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Importance of Electronic Banking Operations and Deposit Money Banks' Performance: A Study of Polaris Bank Limited, Lagos

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ABSTRACT

This paper investigates the importance of electronic banking technologies and their applications to enhance better delivery of banking services by the deposit money banks in Lagos State, Nigeria. All Nigerian banks have invested heavily in sophisticated computer soft and hardware facilities with the ultimate aim to deliver efficient and effective services to their numerous customers. The study investigates how various electronic channels and computer applications are being used to carry out different banking operations to render superior services to delight their customers.

The study employed survey research design and two hundred and forty-two (242) copies of research instruments were administered to the staff of Polaris Bank made up of senior, middle level and junior staff of the institution. The response rate was 214 which represents 88.4% of the instruments distributed. The Statistical Package for Social Sciences (SPSS) software was used to analyse the data.

The result of the multiple regression analysis showed that electronic banking has a significant effect on customer satisfaction ($\beta = 0.665$, $t = 12.955$, $p<0.05$), electronic payment has a significant effect on sales growth ($\beta = 0.709$, $t = 7.125$, $p<0.05$) and electronic marketing has a significant effect market share of Polaris bank ($\beta = 0.156$, $t = 2.991$, $p<0.05$).

The study concluded that electronic banking operations have a positive effect on deposit money banks performance.

It is recommended that for banks to enhance their performance, they need to invest in acquisition of modern technologies to drive their operations to enable them render seamless transactions processing on continuous basis. Such application of appropriate technologies wold also improve the quality of overall service and its positive multiplier effects on the overall development of financial institutions in the country.

Keywords: Deposit money banks, Electronic banking, Electronic marketing, Electronic payment, Financial environment, Service delivery.

1.0 INTRODUCTION

The evolution of electronic banking in Nigeria can be traced to 1986 when the banking sector was deregulated resulting into a far-reaching transformation through computerization and improved bank service delivery. The recent changes in our financial environment has witnessed an upswing use of technological applications, especially electronic payment channels and instruments aimed to promote banking operations (Oluwatolani., Joshua., & Philip, 2011). Prior to this phase of our financial environment development, bank customers and other clients that need banking services in most instances would make physical contacts with the respective banks to consummate their transactions. Some of the banks even have reception halls and facilities to receive customers while they are waiting to be attended to. Some customers had to line up and spend extra hours to talk to bank tellers and customers service officers in order to get

their transactions sorted. But with the advent of electronic banking platforms, most of the transactions that will necessitated customers to visit banking premises to conduct their banking transactions are now being done seamlessly at the comfort of their homes or offices (Taiwo & Agwu, 2017). As a result of recent developments, the entire banking industry had restructured and new technologies were introduced by these banks which make the environment to be more competitive because each banking outfit try to win or convert new customers and trying hard to retain the existing ones. The revolution of information technology had made it possible to provide specialised banking services to their customers, thus making life much more easier. According to Zwass (2003) the advances in Information and Communication Technologies (ICTs) and the emergence of the Internet had revolutionized business activities enabling new ways of conducting business through electronic means referred to as electronic banking and commerce became widespread among these banking institutions (Zwass, 2003). The electronic applications added the flexibility and speed offered by these new discoveries through electronic medium, thereby facilitating improvement in operations leading to substantial cost savings, as well as enhancing effectiveness and efficiency in operations and significantly improving overall productivity.

According to Agwu and Murray (2015) the old order of manual processing of transactions with its attendant delays and always to prone to errors were gradually being replaced and everybody including the operators as well as customers were happy for the new development. The internet was known to have originated from the United States of America and had received a world-wide acceptance because of its numerous advantages over the old ways of transactions processing. The Dot.com companies in the United States such as Amazon and eBay led the way by creating new and distinctive online services where none ever existed. The successes recorded by these organizations had paved the way for other organizations including other well-known traditional organizations all over the western world such as Wal-Mart, Tesco, and others in retail companies; Cisco in networking, Dell in the PC manufacturing industry, Well Fargo, HSBC, Bank of America, and so on, in banking sectors revolutionised the application of technologies to consummate transaction processing. Akyuz and Opusunju (2019) stressed that a company without a website today is considered as out-dated and would limit their visibility to the world. The radical changes that had braved the world of business, especially in banking sub-sector could be viewed from a different innovative perspective. The various changes evidenced by its impact had redrawn the boundaries of businesses, thus creating a new but strong world economy never envisaged before and at a much faster rate that the industrial revolutions. The changing environment brought radical changes which strengthened the capacity to compete favourably because new strategies, new business models, new products are being introduced by managements to sustain performance at various levels.

