduction

Financial innovation has emerged as an instrumental force in the banking and financial services sector, reshaping the landscape of traditional banking practices and customer experiences (Khalil Shami, 2019). In the pursuit of competitive advantage and the quest to meet evolving consumer needs, banks and financial institutions have increasingly turned to innovation as a means to enhance their offerings. The introduction of novel financial products, services, and technological advancements has not only transformed the way financial institutions operate but has also redefined the expectations and satisfaction levels of their customers (Quddus, 2020).

The literature review includes: financial innovation theory, customer satisfaction theory, financial development theory, chainging face of financial innovation in Ghana, impact of financial innovation on customer satisfaction, and concept of customer satisfaction, and other key frameworks.

## Theoretical Review

A theoretical review, often referred to as a theoretical literature review, is a critical examination and analysis of existing theories and concepts relevant to a specific research topic or question (Alahmadi, 2022). This type of review aims to provide a comprehensive understanding of the current knowledge and gaps in the field, as well as identify potential theoretical frameworks that can be applied to the research study.

**Financial innovation theories:** Financial innovation theories attempt to explain the development and impact of financial innovations within the financial industry (Satya Sekhar, 2013). These theories help us understand how and why new financial products, services, and technologies emerge and how they affect financial markets, institutions, and the overall economy. The survival of most banks has shifted from the traditional banking system to a modernized banking system where financial innovation is now a core component that ensures that customers become center stage in the banking industry.

Financial innovations have allowed banks to offer a wider range of products and services, such as online banking, mobile payment systems, and digital currencies. This shift towards a modernized banking system has not only improved customer experience and convenience but has also increased competition among financial institutions. As a result, banks are constantly striving to develop new and innovative financial products to attract and retain customers, ultimately driving economic growth and development. Since the emergence of financial innovations in the banking sector of Ghana, customers continue to resort to digital banking services and mobile payment platforms.

These innovations have revolutionized the way customers manage their finances, allowing for easier access to banking services and transactions (Simonović & Todorović, 2019). With the convenience of digital banking, customers no longer have to visit physical branches or wait in long queues to conduct their financial affairs. This has led to a significant increase in customer satisfaction and loyalty, as they can now conveniently and securely manage their finances anytime and anywhere. Digital banking has also introduced new features such as real-time notifications and alerts, providing customers with instant updates on their account activities and helping them stay on top of their finances (Satya Sekhar, 2013).

In addition, digital banking platforms often offer personalised financial insights and recommendations, empowering customers to make informed decisions about their money. Consequently, the advent of digital banking has transformed the banking industry, offering a seamless and efficient banking experience that caters to the needs and preferences of modern customers.

**Customer satisfaction theory**


*Figure 1:* Customer Satisfaction Theory.
Source: Field survey (2023)

Customer satisfaction theory refers to principles and models that aim to explain and predict customer satisfaction with products, services, or experiences. Understanding customer satisfaction is crucial for businesses because satisfied customers are more likely to become repeat customers, recommend the business to others, and contribute to its long-term success (Wenjie, Ying, & Ludan, 2019). By implementing customer satisfaction theory in the banking sector, financial institutions can create an efficient banking experience that caters to the needs and preferences of modern customers. Customer satisfaction can be achieved by conducting regular surveys and feedback sessions to gather insights on customer satisfaction levels.

Analyzing this data will enable banks to identify areas of improvement and make necessary changes to enhance customer experience. Importantly, a satisfied customer base not only leads to increased loyalty but also helps attract new customers, thus ensuring the business's long-term success. Additionally, banks can leverage technology to provide convenient and personalised services. This can include features like mobile banking apps, online account opening, and chatbots for quick and efficient customer support. Through embracing of digital transformation, banks can offer round-the-clock accessibility and streamline processes, making banking more convenient and efficient for customers. Offering customised financial solutions and tailored recommendations based on customers' preferences and spending habits, banks can enhance the overall customer experience and build strong relationships with their clients.

Additionally, leveraging data analytics and artificial intelligence, banks can provide real-time insights and personalised financial advice, helping customers make better financial resolution. This improves customer satisfaction and also increases their allegiance and confidence in the bank's services. Again, embracing digital transformation allows banks to stay competitive in today's digital age and meet the evolving demands of their customers.

**Financial Development Theory.**

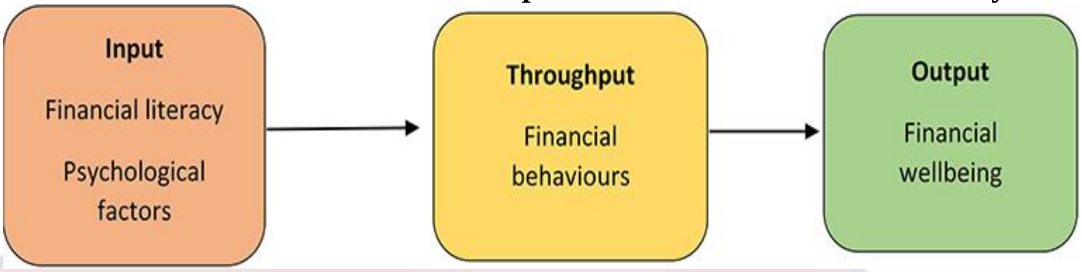


*Figure 2:* Theoretical Review.
Source: Field survey (2023)

Financial development theory suggests that a nation's economic growth is positively influenced by the advancement and efficiency of its financial system (Khalil Shami, 2019). Enhanced financial instruments, markets, and intermediaries aid in better resource allocation, savings mobilization, and investment stimulation, thereby fostering economic growth. This theory underscores the importance of financial institutions and markets in directing funds from savers to borrowers, driving entrepreneurship, innovation, and productivity. Although financial development typically benefits economic growth, there may be non-linear relationships, like an inverted U-shaped curve, indicating diminishing returns at higher development levels. Factors such as institutional quality, regulatory frameworks, and technological advancement can influence this relationship, making it context-dependent. In countries with strong institutions and robust regulations, financial development tends to positively impact economic growth. Moreover, technological advancement significantly affects the efficiency of financial intermediation (Gigante, Martin, & Marutani, 2022). Hence, while the inverted U-shaped curve offers a general understanding, analyzing the effects of financial development on growth requires considering each country's specific context and characteristics.

## Empirical Review

### Financial innovations that are most influential in shaping customer satisfaction, the case of Ghana and Bangladesh

### The Ghanaian Perspective

A study conducted shows that among the innovative banking products, ATMs had the highest awareness among respondents at 34.6%, followed by E-Zwich at 26.4%. The popularity of E-Zwich was attributed to the registration process during its introduction and extensive public education (Abraham, 2012).

However, internet and telephone banking were not widely recognized by respondents despite their potential benefits for both banks and customers, such as increased efficiency and convenience. ATM was the most preferred banking product (50%), followed by E-Zwich (30%), internet banking (10%), telephone banking, and credit cards. ATM's popularity stems from being one of the earliest innovative banking products in Ghana, introduced by Trust Bank in 1995, offering convenience, accessibility, and accurate transaction records. E-Zwich, on the other hand, represents a common platform for electronic payments across various financial institutions in Ghana, providing users with the ability to make payments using biometric smartcards. The study involved the use of a purposive sampling technique where data was collected on 288 students of a public university in Ghana. The research findings indicated that crucial factors affecting consumers' decisions regarding banking services and their uptake included simplicity, safety, adaptability, timeliness, convenience, and dependability.

**The Bangladeshi Perspective**

Dutch-Bangla Bank Limited (DBBL) commenced operations on June 3, 1996, as Bangladesh's inaugural joint venture bank in the private sector. Initiated by local stakeholders led by M Sahabuddin Ahmed and the Dutch company FMO, DBBL is enlisted with the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. Recognized as Bangladesh's foremost innovative and technologically advanced bank, DBBL prioritizes providing innovative and accessible banking solutions and is renowned for its significant philanthropic contributions within Bangladesh (Wikipedia.com).

In the contemporary global business landscape, especially within the banking sector, technology assumes a pivotal role in executing customer-centric banking operations cost-effectively. Acknowledging the intensifying competition and growth in the banking industry, DBBL emphasizes technological advancement to meet evolving customer service demands efficiently (DBBL Annual Report, 2017).

DBBL pioneered the introduction of Automated Teller Machines (ATMs) in Bangladesh in 2004, swiftly becoming a leader in this field. With a commitment to expanding its ATM network, DBBL presently operates 4763 ATMs nationwide, as evidenced by its website. Moreover, DBBL introduced Internet Banking in 2004, offering this service free of charge, and subsequently embraced mobile banking to cater to the increasing number of mobile phone users in Bangladesh (Rahi, 2015).

Digital innovation, as highlighted by Rusu & Shen (2012), has substantially enhanced customer service quality, facilitating access, convenience, speed, and cost-efficiency. Rabiul Islam's study (2017) underscores the ease and convenience afforded to DBBL customers through e-banking services, including mobile banking, Internet banking, email banking, and ATM transactions.

Empirical data from Rabiul Islam's research (2017) reveals a significant increase in the number of ATM units operated by DBBL from 1940 in 2011 to 3588 in 2015, marking an 84.94% surge within five years, as reported in the 2018 Annual Report of DutchBangla Bank Limited.

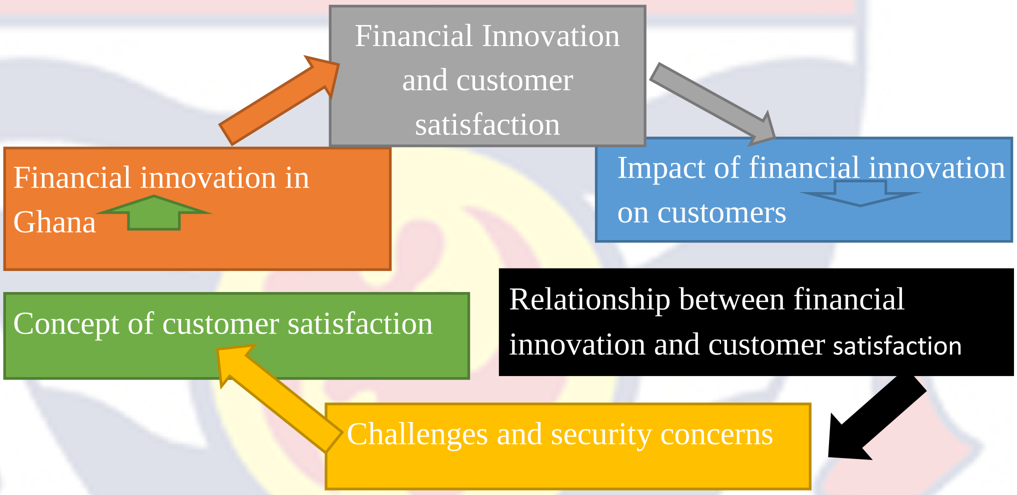


*Figure 3:* Conceptual Review.
Source: Field survey (2023)

Conceptual review is a methodology where researchers examine and analyse pre-existing information and theories related to their research topic. This step helps them gain a comprehensive understanding of the subject matter before conducting their research. Through the conduction of a conceptual review, researchers can identify gaps in existing knowledge and theories, which can then inform the direction and focus of their research (Hipsky, 2015). This methodology allows researchers to build upon previous work and contribute to the overall body of knowledge in their field. Additionally, a conceptual review helps researchers avoid duplicating previous studies and ensures their research is novel and adds value to the existing literature.