The ability of the World Wide Web (www) to facilitate communication had triggered the need for businesses to think about new and better ways of conducting their affairs (Herbig & Hale, 1997). According to Hernando and Nieto (2006) e-banking is usually associated with conducting transactions over the Internet or conducting any transaction involving the transfer of ownership or rights to use goods or services through a computer-mediated network. According to Offei and Nuamah-Gyambrah (2016) banking operations have been evolving many phases of enhanced operations which became widespread with the application of technology to consummate transactions. The incidence of manual ledger cards operations gradually gave way to electronic processing which enhanced efficiency. The traditional methods used for transactions such as manually retrieving bulky files which was not only tedious but time consuming and cumbersome, customers having to stand on long queues for a long time and sometimes might at the end of the day not achieve their aim. During the COVID 19 breakout, many banks in the country rendered one form of e-banking services or the other, even banks in the most remote parts of the country as a result of the forceful and willing restrictions imposed as a result of the pandemic. The operations of the e-channels, especially, mobile banking, internet banking, point of sales and ATM platforms usages were enhanced during the pandemic restrictions. Mobile banking was an innovation that has progressively rendered itself in pervasive ways cutting across several financial institutions and other sectors of the economy. The growth of electronic banking in Nigeria can therefore be associated to the decision of banks to make greater use of e-banking facilities to provide better services (John & Rotimi, 2014).

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2.0 LITERATURE REVIEW

The electronic banking operations presented great opportunities to accelerate business processes, reduce costs, reach new customers and develop new business models and markets in the business organization. The general impression was that electronic operations and digitalization of products would impact material flows. The internet created a new climate for business in which sound principles of strategic management are more, not less important (Mbama., Ezepue., Alboul., & Beer, 2018). According to Cavusgil, (2020), electronic operations was amongst the emerging technologies, which had the potential to remake entire industries and rendering obsolete, the established strategies that has been in use for many years. The advent of electronic applications rapidly facilitated changing the game of business had threatened the very existence not only of firms but also of industries. Being an alternative channel for consummating transactions or selling products online, the electronics model powered by internet had contributed to bringing about irreversible changes in the way business is conducted (Cheung & Fung, 2015). Transactions are performed electronically by using computer and communication networks. Some banks moved their business entirely to the web, as in all these newer fintech digital banks while others strategically investing in or merging with already existing online platforms. Electronic operations provide a new way to business and changes all functions from advertising to payments clearance (Laudon, & Traver, 2019). It also reduced transaction costs, reduced error rate, increased speed of efficiency in business and enhance organizational performance.

According to Greenspan (2019) banks uses electronic channels to communicate and transact businesses with both the domestic and international corporate customers. These electronic channels are being used to receive instructions as well as deliver services to their various customers. The electronic banking services provides customers with the ability to bank, invest, purchase, distribute, communicate, explore, and research from virtually anywhere, anytime where there is internet access (Anup, 2007). Most importantly, it had created electronic markets and provided opportunities for businesses to reach consumers in various way at various levels. The advent of these platform potentially puts increasing power of selection and decision making in the hand of customers and other products consumers. Various services of electronic banking include online banking, internet marketing and advertising, electronic fund transfer, electronic payment card, automated teller machine, cell phone or mobile banking and online customer contact or communication among others.

2.1 CONCEPTUAL REVIEW

This section discusses key components of electronic banking operations including electronic commerce, electronic payment and electronic marketing and their importance to deposit money banks performance.