**Financial Innovation in Ghana**

Financial innovation in Ghana has seen significant developments in recent years, driven by technological advancements and government initiatives (Najimu, 2019). Some key insights into the adoption of financial innovation in the Ghanaian banking sector: One of the major areas of financial innovation in Ghana is mobile banking. With the widespread use of smartphones and mobile money platforms, Ghanaians can now easily access banking services and make transactions from the comfort of their homes. This has increased financial inclusion and allowed people in remote areas to participate in the formal economy (Musah, Yakubu, & Shaibu, 2023).

Another area of innovation is the introduction of biometric identification systems, which have improved security and reduced instances of fraud in the banking sector. These innovations have transformed the way Ghanaians engage with their banks and have contributed to the growth of the country's economy Musah et al. (2023). The adoption of mobile banking technology has also led to a significant reduction in operational costs for banks. With fewer physical branches required, banks can allocate resources more efficiently and provide better services to their customers. Additionally, the availability of online banking has enabled Ghanaians to easily access and manage their finances at any time, leading to better financial planning and increased savings.

This digital revolution in the banking sector has enhanced convenience and also played a key role in promoting financial literacy and empowerment among the population (Nguena, 2019). Financial innovation has also made it possible for customers even in remote areas to access financial platforms via these innovative financial platforms, such as mobile banking apps or online portals. This has bridged the gap between urban and rural areas, providing equal opportunities for all Ghanaians to participate in the formal financial system. These innovative platforms continue to introduce new services like micro-loans, allowing individuals to start their businesses.

The advent of online banking and financial innovation has brought about positive changes in Ghana's financial landscape, empowering individuals and promoting economic development. These technological advancements have also enhanced financial inclusivity by reaching previously underserved populations, especially those in remote areas. With access to mobile banking and digital payment systems, even individuals in rural communities can now easily save money, make transactions, and access credit facilities (Ozili, 2021). As a result, the gap between urban and rural areas in terms of financial access and opportunities has significantly narrowed, fostering a more inclusive and equitable society.

Moreover, the increased participation in the formal financial system has not only improved individuals' economic well-being but also strengthened the overall stability and resilience of Ghana's financial sector. The Bank of Ghana and other commercial banks continue to assiduously work with other organizations to introduce more flexible financial platforms for individuals, corporate organizations among others. it is with these innovations there continue to spring online banking platforms, SMS banking, and others such as mobile payment systems. These advancements have made financial services more accessible and convenient for Ghanaians, contributing to the growth of the formal financial sector (Ozili, 2021).

Additionally, the increased use of technology in financial transactions has also helped reduce the reliance on cash, leading to a decrease in theft and fraud (Saluja, 2022). The integration of these modern financial platforms has helped improve efficiency and convenience and also increased financial inclusion and fostered economic development in Ghana. Some common platforms banks and financial institutions use are internet banking and ATM. Currently, in Ghana, most banks provide an Internet banking system or ATM (Martin & Kwaku, 2016).

. These common platforms make it quite convenient for both the banks and their customers. Customers can easily access their accounts and perform transactions from the comfort of their own homes using internet banking.

Similarly, ATMs have become widely available in various locations across Ghana, allowing customers to withdraw cash and perform basic banking functions at their convenience. These modern financial platforms have significantly contributed to reducing the reliance on cash, thereby decreasing the likelihood of theft and fraud (Carsamer, 2018).

**Impact of financial innovations on customers**

Financial innovations have had a notable impact on customers in Ghana, shaping their access to financial services and influencing their financial behavior. With the introduction of mobile banking and digital payment systems, customers now have the ease of conducting transactions from and in their offices, homes among others. This has not only saved them time and effort but has also provided them with a safer and more secure means of managing their finances (Abor, 2005). Additionally, financial innovations have empowered customers by giving them greater control over their money, allowing them to track their expenses, set savings goals, and make informed financial decisions (Allen, 2012).

These innovations have positively transformed the way customers interact with and manage their finances (Grace, Pamela, & Sandra, 2020). Key impacts financial innovations have on customers are increased financial inclusion, improved access to credit and loans, and enhanced financial literacy. Customers who previously had limited or no access to formal banking services can now easily open accounts and access a wide range of financial products and services. Financial innovations provide customers with educational tools and resources to improve their financial knowledge and decision-making skills, finally leading to more informed and responsible financial behavior.

In addition, the convenience of online and mobile banking has significantly improved accessibility for customers, allowing them to manage their finances anytime and anywhere (Abor, 2005). This has eliminated all forms of inconveniences previously experienced or associated with traditional banking, hence, saving customers’ valuable time and effort. The integration of advanced security measures, such as biometric authentication and encryption, has enhanced the overall safety and protection of customers' financial information, instilling a sense of trust and confidence in the banking system. Even though financial innovation continues to impact positively, some key drawbacks need to be addressed.

One of the main concerns is the increased risk of cyber-attacks and data breaches, as more personal and financial information is stored and accessed online. The overreliance on technology in banking has led to a decrease in face-to-face interactions, which may be a disadvantage for customers who prefer a more personal touch (V. &., 2022). The rapid pace of technological advancements requires continuous training and education for both bank employees and customers to keep up with the changing landscape. Several hundreds of customers of various banks and other digital platforms have had their personal and financial information compromised due to cyberattacks and data breaches (Greenwood, 2021).

This highlights the need for robust cybersecurity measures to protect sensitive data and ensure the trust and confidence of customers. The shift towards digital banking continues to cause a decrease in physical bank branches, making it more challenging for customers who require in-person assistance or prefer the convenience of a physical location.

**The relationship between financial innovations and customer satisfaction**

Banks that are frontrunners in customer satisfaction lead in financial metrics such as total shareholder return (TSR), increased growth, and decreased costs (Greg, 2018). The same study also shows that there is a positive correlation between customer satisfaction and purchasing decisions. Customers who are satisfied with their banking experiences say they will purchase more of that bank’s products. And satisfied customers are six times more likely to say they'll remain with a bank than dissatisfied customers are (Rashid, Nurunnabi, Rahman, & Masud, 2020). Another study conducted by Masud & ice (2019) revealed that service innovation in the banking sector has a direct impact on customer satisfaction and loyalty. This study found that banks that invest in service innovation, such as introducing new technology and improving customer service, are more likely to have higher customer satisfaction and loyalty. This suggests that by focusing on financial innovation, banks can strengthen their customer base.

The relationship between financial innovations and customer satisfaction in the banking sector of Ghana can be attributed to several key factors. These factors play a crucial role in shaping how customers perceive and respond to the financial products and services offered by banks in the region. Here are the key mediating factors:

Service Quality*:* The quality of banking services, including the efficiency of transactions, responsiveness of customer service, and reliability of digital platforms significantly impact customer satisfaction (Mahmoud, Robert, & Dickson, 2019). When financial innovations improve service quality, customers are more likely to be satisfied. A positive service experience leads to increased customer loyalty and positive word-of-mouth recommendations, further enhancing the bank's reputation. On the other hand, poor service quality can result in customer dissatisfaction, leading to a loss of trust and potential customers seeking out alternatives. Therefore, banks must prioritize service quality as a key factor in retaining and attracting customers in the competitive financial market.

Customer Orientation*:* Banks that prioritize customer needs and preferences are more likely to introduce innovations that align with customer expectations. Customer-oriented banks tend to offer products and services that enhance satisfaction levels. This includes providing personalized banking solutions, efficient customer service, and easy accessibility to banking services. Understanding and addressing customer needs aids banks build long-term relationships and loyalty, resulting in customer retention and acquisition. A customer-centric approach helps banks differentiate themselves from their competitors and gain a competitive edge in the market (Shenoy, Sequeira, & Devaraj, 2012).

Product Variety: The introduction of innovative financial products and services provides customers with more choices. A diverse range of offerings allows customers to select products that best suit their financial goals and needs, leading to higher satisfaction levels. In addition, offering a variety of products also helps banks attract new customers who may be seeking specific financial solutions. With continuous expansion of product portfolio and staying ahead of market trends, banks can position themselves as leaders in the industry, attracting a larger customer base and ultimately increasing their market share. Moreover, by regularly reviewing and updating their product offerings based on customer feedback and demands, banks can ensure that they are consistently meeting the evolving needs of their customers, fostering long-term loyalty and trust (Lee, 2002).

Convenience: Financial innovations often focus on improving convenience, such as mobile banking apps, online account management, and ATM networks (Kim, 2019). These conveniences can enhance the overall customer experience and satisfaction. Conveniences experienced open the door for customers to remain loyal to a particular bank. By providing easy and accessible ways for customers to manage their finances, banks can save them time and effort, ultimately earning their trust and loyalty. Additionally, offering convenient features like 24/7 customer support and personalized banking services further solidifies the bond between customers and their chosen banks.

Trust and Security*:* Customers need to trust that their financial transactions and personal information are secure. Banks must ensure that their innovations maintain high levels of security and transparency to build and maintain trust among customers. Implementing advanced encryption technologies and multi-factor authentication can help protect customer data from unauthorized access. Regularly updating security measures and conducting thorough audits can provide reassurance to customers that their information is being safeguarded. When trust and security is prioritized, banks can establish a strong foundation for long-term customer relationships.

Education and Awareness*:* Effective communication and education about new financial products and services are crucial. Banks should inform customers about the benefits and usage of innovations to increase adoption rates and, consequently, satisfaction levels. This can be achieved through targeted marketing campaigns, informative resources, and personalized customer support. Proactively educating customers helps banks build confidence and trust, ensuring customers feel empowered and informed about their financial options. This promotion of awareness about potential scams and fraudulent activities can help customers make well-informed decisions and protect themselves from financial risks.

Competitive Environment*:* The competitiveness of the banking sector in Greater Accra can drive banks to continually innovate and improve their services to attract and retain customers. This competitive pressure can indirectly influence customer satisfaction by pushing banks to offer better rates, lower fees, and more convenient services. As a result, customers are more likely to feel satisfied and valued by their chosen bank. Additionally, the competitive environment encourages banks to invest in technology and digital solutions, which can enhance the overall banking experience for customers. Ultimately, this fosters a positive relationship between banks and customers, further

empowering them in their financial decisions.

**Changing face of banking and financial innovations in Ghana**

Banks serve as financial intermediaries that receive deposits from individuals and organizations with surplus funds and then direct these funds towards lending to those in need of capital within the economy (Bukhtiarova, Semenog, Mordan, Kremen, & Balatskyi, 2022). The origins of banking in Ghana can be traced back to the colonial era when it aimed to provide financial services primarily to British enterprises and the colonial administration. In 1896, the Bank of British West Africa (which later became Standard Chartered Bank in 1985) established its first branch in Accra, attracting other foreign banks like the Colonial Bank, which started operations in 1918 and eventually merged with other entities to become Barclays Bank.

During the period from 1920 to 1950, these foreign banks, alongside the Bank of the British West Africa, were the sole operators in the Gold Coast. In 1953, the Ghana Commercial Bank emerged as the first indigenous bank, aiming to reduce the dominance of expatriate banks. Post-independence in 1957, the Bank of Ghana was established to manage the nation's currency. State-owned banks and Development Financial Institutions (DFIs) were created by 1974 to expand financial services, including the National Investment Bank and Agricultural Development Bank.

Subsequent financial sector reforms, including the 1989 banking law, led to the emergence of locally incorporated banks and reduced government control. The liberalization of the financial sector under programs like FINSAP and FINSSIP brought about increased competition, improved savings, and technological innovations, such as ATMs and e-banking. The introduction of the 2004 Banking Act eliminated secondary reserves, adjusted minimum capital requirements, and introduced the Universal banking license.

Additionally, mergers and acquisitions occurred due to rising minimum capital requirements, resulting in 27 universal banks operating in Ghana today. The influx of foreign banks, particularly from Nigeria, has fostered intense competition, technological advancements, and an increase in offshore funds, contributing to credit creation and economic growth. These changes in the Ghanaian banking sector have significant implications for the country's economy, including increased efficiency and expanded banking services.

### Concept of customer satisfaction

In the realm of customer satisfaction, businesses face a dual challenge and opportunity presented by evolving consumer trends (Aaker, 2010). The growth trajectory of companies is significantly influenced by the nature of the products and services they offer, with customers gravitating towards quality, affordability, and accessibility (Ezzi & Jarboui, 2016). Enterprises exist with the primary goal of fulfilling the needs of their customers, employees, and other stakeholders. Previous research in innovation underscores the importance of involving customers in the creation of innovative solutions (von Hippel & Katz, 2002). Collaborating with customers and sharing information empowers companies to gain valuable insights, meet customer demands, enhance product quality, and optimise performance (Prahalad & Ramaswamy, 2004), ultimately fostering a successful customer experience (Vargo & Lusch, 2004).

Customers are a crucial source of knowledge and play key role in the innovation process. Customer satisfaction serves as a metric for evaluating how well a company's products and services align with or surpass customer expectations. Firms gauge their customer satisfaction by comparing the number of satisfied customers to dissatisfied ones. It hinges on the disparity between customer expectations and the actual performance of products or services in terms of quality (Dean, 2004). Satisfied customers prioritize product quality over price and exhibit loyalty towards the company.

Measuring customer satisfaction is of paramount importance for firms as it enables them to assess their alignment with customer needs (Kim, 2017). Furthermore, it provides valuable and unbiased feedback about customer expectations and priorities. Customer satisfaction emerges as a critical outcome for various businesses. contend that a connection exists between customer satisfaction, a customer-centric philosophy, and sustainable improvement. If customers are content with a company's behavior and services, they are more likely to remain loyal patrons (A. Al-Tit, 2015). Customers seek value for their money and time, underscoring the expectation that companies deliver quality products or services (Iberahim et al., 2016).

Customer satisfaction is demonstrated through assessments of whether a product, brand, or store aligns with customer expectations (Zain & Saidu, 2016). Loyal customers consistently choose a particular company's products or services, leading to increased sales, profitability, and improved business performance (Angelova & Zekiri, 2011). Customer satisfaction has been quantified through various measures, including perceived product quality and factors influencing business outcomes like customer loyalty (Erjavec, 2015). In this study, a unidimensional scale was employed to investigate perceived product quality and customer loyalty.

**Financial innovation challenges**

Financial innovation is often lauded for its role in driving economic growth and advancement. However, this essay delves into the complexities and challenges that accompany these innovations. One of the main challenges of financial innovation is the potential for increased risk and vulnerability in the financial system (Hu, Schwabe, & Li, 2015). New products and services may not always be adequately regulated or understood by consumers, leading to potential financial instability. Additionally, the rapid pace of innovation makes it difficult for regulators to keep up and effectively monitor and supervise the financial industry (Antunes, 2021).

Finally, there is also the risk of exclusion, as some individuals or communities may not have access to or be able to fully utilize the benefits of these innovations, exacerbating existing inequalities. Therefore, while financial innovation can bring about positive change, it is crucial to navigate these challenges effectively to ensure a sustainable and inclusive financial system. This can be achieved through close collaboration between regulators, industry participants, and technology experts to develop comprehensive regulations that strike a balance between fostering innovation and protecting consumers.

Additionally, ongoing education and awareness programs can help bridge the gap and ensure that all individuals have the necessary skills and knowledge to participate in the digital economy. Addressing these challenges head-on, we can maximize the potential of financial innovation and create a more equitable and resilient financial system for all. In recent times, cybersecurity threats have become increasingly prevalent and sophisticated and customers of banks are key targets having their investments ripped off by cybercriminals (Chronowska, 2022). Therefore, individuals must be educated about the importance of online security and how to protect their personal and financial information.

For example, banks can partner with cybersecurity firms to develop comprehensive educational campaigns that provide customers with practical tips and tools to safeguard their online accounts. Additionally, banks can invest in cutting-edge technologies such as biometric authentication and artificial intelligence to enhance security measures and detect any suspicious activities. Ensuring regular updates and patches to software systems should be prioritized to prevent vulnerabilities that hackers can exploit. Also, a collaborative effort between banks, customers, and cybersecurity experts is necessary to stay one step ahead of cybercriminals and ensure the safety of personal and financial data in the digital age (Lynskey, 2015).

The regulatory and compliance challenge is one of the key bottlenecks faced in an era of financial innovations, making controls and compliance a complicated task for regulators such as government agencies. The rapid pace of technological advancements and the complexity of financial systems create a constant need for regulators to adapt and update their policies. The global nature of financial transactions adds another layer of complexity, as regulators must navigate different legal frameworks and address cross-border challenges. Despite these challenges, it is crucial for regulators to continuously collaborate with industry stakeholders and leverage innovative solutions to effectively address potential risks and protect the integrity of the financial system (Elsayed, 2020).

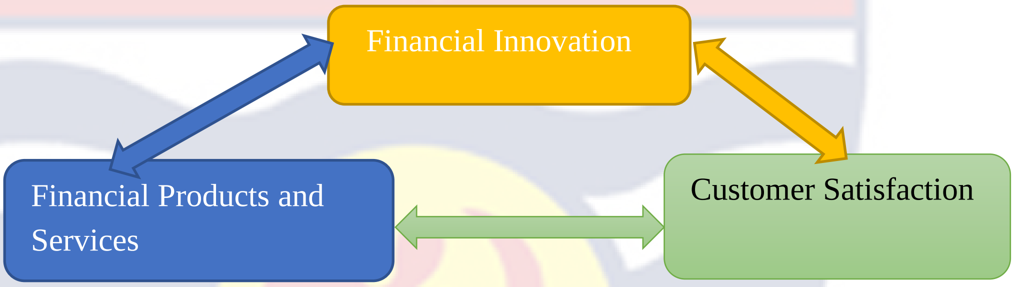


*Figure 4:* Conceptual Framework.
Source: Field survey (2023)

A conceptual framework is a synthesis of related components and variables that help solve a real-world problem. This is the final lens used to view the deductive resolution of a defined problem. The development of a conceptual framework begins with the deductive hypothesis that a problem exists and the application of processes, procedures, functional approaches, models, problem-solving, or theories that can be used to solve it (Sharma & Khan, 2020).

Assessing how financial innovation affects customer satisfaction among selected banks' customers in Ayawaso North Municipality, Greater Accra, is crucial for understanding innovation effectiveness. The banking sector sees frequent introduction of new products and services, necessitating banks to gauge customer perception for effectiveness assessment (Prokopenko, Zholamanova, Mazurenko, Kozlianchenko, & Muravskyi, 2022). Understanding this impact enables informed decisions for enhancing offerings and meeting customer needs. This study aims to examine the perceived impact of financial innovation on customer satisfaction within selected banks in Ayawaso North Municipality, Greater Accra, filling a critical research gap.

**Financial innovation**

Financial innovation refers to the process of creating new financial or investment products, services, or processes. These changes can include updated technology, risk management, risk transfer, credit and equity creation, and many other innovations. Financial innovation plays a crucial role in addressing the ever-evolving needs of the financial industry and the economy as a whole. It helps to enhance efficiency, increase access to capital, and promote economic growth. In Ghana's banking system, financial innovation has become a key means of transaction among individuals, organizations, and other institutions. The advancements in technology in Ghana have led to the emergence of innovative avenues for delivering banking products and services. These include the introduction of Automated Teller Machines (ATMs), the adoption of Internet banking, and the availability of PC and mobile banking options.

These technological innovations have progressively gained significance within the Ghanaian banking sector over time, as highlighted by (Abor, 2004). The convenience and accessibility offered by modern financial technologies have transformed how people manage their finances, enabling banking at any time and place. Furthermore, the adoption of these innovations has fostered the growth of Ghana's digital economy by promoting financial inclusion and driving economic progress. Mobile banking and online payment platforms have notably reduced dependence on traditional banks, particularly benefiting individuals in remote areas with limited access to banking services.