Electronic banking through the use of internet enable customers to carry out business transactions anywhere, anytime without physically visiting any bank premises. It gives customers access to their various accounts to carry out transactions as they desire with utmost safety. The study by Arunachalam and Sivasubramanian (2017) stressed that e-banking is a technology platform where a customer can access his or her bank account via multiple electronic banking channels like using personal computer (PC) or mobile phone and web-browser. Orji., Ogbuador., Okon., and Anthony-Orji, (2018). alludes to the utilization of the internet as a remote conveyance channel for giving administrations such as opening bank accounts online, transferring funds among different accounts and payment of bills. Banks can establish a web-based site or applications and offer services that customers can easily access to rather than going to the banks or other traditional channels. The electronic banking could be in form of Automated Teller Machines / Point of Sales, Direct deposits and use of Debit card purchases. During the peak period of COVID 19 pandemic, many businesses rely heavily on online platforms to carry out banking and other commerce transactions. Many businesses that hitherto rely heavily on physical contacts of customers were at the receiving end because of the forced restrictions which many organizations and governments and their agencies imposed to curb the spread of the deadly disease. Despite the many success stories and good side of internet and electronic banking, there are various challenges such as lack of proper internet connections, network issues, increasing cases of fraudulent online transactions, and lack of proper education about the basics of online banking and so on led to a major setback in the online industry.

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2.1.1 ELECTRONIC COMMERCE

Electronic commerce which many authors also described as electronic business deals with the buying and selling of products and services through the internet platform. It serves as a tool to help the desire of firms, consumers and organizations as a whole to reduce service cost while improving on the speed of consummating transactions without hitches (Quinn, 2018). According to the World Trade Organization, electronic commerce is described as the production, distribution, marketing, sale or delivery of goods and services by electronic means (UNCTAD) (2017d). The e-commerce has many benefits to all the participants from the consumers, vendors, organisations and the governments. According to Babatunde, and Salawudeen (2017) transaction are relatively cheaper and very efficient and it help consumer empowerment because it gives more choices or options without compromising on quality. It improves organizational processes through the use of telecommunication networking via the internet and other electronic platforms (Hossain, Irin, & Saha, 2015). Also, the process of delivering digitalized products and services which is similar to the time usage for transactions processing have reduced significantly. Electronic commerce was known to have reduced the high costs of operating overheads in business transactions, especially in terms of mailing and paper work costs. Furthermore, organisations are recording increase in market penetrations because of wider reach especially in advertising with minimal cost. Jumia and Konga are two prominent online stores in Nigeria with numerous customers that are engaged in buying from their wide storage of products including electronics, electrical, clothing, home products and accessories, mobile and telecommunication etc. (Babatunde & Salawudeen, 2017).

There are different types of e-commerce processes some of which are Business to Business (B2B), Business to Consumer (B2C), Consumer to Consumer (C2C) and Consumer to Business (C2B) and their characteristics and features of each type are explained below:

Business to Business: This is the transfer of electronic product or services between producers and wholesale companies for electronic trading. They usually have a longer sales cycle as it involves more recurring purchases

Business to Consumer: This is the partnership between a business and a consumer to exchange goods and services. This is the most common used form of online trading as this is known to most consumers. This helps businesses spend less on marketing materials and it involves quick decision making.

Consumer to Consumer: This is an online trading of goods and services between or among customers and could be seen when a third party is involved in an online forum. It encourages loyalty and motivation between buyers as they can make money through charging transactions and listing fees.

Consumer to Business: This involves a consumer selling their own products back to an online business. Some businesses such as Up work; an online platform for people to sell their work or expertise to other businesses. It encourages a competitive edge for businesses.

Regardless of the vast impact of e-commerce in Nigeria, there are still many challenges that encompasses the online trading system. One of such challenges is the inadequate anti-virus security even though many updates are being used to prevent malwares from attacking their system. Also, there is still a high rate of cyber-crimes and fraudulent activities being perpetrated on the internet on regular basis. Kabir and Poddar (2015) stated that all businesses should employ all levels of security measures such as front-end clients and servers to protects the online platforms so as to reduce the incidence service disruptions that might result if they successfully attack their network. A major challenge is the trust that people repose in the system. Trust is more important in an e-commerce environment between buyers and sellers compared to that of the traditional ways of transactions because goods ordered online cannot be immediately verified to confirm their authenticity.

2.1.2 ELECTRONIC PAYMENT

Electronic payment refers to the use of the internet to perform various tasks online, especially the transfer of money in exchange for goods and services. It is a digitalized form of payment that involves transactions between parties. It can come in the form of transfer cards, mobile banking applications, and online wallets and so on. Some scholars including Rabiu., Ladan., Usman., and Garba, (2019) described electronic payment as digital finance as it is the financial services delivered via mobile phones, the internet or cards. According to Ozili (2018) digital finance encompasses a magnitude of new financial products, financial businesses, finance-related software, and novel forms of customer communication and interaction - delivered by Financial Technology (FinTech) companies and innovative

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financial service providers. Martin., Kwaku, and Samuel (2016) describe e-payment as the transfer of an electronic value from a payer to a payee via an electronic mechanism. Enoruwa, Ezuem, and Nwani, (2019) concluded that electronic payment service achieved two things in particular: (a) the emulation of existing payment frameworks from the real world and /or (b) the systematization of new ways to execute payment transactions. One of the broad objective of economic transformation is to make financial services available via digital platforms to enhance operations of financial among many players in the economy. The study by Silvana., Enrique., Zuleyma, and German (2017) stressed that e-payments has become a major facilitating engine in e-commerce on which electronic business success is based. Nnamani, and Makwe, (2019) commented that the emergence of the electronic payment system brought many benefits, increased efficiency, fraud reduction and innovativeness in the world payment system. The electronic payment system has bought about positive changes in the business models of banks in Nigeria. Electronic payment system has become more crucial for both businesses and consumers (Kim., Tao., Shin., & Kim, 2010). Considering the dearth needed equipment to make them work seamlessly, the sector requires improvement in infrastructures to make their services user-friendly, secure, and cost-effective manner. The operation of electronic payment services by various banks has greatly helped to overcome the many obstacles that are associated with payments and other financial transactions being carried out, both within and outside the banking halls. There are processes which digital financial transactions must pass before it could be successful. We need digital devises in form of smart phones, laptops or desk tops computers before these transactions can be successfully executed. To use digital financial services (DFS), the user will have an existing bank account which they own (or third-party accounts with approved permission to use them) and should have available funds (or overdraft) in their accounts to make cash payments (outflows) or to receive revenue (cash inflow) via digital platforms including mobile devices, personal computers or the internet.

The study by Onodugo (2015) concluded that an electronic payment system should be assessed from four different perspectives which are technological, economic, social and regulatory. Customer service features such as speed of access becomes critical for an electronic payment system. Adequate knowledge of technology among users and security of the transaction are the two areas of concern for usage of an e-payment system. Being a technology driven tool, payment systems may fail or experience glitches which causes service disruptions. The organization should not over rely on electronic systems and should keep a backup plan ready since these disruptions can happen when least expected. These systems are susceptible to cyber-attacks by hackers or staff sabotage and other forms of online intrusions. Cost implications in an e-payment system is critical issue. The initial capital outlay and cost of acquiring an electronic payments system is huge. Also, the organization need to train its staff to operate these applications to guard against malfunctioning that could disrupts service delivery. Some of the associated costs to financial institutions acquiring new computer applications to enhance operations include technology infrastructure cost, arrangements and agreements costs, revenue sharing, legal litigation costs, marketing costs, training costs. Agwu and Carter (2014) pointed out that the major challenges of e-payment in the country are security, lack of uniform platform of banks and MDAs, inadequate iinfrastructures, lack of seriousness by banks, negligence by staff, high cost of internet acquisition and frequent power interruption, security in terms of platform, hackers and virus attacks.

2.2 ORGANISATIONAL PERFORMANCE

There is no universally agreed indicators to measure performance. Different companies and organizations have different criteria to measure their performance metrics over a specific period of time. According to Smith and Brian (2015) they concluded that organizational performance could be described as a set of financial and non-financial indicators that provide information on the degree of achievement of objectives and results a company attains in a specific period. Performance is dynamic and requires judgement and interpretations; and it may be understood differently depending on the person involved, that is, performance can be understood differently from a person within the organization and from another person that is outside. For the deposit money banks, their performance indicators would center around higher profitability, dividend payments, bonus issuing, cost reduction, service efficiency, and leadership in corporate social responsibility (Chaudhary & Sharma, 2012). Furthermore, the broader indices of organizational performance include productivity, quality, consistency, growth, and efficiency. There is no uniform set of performance measures or rationale for determining performance standards. As a result, each organization develops its own performance measurements based on the industry in which it operates.