The increased use of these technologies has also decreased cash transactions, enhancing the transparency and security of the financial system. In sum, the advancements in Ghana's banking sector have not only enhanced the lives of individuals and businesses but have also established the country as a leader in digital finance within Africa (Sthembiso Msomi & Muzombo Kandolo, 2023).

**Financial products and services**

Ghana's embrace of technological progress sees a steady integration of essential financial advancements like mobile banking, e-wallets, and digital payment systems. These innovations have notably enhanced financial accessibility, enabling broader participation in the formal economic sector. Moreover, they've streamlined transactions, cutting down on the time and expenses linked to conventional banking practices. Consequently, Ghana's economy has witnessed heightened efficiency and expansion, drawing in foreign investments and establishing itself as a focal point for financial technology in its vicinity. Notable among these innovative solutions are:

i. ***Automated Teller. Machines (ATM):*** The Automated Teller Machine (ATM) is a self-service machine that dispenses cash and performs other functions like balance inquiry, bills payments, mini statements, air-time recharge, and so on. ATM transactions are carried out through the use of a debit/credit card which enables you, as a cardholder, to access your account and carry out banking transactions without a teller.

ii. ***E-commerce platforms:*** The rise of e-commerce platforms in the region has transformed the way people shop and do business. Online marketplaces allow consumers to browse and purchase products from the comfort of their own homes, eliminating the need to visit physical stores. This has not only increased convenience for consumers but also provided opportunities for small businesses to reach a wider customer base and expand their operations (Grigoroudis & Spyridaki, 2003). E-commerce, short for electronic commerce, encompasses the exchange of goods, services, financial transactions, and data over electronic networks, primarily the internet.

This digital trade occurs in various forms, including business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer, and consumer-to-business transactions. The terms e-commerce and e-business are often used interchangeably, reflecting the broad scope of online commercial activities. Additionally, the term e-tail is occasionally employed to describe the processes involved in online retail shopping. Over the past two decades, the widespread adoption of e-commerce platforms like Amazon and eBay has significantly fuelled

the growth of online retail.

In 2011, e-commerce represented a modest 5% of total retail sales, as reported by the U.S. Census Bureau. However, by 2020, driven in part by the onset of the COVID-19 pandemic, e-commerce's share had surged to over 16% of all retail sales (Tudor, 2022).

iii. ***Mobile Banking:*** Mobile banking has gained popularity thanks to technological advancements. It enables individuals to manage their finances conveniently via their mobile devices (Moser, 2015). This service grants users access to their bank accounts, facilitating tasks like payments, fund transfers, and even loan applications. It has transformed financial management by offering instant, round-the-clock access to accounts from any location. With the advancement of technology, mobile banking has become increasingly popular in the region. It allows users to access their bank accounts, make payments, transfer funds, and even apply for loans, all through their mobile phones.

This convenient service has revolutionized the way people manage their finances, providing them with instant access to their accounts anytime and anywhere.

iv. ***Online Banking:*** Another innovative product in the region is online banking, which enables customers to manage their accounts and perform various banking transactions through the Internet. From checking account balances to paying bills, online banking offers a convenient and secure way for customers to handle their financial needs. This technology has greatly reduced the need for physical visits to the bank, saving customers time and effort. Online banking, also referred to as internet banking, is a digital system that empowers bank customers to perform financial transactions via the internet. This empowers both individuals and businesses to oversee their bank accounts and conduct a variety of financial activities online, eliminating the necessity of visiting a physical bank branch (VASAN, 2015).

**Online banking's key features and functions encompass:**

- Account Access**:** Users can securely access their bank accounts around the clock through an online portal.
- Balance Inquiry: Check account balances and recent transactions online.
- Transfer Funds: Move money between various accounts, both within the same bank and to other financial institutions.
- Bill Payments**:** Electronically pay bills, including utilities and credit card bills.
- Mobile Banking: Many banks offer mobile applications for convenient access to online banking on the move.
- Deposit Checks: Some apps enable customers to deposit checks by capturing photos of them.
- Statements and Transaction History**:** View and download account statements and transaction records.
- Account Management**:** Adjust account settings, update contact information, and establish alerts.
- Online Customer Support**:** Access customer support and assistance via the Internet.

- Online banking provides convenience and efficiency, enabling users to manage their financial matters from the comfort of their homes or while on the move. It also bolsters security through encryption and authentication measures to safeguard users' sensitive data.

**Customer satisfaction**

Customer satisfaction is the assessment of how content customers are with a company's offerings, encompassing its products, services, and overall capabilities. To gauge customer satisfaction, companies often rely on surveys and ratings, enabling them to pinpoint areas for enhancing their products and services (Kim, 2017). Satisfying customers should be the paramount objective of any organization, spanning various sectors such as industrial firms, retail and wholesale establishments, government entities, service providers, non-profit organizations, and all divisions within a company. Giving utmost importance to customer satisfaction enables businesses to establish a dedicated customer following and boost their prospects for success within their industry.

This goal extends to every facet of a company, encompassing its products, customer support, and the overall perception of its brand. By consistently aiming to improve their offerings, organizations can also maintain a competitive edge and secure their long-term viability. Moreover, contented customers are inclined to endorse a company to others, amplifying its influence and growth potential. Customer retention is of utmost importance for virtually every business. While acquiring new customers can be expensive and time-consuming, maintaining a strong relationship with existing customers is both easier and more cost-effective (Chimote & Srivastava, 2012). It's crucial to continue attracting new customers, but this shouldn't overshadow the need to prioritize the satisfaction of current customers.

Customer satisfaction plays a pivotal role because it significantly boosts the likelihood of repeat business. Building customer loyalty requires a dedicated focus on meeting the needs of your existing customer base and consistently delivering exceptional customer service. By doing so, you not only ensure their continued patronage but also increase the chances of them recommending your business to others. Additionally, satisfied customers are more likely to provide valuable feedback and insights, allowing you to identify areas of improvement and stay ahead of the competition. Investing in customer satisfaction not only strengthens your relationship with existing customers but also generates positive word-of-mouth, ultimately leading to long-term business growth and success.

However, the significance of customer satisfaction extends beyond retention; it also serves as a tool for overall business improvement. Gathering feedback from customers about their interactions with your brand is invaluable for identifying weaknesses and areas for enhancement. Low satisfaction levels signal the need for corrective action to address any issues and improve the overall customer experience. By actively listening to customer feedback and taking appropriate measures to address their concerns, businesses can not only retain their existing customers but also attract new ones.

This continuous cycle of improvement not only strengthens the relationship with existing customers but also helps in acquiring new ones, leading to sustained business growth and success. Therefore, customer satisfaction should always be a top priority for any business looking to thrive in today's competitive market (Lhoest-Snoeck, van Nierop, & Verhoef, 2014). Proactively monitoring satisfaction through engagement and specific feedback collection helps pinpoint strategies for improvement. Conversely, positive customer satisfaction highlights your strengths, which can be leveraged to drive further growth and success. By analyzing customer feedback, businesses can identify patterns and trends that can guide their decision-making process.

This valuable information can be used to refine products or services, enhance customer support, or even develop new marketing strategies. Ultimately, prioritizing customer satisfaction not only fosters loyalty and repeat business but also gives a competitive edge in the market (JIA, 2017).

# CHAPTER THREE

# RESEARCH METHODS

## Introduction

Research methodology is the organized and methodical process employed by researchers to carry out investigations and collect data. It involves a range of strategies, techniques, and procedures aimed at achieving research objectives and addressing research inquiries. This systematic framework guides the entire research process from planning and execution to analysis, ensuring the trustworthiness and validity of outcomes. Key components include choosing suitable research designs, data gathering approaches, and analytical methods to uphold the precision and authenticity of results (Baxter, 2001).

## Research Design

The research design employed in this study is a descriptive design that aims to assess the impact of financial innovations on customers within the Ghanaian banking sector, specifically, Ayawaso North Municipal, focusing on an in-depth understanding of social phenomena within their natural setting. Data collection involved administering questionnaires.

## Research Approach

The study utilizes qualitative research, incorporating phenomenological design, to comprehend customer perceptions, attitudes, and opinions, especially regarding how they perceive financial innovations and their effect on satisfaction (Afroze & Rista, 2022). Customer satisfaction, a multifaceted construct, is influenced by various factors. Qualitative methods excel in capturing subtle nuances often missed by quantitative approaches, enabling a deeper examination of the correlation between financial innovation and customer satisfaction.

**Data Collection Instruments**

Regarding data collection, primary and secondary data were gathered by administering questionnaires to bank customers. Secondary data was obtained from web pages, journals as well as books. Questionnaires distributed comprised of both closed-ended and open-ended inquiries. Questionnaires were administered to ensure interviewer biases were reduced, they provided standardised set of questions, ensuring that each respondent is presented with the same prompts, which helps maintain consistency in data collection.

**Study Area**

The Ayawaso North Municipal is one of the 260 Metropolitan, Municipal, and District Assemblies (MMDAs) in Ghana, and forms part of the 29 MMDAs in the Greater Accra Region. The Ayawaso North Municipal Assembly was carved out of the Accra Metropolitan Assembly as one of the 38 newly created and upgraded district assemblies in 2018. The Ayawaso North Municipal Assembly has its capital as Accra New Town. This research specifically focuses on this municipal area to assess how financial innovation in the banking sector affects the perceptions and experiences of customers from selected banks operating within Ayawaso North Municipality. This study area was chosen due to its economic vibrancy in areas of technology and finance. The area is also known for markets, education, and forex trading.

The study aims to investigate the attitudes, opinions, and behaviors of bank customers in Ayawaso North Municipality regarding the financial innovations introduced by the selected banks. It seeks to understand how these innovations are perceived by customers and how they impact their banking interactions and decisions.

**Population**

The population of a study refers to the entire group of individuals, objects, or elements that are the subject of research or investigation. It encompasses all possible members that share a particular characteristic or attribute of interest. This population can be defined in various ways, depending on the research objectives and the scope of the study (Wheeldon, 2010). The study's population consisted of 121 banking customers of three selected banks in Ayawaso North who are exposed to financial innovations.

**Sample and Sampling Technique**

The sampling method or sampling technique in statistics is the study of the population by collecting data and analysing it (Etikan, 2017). It is the foundation of the data, where the sample size is large. There are several sampling techniques, which can be divided into two categories, namely: probability sampling and non-probability sampling. In this study, a non-probability sampling type, purposive sampling technique was employed to select participants. Purposive sampling involves intentionally selecting individuals or entities that are most relevant to the research objective. In this case, the researcher specifically chose participants from three selected banks out of nine (9) banks within the Ayawaso North Municipality who were expected to provide valuable insights regarding the impact of financial innovations on customer satisfaction.

The use of purposive sampling was driven by the need to ensure that the participants selected had direct experience and knowledge relevant to the research topic. By intentionally selecting individuals from the banking sector in the specified location, the researcher aimed to gather focused and pertinent information. This approach allowed for a targeted investigation into the perceived impact of financial innovation on customer satisfaction within the context of the chosen banks, yielding insights that are highly relevant to the research objectives.

Additionally, three banks within the Ayawaso North Municipality were chosen using the purposive sampling technique because of their strategic locations, diverse customer base, and reputation for providing comprehensive financial services. This method was selected to ensure that the sampled banks represent the demographic and economic diversity of the municipality accurately. This approach enhances the validity and relevance of the research findings, providing insights that can inform policy decisions and improve access to financial services in the municipality.

**Sample Size**

Sample size refers to the number of people, objects, or data that are included in an experiment or study. In other words, it’s the number of people selected from a large population to represent that population statistically. The size of the sample is a critical factor in research, as it directly affects the robustness of the results and the ability to generalize them to a larger population. A larger sample size generally leads to more reliable and accurate results, as it reduces the potential for random error. With a larger sample size, the findings are more likely to be representative of the entire population, increasing the external validity of the study.

Conversely, a smaller sample size may introduce bias and limit the generalizability of the results, as it may not adequately capture the diversity and variation present in the larger population. The sample size for this study consists of participants from three selected banks in Ayawaso North, Accra. The participants were chosen based on their exposure to at least a form of financial innovation tool.

Customers of selected banks were from Fidelity Bank, Agricultural Development Bank, and Bank of Africa Limited. These three banks were selected from nine banks within the municipality (nine banks according to data from Ayawaso Municipal Assembly), because they met the requirement of integrating array of financial innovation tools in their banking services which the study objectives focus on. A total of 121 questionnaires were distributed among customers of these banks who use any form of financial innovation tool.

Concerning the distribution of questionnaires, ADB Bank customers received 43 questionnaires; Fidelity Bank customers received 40 questionnaires, while the remaining 38 were distributed among customers of Bank of Africa. Of the 121 population, 78 participants responded to the questionnaires. Of the 78 respondents, 28 were customers of Fidelity Bank, 24 were from ADB Bank Limited, and the remaining 26 were customers of Bank of Africa. The response rate from the customers of the three banks is 64.46%, implying a good level of engagement and satisfaction among the customers.

The period of data collection took 15 working days in October 2023. During this period, questionnaires were distributed among customers of these banks from which their views on the study were sought. After respondents expressed their willingness and readiness to provide relevant information on how financial innovations impact their satisfaction, they were further educated on the significance of the study and how their views would be of great value to the study area.

**Data Processing and Analysis**

In terms of data analysis, tables were used in analyzing data collected from participants of the study. Respondents' statements were also presented to convey individual perspectives and experiences regarding the impact of financial innovations on customers. The data analysis techniques made use of cross-tabulations to explore the relationship between customer satisfaction and other factors influencing financial innovations in the Ghanaian banking sector. The table included various demographic information, such as age, gender, and educational level, allowing for a comprehensive analysis of the participants.

**Validity and Reliability**

Validity and reliability are critical for several reasons, including boosting your study's reputation and trustworthiness and proving that you adhered to the ethical and scientific standards and guidelines for performing and reporting research (Agustin, 2009). Additionally, they can improve the generalizability and application of your study, demonstrating that the findings can be applied to and used by other researchers and practitioners as well as in different contexts and circumstances. Furthermore, by offering insightful and practical answers to your study challenge or query, they may help expand and improve knowledge and practice in your field and profession (LI & ZHANG, 2013). This can lead to advancements in the field, as other researchers can build upon your findings and further contribute to collective knowledge.

Moreover, adhering to ethical and scientific standards ensures that the research is conducted with integrity, protecting the rights and well-being of participants. By following guidelines and reporting standards, researchers can enhance the credibility and trustworthiness of their study, making it more likely to be recognized and valued by the scientific community (Johnsson, Eriksson, Helgesson, & Hansson, 2014). To look for consistency, the instruments were carefully examined for any potential flaws or biases. Additionally, the data collected was thoroughly analyzed using statistical techniques to uncover any patterns or trends.

This rigorous approach ensured the reliability and validity of the findings. The results were further compared and contrasted with previous studies in the field, allowing for a comprehensive understanding of the topic.

**Ethical Consideration**

Ethical considerations refer to the principles, values, and guidelines that govern the moral conduct and decision-making of individuals or organizations in various fields, including research, business, healthcare, and more. These considerations help ensure that actions and decisions align with accepted standards of right and wrong, fairness, and respect for individuals' rights and well-being. Before carrying out the research, the consent of participants, who were customers of the selected banks, was sought, and anonymity was well guaranteed to protect their privacy.

Additionally, the researcher followed strict protocols to minimize any potential harm or discomfort to the participants. Throughout the study, ongoing monitoring and evaluation were conducted to ensure that ethical standards were upheld. These ethical considerations do not only protect the rights and well-being of the participants but also contribute to the credibility and validity of the research findings (Glattke, 2007).

**Chapter Summary**

The chapter summary discussed the research approach employed to investigate the study's objectives. It presented the rationale behind selecting specific research methods. Furthermore, it delved into the explanation of the research design, the target population, and the methods used for sampling. The chapter also provided insights into the study's geographical context. Additionally, it covered aspects such as the data type, research tools, data collection procedures as well as instruments used, ethical considerations, and the methodology for data analysis. The subsequent chapter expounded upon the study's findings and their interpretations.

# CHAPTER FOUR

# RESULTS AND DISCUSSION

## Introduction

The analysis of the data is covered in this chapter. It describes the data that was gathered using descriptive statistics, percentages, and frequencies, the data was based on the questionnaires given to the respondents who were selected customers of banks in Ayawaso North Municipality.

**Table 1: Demographic Information of Respondents.**

| Variable | Respondents | Frequency | Percentage |
|---|---|---|---|
| Sex | Female | 43 | 55.13 % |
| | Male | 35 | 44.8 % |
| Total | | 78 | 100 % |
| Age | 18 – 24 | 18 | 23.1 % |
| | 25 – 34 | 20 | 25.64 % |
| | 35 – 44 | 22 | 28.21 % |
| | 45-54 | 18 | 23.07 % |
| | 55 and above | 7 | 100 % |
| Level of Education | Non- Formal Education | 0 | 0 % |
| | Basic | 10 | 12.8 % |
| | Secondary | 31 | 39.7 % |
| | Tertiary | 37 | 47.4 % |
| Total | | 78 | 100 % |

Source: Field Survey (2023)

Out of the 78 customers surveyed from selected banks, 55.13% were females, while the remaining 44.8% were males. This suggests that the majority of the respondents in the study were female. This finding could potentially indicate that women are more likely to engage with banking services or that they have a higher level of satisfaction with their current bank. Additionally, women may be more proactive in seeking out and participating in surveys, leading to a higher representation in the study. It would be valuable to further investigate the reasons behind this gender disparity and how it may affect the banking industry's marketing and customer satisfaction strategies. Understanding these preferences and behaviors of different customer demographics can greatly benefit banks in tailoring their services to meet the needs and expectations of their customers.

In the age distribution analysis of the 78 participants, distinct age groups emerged: 18 respondents fell within the 18 – 24 age range, 20 respondents were aged between 25 – 34, 22 respondents fell into the 35 – 44 age bracket, 18 respondents were in the 45 – 54 age group, and the remaining 7 respondents were 55 years old or above.

These demographic findings provide valuable insights into the composition of the respondents in the study. There was a diverse range of ages represented, with a slight skew towards female respondents. Such demographic information is crucial for researchers and organizations to understand their target audience and tailor their strategies accordingly. From Table 1, these analyses can be derived from the data collected. Basic Education (10 respondents): This category includes individuals who have completed a basic level of education, typically primary and possibly some secondary education. Basic education is fundamental and provides essential foundational knowledge and skills. Secondary Education (31 Respondents): A larger portion of the respondents, 31 in total, have secondary education.

This suggests that a significant portion of the group has completed high school or an equivalent level of education. Tertiary Education (37 Respondents): The largest group of respondents, numbering 37, have tertiary education. Tertiary education typically refers to post-secondary education, such as college or university. In summary, the data shows a diverse educational background among the respondents, with some having completed basic education, a significant number having secondary education, and the largest group having tertiary education. Another clear sign is the fact that all the respondents, one way or the other underwent some levels of formal education. This diversity in educational backgrounds can be valuable for research or decision-making processes that require input from individuals with various levels of education (Frances & Luis, 1996).

**Objective 1:** To assess the perceived impact of financial innovation on customer satisfaction among selected bank customers within Ayawaso North, Greater Accra

**Table 2: How often Customers use Online Banking Services.**

| Variable | Frequency | Percentage |
|---|---|---|
| Daily | 18 | 23.1 % |
| Weekly | 20 | 25.64 % |
| Monthly | 25 | 32.1 % |
| Annually | 15 | 19.2 % |
| Total | 78 | 100 % |

Source: Field Survey (2023)

Table 2 shows that 23.1% of the respondents use online banking services daily, 25.64% use it every week, 32.1% every month and the remaining 19.2% of participants use online banking annually. From this data, the majority of the respondents use online banking services every month, followed by weekly and daily with the least being annually. This indicates that online banking has become an integral part of the respondents' financial routine. The high percentage of users accessing online banking services monthly suggests that it is a convenient and preferred method for managing their finances. The lower percentages for weekly and daily usage could be attributed to the fact that some respondents may not have the need to access their accounts frequently or prefer traditional banking methods for certain transactions. The small percentage of respondents who use online banking annually might indicate a lack of awareness or trust in the security of online platforms (Demetris, 2006).

Furthermore, the lower usage frequency of online banking on a daily or weekly basis may be also influenced by the demographic characteristics of the respondents. Older individuals, for example, may be less comfortable with technology and therefore less likely to use online banking frequently (Sa, 2019). Additionally, those who live in rural areas with limited internet access may rely more heavily on traditional banking methods. However, as technology continues to advance and online security measures improve, it is expected that the number of individuals utilizing online banking services will increase in the future.