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Organizational performance is how well a company is doing compared to that of its peers within the environment for specific period of time (Lebans., & Euske, 2006). Organizational performance, according to Cho and Dansereau (2010) refers to the performance of a company as compared to its goals and objectives earlier set from the onset of the financial year. In addition, Tonal and Jones (2015) defined organizational performance as the actual results of an organization as measured against that organization's intended outputs. The effectiveness of an organization could be summed up to be the efficiency of each of its individual employees; thus, employee performance can be defined, in part, as a function of leadership (Mastrangelo, Eddy, & Lorenzet, 2004). In particular, employee performance can be managed by manipulating the factors on which it depends. These factors include a wide range of variables. However, employers do not necessarily possess the power to affect all of these variables. For example, it is often impossible to influence age, seniority, or the personal goals of workers (Cho & Dansereau, 2010). However, some factors and processes are subjected to the assessment and management of a company seeking higher efficiency on organizational performance. Furthermore, the key factors that contribute to organizational performance include leadership competencies and market-based financial indicators which the organization

2.3 THEORETICAL REVIEW

The theoretical review for this study provides better understanding of the topic and it explained the linkages between theme of the study and its associated theories. It is an in-depth explanation on established abstracts, concept and development of different hypothesis in the research made by various scholars to be evaluated. The research would be based on two theories; Transaction Cost Theory and System Theory as discussed below:

2.3.1 TRANSACTION COST THEORY BY RONALD COASE

The Transaction Cost Theory was propounded in 1937 by Ronald Coase. According to Coase (1937) the central theme of the theory was that firms exist principally to minimize the costs of market transactions, such as finding prices and negotiating contracts, and that a firm is chosen when its internal coordination costs are lower than the external costs of using the market. He explained further that markets and firms both incur costs to undertake economic activities, and firms emerge when the internal coordination costs are lower than the market transaction costs of performing the same function through buying in the market. According to Kotler (1972) transactions lie at the heart of marketing activities and have long been regarded as a foundational element of marketing thought. The theory explained that transactions made using marketing mechanisms involve a cost, and that cost should be in exchange between partners in order to make workable contracts. This theory is widely acceptable especially to economists because it helps to categorize transactions that help the exchange between buyers and sellers as well as help in controlling the firm.

In the analysis of John and Reve (2010) there were some underlying assumptions of the theory that it assumes bounded rationality, meaning that individuals have cognitive limitations and imperfect information, and opportunism, a self-interested pursuit of gains that includes dishonesty. The limited cognitive abilities will not process all information perfectly or foresee all possible future scenarios. This leads to incomplete contracts, as not every contingency can be accounted for in a contract. Furthermore, it assumes that that there should be asset specificity where assets are specialized for a particular transaction, and unpredictability in transactions, which increase transaction costs. Also, there is opportunism where people can be self-interested and may act to exploit others' weaknesses, such as by providing inaccurate information during negotiations or failing to cooperate fully. These assumptions explain why people might prefer alternate hierarchical structures over markets to reduce costs and govern transactions. According to Coase (1993b); Williamson, and Ghani, (2012) some of the benefits of transaction costs include helping businesses make appropriate make-or-buy decisions and outsourcing alternative options, improving supplier relationships, and guiding the organization of corporate diversification by predicting optimal governance structures. However, its disadvantages include its origin in a physical economy and limitations in fully accounting for digital economies and services, the potential to overlook intangible aspects of transactions, and a need for extensive data on costs and profits that can be difficult to obtain.

2.3.2 SYSTEM THEORY BY LUDWIG VON BERTILLON

The System Theory is a unique theory that identifies common features across various fields of knowledge, that is, its applicability cut across wide spheres. The wide application of the theory can conveniently cover technical systems,

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economics, sociology, and psychology, viewing them all as systems composed of interacting components without needing to understand each component in detail. The German Biologist, Ludwig von Bertillon developed General System Theory (GST). Bertalanffy (1956) stated that GST is seen as an interdisciplinary framework to identify universal principles governing natural and social systems, emphasizing that systems are more than the sum of their parts and must be studied holistically as interconnected wholes. Some of the key concepts include open systems that interact with their environment, emergent properties arising from component interactions, and the process of self-regulation (homeostasis). According to Ashby (1958) General System Theory promotes a holistic, integrated approach to understanding complex problems across diverse fields like biology, psychology, and sociology, fostering dialogue and shared understanding between different areas of study. Weinberg (2001) reinforced other characteristics of GST on inter-connectedness relating to components within a system are interdependent and interact with each other, and these interactions are crucial to the system's functioning as well as the open system such as living organisms, exchange matter and energy with their environments, which is essential for their maintenance and growth.