**Table 3: What Motivates Customers to use Online Banking Services.**

| Variable | Frequency | Percentage |
|---|---|---|
| Convenience | 40 | 51.3 % |
| Time-Saving | 12 | 15.4 % |
| Access to Innovative Features | 4 | 5.13 % |
| Security | 14 | 17.9 % |
| Nothing | 12 | 15.4 % |
| I don’t use | 0 | 0 % |
| Total | 78 | 100 % |

Source: Field Survey (2023)

From Table 3, the data shows that 51.3% of the respondents use online banking services because it offers them the needed conveniences. 15.4% on the other hand use online banking because it is time-saving – that is, it saves them from previous traditional banking to and fro to secure funds for their various uses. Access to innovative features 5.13% of the respondents believed that their use of online banking services is a result of various innovative features offered by their banks' digital platforms. Respondents who were motivated by security constituted 17.9% of the sample. 12% of the respondents stated no reason for their use of online banking services.

In totality, the majority of the respondents, 51.3%, use online banking services as a result of the conveniences they offer. The conveniences offered by online banking services include the ability to access their accounts and make transactions at any time and from anywhere, without having to physically visit a bank branch (Chitamba, 2018). This can save them a significant amount of time and effort. Additionally, online banking platforms often offer innovative features such as mobile check deposits, budgeting tools, and real-time transaction alerts, which enhance the overall banking experience for users.

Notably, the convenience and innovative features provided by online banking services have proven to be the primary reasons why a majority of respondents choose to use them (Wilfried, Chris, Sharon, personal, & online, 2005). These services offer convenience, while also offering a sense of security with advanced encryption technology, ensuring that personal and financial information is protected. Moreover, online banking allows users to monitor their accounts closely, track their spending, and set up automatic payments, further simplifying their financial management. With the increasing popularity of online banking, traditional brick-and-mortar banks have also started to invest in their digital platforms to stay competitive in the market. As technology continues to advance, online banking is expected to become even more sophisticated, providing users with a seamless and personalized banking experience (Zhou, 2012).

**Table 4: How Financial Innovations have made Banking More Accessible?**

| Variable | Frequency | Percentage |
|---|---|---|
| Strongly Agree | 16 | 20.5 % |
| Agree | 33 | 42.31 % |
| Neutral | 19 | 24.35 % |
| Disagree | 6 | 7.7 % |
| Strongly Disagree | 4 | 5.13 % |
| Total | 78 | 100 % |

Source: Field Survey (2023)

From Table 4, out of the total respondents of 78 participants, 20.5% strongly agreed that financial innovations have made banking more accessible. According to the respondents, 42.31% respondents agreed that financial innovations have made banking more accessible; 24.35% were neutral regarding financial innovation making banking more accessible while; 7.7% of the respondents disagreed to the notion that financial innovations have made banking more accessible. The least number of the respondents, 5.13% strongly disagreed that financial innovations have made banking more accessible.

In conclusion, the data clearly shows that the majority, constituting 62.81% either strongly agreed or agreed that financial innovation have made banking more accessible. This, therefore, constitutes a positive perception trend among the majority of the respondents about financial innovation and how it has made banking more accessible and convenient for the general public. The introduction of online banking platforms and mobile payment apps has revolutionized the way people handle their finances (Thompson, 2000). These technological advancements have made banking services more accessible, allowing individuals to make decisions about their finances.

**Table 5: Technical Glitches or Security Concerns of Customers.**

| Response | Frequency | Percentage |
|---|---|---|
| Yes | 45 | 57.7 % |
| No | 33 | 42 % |
| Total | 78 | 100 % |

Source: Field Survey (2023)

The above data reveals great security concerns taking note of the fact that 57.7% of the respondents do not feel secure about online banking. It is paramount therefore for government agencies and other key regulators to scrutinize and develop more secure technological gadgets to ensure that the level of confidence in online banking is not lost.

Collaboration between financial institutions and cybersecurity experts is crucial for implementing advanced threat detection systems (lu., 2023). Implementing multi-factor authentication strengthens online banking securities. Regular security audits and infrastructure updates are necessary to combat evolving cyber threats. Developing a robust incident response plan is crucial to minimize the impact of security breaches. Promoting cyber hygiene practices and conducting regular training programs empower individuals to recognize and report suspicious activities. Strengthening partnerships between the public and private sectors facilitates collaborative efforts in combating cyber threats.

**Table 6: Perceived benefits of Financial Innovation to Customers.**

| Variable | Frequency | Percentage |
|---|---|---|
| Faster Transaction | 55 | 70.5 % |
| Better Control of Finances | 9 | 11.54 % |
| Access to new Financial Products | 3 | 3.84 % |
| None | 4 | 5.13 % |
| Nothing | 7 | 8.97 % |
| Total | 78 | 100 % |

Source: Field Survey (2023)

Table 6 shows that 70.5% of the respondents believe that faster transaction is the benefit they enjoy from mobile banking followed by 11.54% of respondents who said they benefited from better control of finances as a result of mobile banking. 3.84% said they benefited from mobile banking because of access to new products while 5.13% and 8.97% said none and nothing respectively. A great number of the respondents one way or the other, benefited from either faster transactions, better control of finances, or access to new financial products. This constituted 85.88% of the respondents. Overall, the data indicates that customers of these banks enjoy significant benefits. This calls for more improvement in the area of financial innovation since it serves as a great benefit to customers in various ways.

The investigation into the perceived effects of financial innovation among bank customers necessitates data on various pertinent factors, one of which is the degree of transparency experienced by customers. Transparency plays a pivotal role in gauging customers' perceptions of financial innovation. Through an examination of transparency levels, the study can ascertain whether customers feel sufficiently informed about the array of products and services provided by banks. Furthermore, assessing transparency can provide insights into the credibility of banks and their proficiency in communicating developments in financial innovation (Inna & Liudmyla, 2022).

**Table 7: Assessing the Level of Transparency of Bank's Communication about Financial Products and Services.**

| Respondents | Frequency | Percentage |
|---|---|---|
| Yes | 41 | 52.6 % |
| No | 37 | 47.44 % |
| Total | 78 | 100 % |

Source: Field Survey (2023)

From Table 7, 52.6% of the respondents indicated or chose yes as an indication that they were satisfied with the transparency of the bank’s products and services while 47.44% showed they were not satisfied with the transparency level of their bank’s products and services. The implication of this data is not encouraging for the fact that almost half of the respondents showed concern that they were not satisfied with the level of transparency.

In conclusion, the data on customer satisfaction with a bank's transparency level is not just a simple statistic but a key indicator with broad implications for the bank's performance, reputation, and competitiveness in the market. This data should, therefore, be carefully considered and used to drive improvements in transparency and overall customer experience. Improving transparency should be a top priority for banks to retain and attract customers. A lack of transparency can lead to a loss of trust and credibility, which can ultimately harm the bank's reputation and competitiveness.

The research department of banks should continue to update and develop methods for accurately measuring and analyzing customer satisfaction levels about transparency (Martha, 2016). This, when done, would greatly benefit banks in identifying areas for improvement and addressing customer concerns.

**Table 8: The Breakdown of Respondents' Satisfaction with Personalization.**

| Variables | Frequency | Percentage |
|---|---|---|
| Very Satisfied | 26 | 33.33 % |
| Satisfied | 19 | 24.36 % |
| Neutral | 20 | 25.6 % |
| Dissatisfied | 9 | 11.54 % |
| Very Dissatisfied | 4 | 5.13 % |
| Total | 78 | 100 % |

Source: Field Survey (2023)

From Table 8 above, 33.33% of the respondents said they were very satisfied with the level of personalization regarding the banking they receive from their various banks. 24.36% of the respondents on the other hand indicated that they were satisfied with the level of personalization received from their banks while 25.6% of the respondents were neutral. On the contrary, 11.54% and 5.13% were dissatisfied and very dissatisfied respectively. While a significant portion of respondents are satisfied, the fact that 25.6% were neutral indicates that there is room for improvement in personalization efforts. Neutral responses may suggest that these customers neither strongly appreciate nor criticize the personalization they receive, indicating a potential opportunity to enhance their banking experiences.

Although only a small portion of respondents expressed dissatisfaction, it remains crucial to address their concerns to foster loyalty. This approach enables businesses to continuously refine their services and cater to customer needs more effectively. By actively responding to the feedback of dissatisfied customers, businesses can not only retain their loyalty but also elevate overall satisfaction levels. Such feedback offers valuable insights into areas needing improvement and facilitates necessary adjustments. Through ongoing efforts to deliver distinctive and superior services, businesses can demonstrate their appreciation for customers and encourage repeat patronage. Ultimately, prioritizing customer experience enhancement will bolster the business's long-term viability and expansion (Andreas & Christopher, 2012).

Table 9 below depicts the impact of financial innovation on the overall banking experience of customers within the municipality.

**Table 9: Impact of Financial Innovation on Overall Banking Experience of Customers.**

| Variable | Frequency | Percentage |
| --- | --- | --- |
| Yes | 63 | 81 % |
| No | 15 | 19 % |
| Total | 78 | 100 % |

Source: Field Survey (2023)

From the findings presented in Table 9, it's evident that 81% of respondents expressed satisfaction with the overall banking experience influenced by financial innovation. Conversely, 19% of respondents did not perceive any impact from financial innovation on their banking experience.

While the majority showed positive sentiments, banks must enhance their services to address the concerns of the 19% dissatisfied respondents. This improvement entails further research to pinpoint areas of dissatisfaction and actively gathering customer feedback. By incorporating these insights, banks can elevate overall satisfaction levels, ensuring competitiveness within the industry (Terrence & Gordon, 1996).

**Table 10: Perception of Financial Innovation on Interest on Loans and Savings Accounts.**

| Variable | Frequency | Percentage |
|---|---|---|
| Positive impact | 58 | 74.4 % |
| Negative impact | 15 | 19.2 % |
| No impact | 5 | 6.4 % |
| Total | 78 | 100 % |

Source: Field Survey (2023)

The data from Table 10 shows that 74.4% of the respondents agreed financial innovations have impact on interest on loans and savings accounts while 15% of the respondents disagreed and concluded that financial innovation rather hurt interest on loans and savings accounts. A small proportion of the respondents, that is, 6.4% on other hand see financial innovations as having no interest impact on loans and savings accounts. In conclusion, data from Table 10 shows that the greatest proportion of the respondents agreed that financial innovations had an impact on interest on loans and savings accounts.

Analyzing this data, banks should prioritize ongoing innovation and customer education to ensure customers are well-informed about the array of products available and their associated benefits and risks (Flore-Anne, 2013). Educating customers fosters trust and transparency, leading to more informed decision-making and improved financial outcomes. Moreover, continuous innovation is vital for banks to remain competitive in today's digital financial landscape, allowing them to offer personalized solutions and enhance the overall customer experience. This, when done, will help eliminate the negative perceptions among the few customers.

**Table 11: Assesses the Level of Satisfaction with the speed of Loan Approval and Disbursement through Digital Channels among Respondents.**

| Variable | Frequency | Percentage |
|---|---|---|
| Very satisfied | 27 | 35 % |
| Satisfied | 29 | 37.2 % |
| Neutral | 8 | 10.3 % |
| Dissatisfied | 8 | 10.3 % |
| Very dissatisfied | 6 | 7.7 % |
| Total | 78 | 100 % |

Source: Field Survey (2023)

This data is analysed below:

The majority of the respondents (27 + 29 = 56) were either very satisfied or satisfied with the speed of loan approval and disbursement through digital channels. This suggests that a significant portion of the respondents had a positive experience. A relatively small number of respondents (8 + 8 = 16) expressed dissatisfaction with the digital channel's speed. This indicates that there is room for improvement in addressing the concerns of these individuals. A minority of respondents (8) are neutral, which could mean they neither had a strongly positive nor negative experience. Further investigation may be needed to understand their specific concerns or expectations. The fact that there are very few respondents (6) who are very dissatisfied suggests that the digital channel's performance is generally acceptable, but there is still some room for enhancement.

In summary, the findings suggest that most respondents had favorable experiences with digital loan approval and disbursement, but addressing the concerns of dissatisfied customers is crucial for improvement. Understanding neutral perspectives can aid in refining digital services. Addressing dissatisfied individuals' concerns, financial institutions can improve overall customer experience and trust in digital loan processes (Cajetan, Patrick, Lyuba, Martin, & Omer, 2018). Analyzing feedback is vital for identifying areas like simplifying applications or enhancing communication during disbursement.

**Table 12: Digital Wallet Effects on the Spending Habits of Respondents.**

| Variable | Frequency | Percentage |
|---|---|---|
| Increased spending | 56 | 72 % |
| Decreased spending | 14 | 18 % |
| No change | 8 | 10 % |
| Total | 78 | 100 % |

Source: Field Survey (2023)

The data provided in Table 12 indicates the impact of digital wallets on the spending behavior of respondents. Below are the implications of this data:

Increased Spending (56 respondents)*:* The majority of respondents, 56 in total, constituting 72% reported that using digital wallets lead to an increase in their spending. This suggests that digital wallets may encourage individuals to make more purchases or engage in higher-value transactions.

Implication*:* Digital wallets can be effective tools for promoting consumer spending, potentially benefiting businesses and the economy as a whole (Hendy & Wiwiek, 2022). They offer convenience and ease of payment, which can encourage users to shop more frequently or make larger purchases.

Decreased Spending *(*14 respondents*):* A smaller group of respondents, 14 in total, stated that using digital wallets resulted in decreased spending. This could be due to increased awareness of expenses or a desire to budget more effectively.

Implication*:* While digital wallets generally encourage spending, some users may become more conscious of their financial habits and choose to reduce their expenditures. This suggests that individuals have varying responses to digital wallet usage.

No Change in Spending *(*8 respondents*):* A minority of respondents, 8 in total, reported that their spending remained unchanged when using digital wallets. This indicates that, for some individuals, digital wallets do not significantly alter their spending habits.

Implication*:* Digital wallets may not have a significant impact on everyone's spending behavior. Factors such as personal financial discipline and financial goals can influence whether individuals increase, decrease, or maintain their spending when using digital wallets.

In summary, the study indicates that digital wallets influence spending habits variably. They often increase spending, though some users reduce or maintain spending within the plan. In totality, understanding consumer behavior is essential for developing and promoting digital wallet services. Companies should customize services to meet diverse consumer needs, such as providing budgeting tools or spending alerts. Identifying factors that reduce spending can aid in promoting responsible spending and financial well-being (Kelly, William, & Gergana, 2012). A comprehensive approach considering individual differences is essential to optimize digital wallet benefits for consumers.

**Objective 2:** To identify the specific financial innovations that are most influential in shaping customer satisfaction

As part of the study, respondents confirmed the various financial innovative platforms available for their transactions. This includes: Mobile Money, ATM, Online Banking, and E-Commerce platform. Of the 78 respondents, 100% confirmed using Mobile Money platforms; 40 respondents constituting 51.3% use ATM; 32.1% constituting 25 respondents use Online Banking; 19.23% constituting 15 respondents use E-Commerce for B2B, B2C, and C2C, while 23.1 % constituting 18 respondents use all the above financial innovative platforms. The high usage of Mobile Money platforms among respondents indicates its popularity and convenience for financial transactions. The relatively lower usage of Online Banking suggests that there may still be some concerns or barriers to the adoption of this platform. The fact that 23.1% of respondents utilize all the mentioned platforms shows that there is a significant portion of the population embracing multiple financial innovative platforms for their transactions, highlighting the importance of offering diverse options to cater to different preferences and needs. This trend also indicates that there is a growing need for financial institutions to constantly adapt and evolve their services to keep up with the changing demands of consumers. Banks and other financial service providers must invest in improving their online banking platforms and addressing any concerns or barriers that may be preventing wider adoption. By offering a seamless and secure online banking experience, they can attract a larger customer base and stay competitive in the market. Additionally, these institutions need to continue innovating and introducing new platforms that cater to the evolving needs and preferences of consumers, ensuring that they remain at the forefront of the financial industry.

Upon further inquiries contained in the questionnaire regarding how to improve digital banking, respondents' suggestions were themed around: enhancing data security, implementing real-time notifications, addressing money reversal issues, providing 24/7 customer support, integrating digital wallets, designing user-friendly interfaces, and reducing transaction costs to improve digital banking services. The suggestions provided by the respondents highlight the importance of prioritizing security in digital banking. By enhancing security measures, such as two-factor authentication and encryption, financial institutions can instill confidence in their customers and protect their sensitive information.

Implementing real-time notifications would also be beneficial as it allows users to stay updated on their account activity and quickly identify any unauthorized transactions. Addressing money reversal issues is crucial as it ensures that customers have a seamless experience in case of any errors or fraudulent activities. Providing 24/7 customer support would offer convenience and reassurance to customers, allowing them to resolve any issues or concerns at any time.

Integrating digital wallets into the banking platform would enable users to easily make payments and manage their finances in one place. Designing user-friendly interfaces is essential for creating a positive user experience and increasing customer satisfaction. Lastly, reducing transaction costs would make digital banking services more affordable and accessible to a wider range of individuals, encouraging their adoption and usage. By taking these suggestions into account, financial institutions can improve their digital banking services and meet the evolving needs and preferences of their customers By taking these suggestions into account, financial institutions can improve their digital banking services and meet the evolving needs and preferences of their customers By taking these suggestions into account, financial institutions can improve their digital banking services and meet the evolving needs and preferences of their customers (Gigante, Martin, & Marutani, 2022).

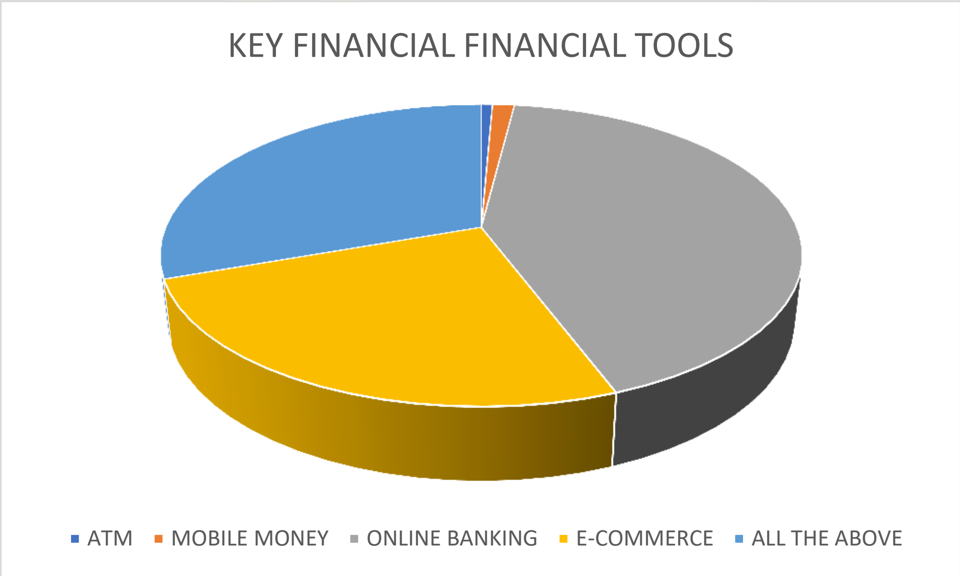


*Figure 5:* KEY FINANCIAL innovation tools.
Source: Field Survey (2023)

# CHAPTER FIVE

# SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

## Introduction

In this section, the important discoveries and valuable insights from the study have been meticulously condensed. This chapter primarily consists of a recap of the research's key points and the conclusions drawn from the study. Additionally, it offers notable suggestions for future research based on an analysis of the available data in the study.

## Summary of Findings

The study was to examine the perceived impact of financial innovation on customer satisfaction of selected banks in Ayawaso North Municipality, Greater Accra. Specifically, the study sought to:

The study utilized a qualitative approach to investigate the impact of financial innovations on customer satisfaction among bank customers in Ayawaso North, focusing on identifying influential financial innovations and exploring factors diminishing of influencing financial innovations. It targeted customers of selected banks in Ayawaso North, selecting 78 participants across three banks through purposive sampling. Data collection relied on questionnaires, while analysis involved tabulation and interpretation using tables, percentages, and frequencies.

## Summary of Key Findings

The findings from the provided tables offer valuable insights into various aspects of the study, including demographics, online banking behavior, perceptions of financial innovation, benefits, security concerns, and the impact of digital wallets on spending behavior. Below are the findings and their significance:

Demographic Insights: The gender and age distribution data provide a comprehensive view of the study's respondents. It highlights that the majority of respondents were female; majority of the users of digital platforms being young people and adults who were less than 55 years of age. This can inform marketing and outreach strategies targeted at this demographic. Additionally, the diverse age groups represented in the study allow for tailored approaches based on age-related preferences and needs. The educational background data further underscores the importance of catering to respondents with varying levels of education, emphasizing the need for accessible and clear communication in financial services.

Online Banking Behavior: The data on online banking usage patterns is crucial for banks and financial institutions. Knowing that the majority of respondents use online banking services every month indicates the importance of maintaining a robust online banking platform. Understanding how frequently customers engage with online services helps in optimizing user experiences and tailoring promotions.

Perceptions of Financial Innovation: The positive perception of financial innovation making banking more accessible among a majority of respondents (62.81%) suggests that customers are open to new financial technologies. This encourages banks to continue investing in innovation to meet customer demands

for accessibility and convenience.

Security Concerns: The significant proportion (57.7%) of respondents expressing security concerns about online banking highlights the need for continuous improvement in security measures. It underscores the importance of government agencies and regulators in ensuring customer trust and confidence in online banking systems.

Benefits of Mobile Banking: The data indicates that customers value faster transactions and better control of finances as key benefits of mobile banking. Banks can use this information to focus on enhancing these aspects of their mobile banking services, while also exploring opportunities to introduce new financial products that align with customer preferences.

Transparency in Banking: The data revealing that 47.44% of the respondents were not satisfied with the transparency of their bank's products and services is a clear signal for banks to improve transparency levels. Addressing this concern can positively impact a bank's reputation and competitiveness.

Personalization in Banking: The data on personalization, 33.33% and 24.36% of respondents being very satisfied and satisfied respectively shows that there is a room for improvement in this aspect of banking services. Personalization is crucial for enhancing customer loyalty, and banks can use this information to refine their approaches to meet individual customer needs and preferences.

Impact of Financial Innovation on Banking Experience: The majority of respondents expressing satisfaction with the impact of financial innovation on their overall banking experience suggests that innovation is positively influencing customer satisfaction. This should encourage banks to continue innovating to meet customer expectations.

Impact of Financial Innovation on Interest Rates: The data indicating that the majority of respondents agree that financial innovation has an impact on interest rates highlights the need for banks to educate customers about the potential benefits of innovative financial products. This can lead to increased customer understanding and engagement.

Digital Wallets and Spending Behavior: Understanding the varying effects of digital wallets on spending behavior is essential for businesses and policymakers. Recognizing that digital wallets can both increase and decrease spending emphasizes the importance of tailored strategies and financial literacy efforts to help users make informed financial decisions.

In summary, these findings offer actionable insights for banks, financial institutions, and policymakers to enhance their services, improve security measures, and align with customer preferences and needs in an evolving financial landscape.

Understanding the impact of digital wallets on consumer behavior, businesses can develop targeted marketing campaigns and incentives to encourage responsible spending. Policymakers can also use this information to create regulations and guidelines that promote financial well-being and protect consumers from potential risks associated with digital payment systems. Ultimately, by leveraging these insights, businesses and policymakers can foster a more inclusive and efficient financial ecosystem that benefits both individuals and the economy as a whole.

**Conclusions**

The descriptive study was conducted effectively, harnessing suitable methodology, and the subsequent conclusions were drawn from the findings in alignment with the study's objectives:

Online Banking Behavior: Majority of respondents regularly use online banking services, emphasizing the need to maintain a robust online banking platforms to improve user experiences and customize promotions.

Perceptions of Financial Innovation: Positive perceptions of financial innovation making banking more accessible indicate customers' openness to new technologies, encouraging continued investment in innovation to meet this positive trend among customers.

Security Concerns: A significant number of respondents expressing security concerns highlight the importance of ongoing security enhancements and regulatory oversight to maintain customer trust.

Benefits of Mobile Banking: Customers value the speed of transactions and increased financial control with mobile banking, prompting banks to focus on enhancing these aspects and introducing customer-centric financial products.

Transparency in Banking: Dissatisfaction with transparency levels signals the necessity for improved transparency, which can boost a bank's reputation and competitiveness.

Personalization in Banking: There is room for improvement in personalization, which is essential for increasing customer loyalty and meeting individual needs.

Impact of Financial Innovation: Positive satisfaction and recognition of innovation's impact on interest rates and savings accounts underscore the need for educating customers about innovative financial products.

Digital Wallets and Spending Behavior: Acknowledging the diverse effects of digital wallets on spending behavior highlights the importance of tailored strategies and financial literacy efforts.

In conclusion, these findings guide stakeholders to enhance services, improve security, and align with customer preferences. Businesses can develop targeted marketing campaigns, while policymakers can create regulations for a more inclusive and efficient financial ecosystem, benefiting individuals and the economy as a whole.

**Recommendations**

Based on the well-conducted descriptive study and the insights drawn from its findings, the following recommendations would be vital in improving customer satisfaction associated with financial innovations within the Ayawaso Municipality:

Online Banking Behavior: Given the majority of respondents regularly use online banking services, financial institutions must maintain and continually improve their online banking platforms. Focus should be placed on enhancing user experiences and personalizing promotions to cater to individual preferences. This promotes retraining existing customers while equally attracting new ones seeking convenient online banking services.

Perceptions of Financial Innovation: Positive customer perceptions of financial innovation indicate a willingness to embrace new technologies. To capitalize on this, financial institutions should invest in ongoing innovation efforts to make banking even more accessible. This includes the development of user-friendly apps, digital payment options, and other innovative services that cater to evolving customer needs.

Security Concerns: Addressing security concerns is paramount. Financial institutions should invest in robust security enhancements and adhere to stringent regulatory oversight. Building and maintaining customer trust in online banking services is essential to retain their loyalty and protect their sensitive financial information.

Benefits of Mobile Banking: Recognizing the value customers place on the speed of transactions and financial control with mobile banking, banks should focus on improving these aspects further. Additionally, the introduction of customer-centric financial products, optimized for mobile use, can enhance the overall mobile banking experience.

Transparency in Banking: Dissatisfaction with transparency levels underscores the need for improved transparency practices. Banks should prioritize transparency in their operations, fees, and communication with customers. This can enhance their reputation and competitiveness in the market.

Personalization in Banking: Enhancing personalization is essential for increasing customer loyalty. Banks should leverage data analytics and AI-driven solutions to tailor their services to individual customer needs, ensuring a more personalized and satisfying banking experience.

Impact of Financial Innovation: Recognizing the positive impact of innovation on interest rates and savings accounts, banks should educate customers about these innovative financial products. Clear and concise communication can help customers make informed decisions about their finances.

Digital Wallets and Spending Behavior: Acknowledging the diverse effects of digital wallets on spending behavior, banks should develop tailored strategies for digital wallet users. Financial literacy efforts can help customers make responsible financial choices when using digital wallets.

In conclusion, these findings provide valuable insights for stakeholders. Financial institutions should use this information to enhance their services, prioritize security, and align with customer preferences. Businesses can develop targeted marketing campaigns to attract tech-savvy customers, and policymakers should also use these insights to create regulations that promote a more inclusive and efficient financial ecosystem, benefiting individuals and the economy as a whole.

**Suggestions for Further Research**

An area for further studies should focus on the long-term effects of financial innovation on consumer behavior and financial well-being as banks continue to integrate more financial innovations. It is important to understand how the introduction of new financial products and services impacts individuals' financial decisions and overall financial health in the long run. Also, other researchers can investigate the challenges faced in enrolling these financial innovations.

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# APPENDIX

## UNIVERSITY OF CAPE COAST

## COLLEGE OF DISTANCE EDUCATION

## MASTER OF BUSINESS ADMINISTRATION DEGREE IN FINANCE

## QUESTIONNAIRE FOR RESPONDENTS

Dear Respondents,

I am a Master of Business Administration-Finance student from the School of Business of the University of Cape Coast conducting a study on the topic "**Assessing Perceived Impact of Financial Innovations on Customer Satisfaction among Customers of Chosen Banks within the Ayawaso North Municipality, Greater Accra.** The study is for academic purpose. Your identity would neither be required nor disclosed. Thank you for accepting to add your views to this study.

**INSTRUCTION**

**Please tick or provide responses to the questions in the spaces provided:**

**SECTION A: BACKGROUND OF RESPONSES**

1. Sex:
   - A. Male [ ]
   - B. Female [ ]
2. Age:
   - A. 18 – 24 [ ]
   - B. 25 – 34 [ ]
   - C. 35 – 44 [ ]
   - D. 45 – 54 [ ]
   - E. 55 and above [ ]

3. Educational level:

   A. no formal education [ ]

   B. basic [ ]

   C. secondary [ ]

   D. tertiary [ ]

   E. other [ ]

**SECTION B: ONLINE FINANCIAL SERVICES TO CUSTOMERS**

4. How frequently do you use online banking services?

   a. Daily [ ]

   b. Weekly [ ]

   c. Monthly [ ]

   d. Annually [ ]

5. What motivates you to use online banking services?

   a. Conveniency [ ]

   b. Time saving [ ]

   c. Access to innovate features [ ]

   d. Security [ ]

   e. Nothing [ ]

6. Are you aware of various digital payment methods offered by your bank?

   a. Yes [ ]

   b. No [ ]

7. Do you think financial innovation have made banking services more accessible?

   a. Yes [ ]

   b. No [ ]

8. Have you used mobile banking app for transaction?
    a. Yes [ ]
    b. No [ ]
9. What benefits do you observe from mobile banking?
    a. Faster transaction [ ]
    b. Better control of finances [ ]
    c. Access to new financial products [ ]
    d. None [ ]
10. Do you believe financial innovations have improved overall banking experience?
    a. Yes [ ]
    b. No [ ]
11. How do you feel about the level of personalization in the banking services you receive?
    a. Very satisfied [ ]
    b. Satisfied [ ]
    c. Neutral [ ]
    d. Dissatisfied [ ]
    e. Very dissatisfied [ ]
12. How do you perceive the impact of financial innovation on interest rate of loans and savings accounts?
    a. Positive impact [ ]
    b. Negative impact [ ]
    c. No impact [ ]

## SECTION C: SECURITY AND TRANSPARENCY

13. How do you rate the level of trust you in online banking security measures?
    a. Very high [ ]
    b. Moderate [ ]
    c. High [ ]
    d. Low [ ]
    e. Very low [ ]
14. Have you experienced any issues with online banking, such as technical issues or security concerns?
    a. Yes [ ]
    b. No [ ]
15. How do you assess the level of transparency in your bank's communication about financial products and services?
    a. Very transparent [ ]
    b. Transparent [ ]
    c. Not transparent [ ]
    d. Neutral [ ]
16. What do you think banks must do to improve their various products and services via

    digital platforms?

    ______________________________________________

    ______________________________________________

17. Which financial innovative or digital payment platform do you use?

    ______________________________________________

    ______________________________________________

    ____________________ *Thank you.*