According to Bertalanffy (1956) benefits of System theory includes fostering a holistic perspective by emphasizing interconnectedness, improving comprehensive problem-solving by identifying root causes, promoting cooperation through transparency, and enhancing adaptability by understanding complex, dynamic relationships within a system. This approach provides a more effective and efficient way to analyse complex situations across various fields, leading to better outcomes and more robust solution. Despite the obvious benefits of the theory, it suffers from its complexity making it difficult to apply, the challenge of measuring long-term outcomes, the tendency to overlook structural factors like poverty and discrimination, and the potential to overemphasize stability and individual responsibility while downplaying external causes of problems. It can also be resource-intensive to address multiple subsystems and can struggle to provide specific, actionable solutions due to its generalized nature

3.0 METHODOLOGY

This study used survey research design to gather information from the respondents who were employees of Polaris Bank with its headquarters at 3, Akin Adesola Street, Victoria Island, Lagos. The population of the study was six hundred and fourteen respondents made up senior, middle level and lower level employees of the bank. The bank was chosen because of its efficient customer friendly services and its wide network within the Lagos area.

Table 1.1 Population of the respondents

S/N	Bank	Senior Staff	Middle Level Staff	Junior Staff	Total
1.	Polaris	32	264	318	614

Source: Researcher's compilation (2025)

The sample size for this study was gotten using Taro Yamane method for selecting sample size as follows:

$$n = \frac{N}{1+Ne^2}$$

Where:

N= Study population

n= Sample size

e^2= Error margin

Therefore, $n = \frac{614}{1+614(0.05)^2}$

$n = \frac{614}{2.535} = n = 242$

n= 242

Therefore, the sample size for the study is two hundred and forty-two (242)

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TESTING OF HYPOTHESES

3.1 HYPOTHESIS ONE

H_{01}: There is no significant effect of e-commerce on customer satisfaction.

A simple linear regression analysis was performed to test the hypothesis with e-commerce as the independent variable and customer satisfaction as the dependent variable. The value for e-commerce and customer satisfaction for each respondent was generated by using the mean scores of responses of all items for each of the variables. Data from two hundred and fourteen (214) respondents were analysed. The results of the regression analysis are shown in table 1:

Table 1. Regression analysis of e-commerce and customer satisfaction of Polaris bank

Model One $y_1 = \beta_0 + \beta_1 x_1 + e_a$		**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	**Sig.**
		B	**SD. Error**	**Beta**		
N 214	(Constant)	1.042	.285		3.656	.000
	E-commerce	.766	.059	.665	12.955	.000
Dependent Variable: Customer satisfaction $R = .665$, $R^2 = .442$, $t = 12.955$, $p = 0.000 < 0.05$						

Source: SPSS Output, 2025

INTERPRETATION

The result presented in Table 1 showed that e-commerce had a positive significant effect on customer satisfaction at Polaris bank, Lagos State, Nigeria. ($\beta = 0.665$, $t = 12.955$, $p<0.05$). The R value for the regression model was 0.665 which showed that e-commerce had a positive significant relationship with customer satisfaction. In addition, the R square value for the regression model is 0.442 meaning 44.2% variations in customer satisfaction were caused by e-commerce. Standard error (SD Error = 0.059) measures the adequacy of the model. This means that the variability in the prediction is 0.06. The model was adequate as the S.E $\leq$ 2.5. The regression model used to explain the variation in customer satisfaction due to the effect of e-banking can be stated as follows:

$CS = 1.042 + 0.766\ EC$……...…… (eqn i)

Where: CS = Customer satisfaction

EC = E-commerce

The regression equation above shows that the parameter estimate of e-commerce were complied with *a priori* expectation which stated that e-commerce would have a positive effect on customer satisfaction. The constant was 1.042, which implies that if e-commerce is at zero; the value of customer satisfaction would still be positive. This implies that if employees believed that there was no e-commerce practiced at their bank, their workplace can still have a level of customer satisfaction. The coefficient of e-commerce was 0.766 indicated that one unit change in e-commerce would result in 0.766 increase in customer satisfaction of Polaris bank in Lagos State, Nigeria. This implied that there is an increase in e-commerce will subsequently increase customer satisfaction of Polaris bank in Lagos State, Nigeria. Table 1 also shows the t value is 12.955 at $p< 0.05$ which suggests that e-commerce significantly explained variations in customer satisfaction which further proves the fitness of the model. Based on the results, the null hypothesis one (H_{01}) which states that e-commerce has no significant effect on customer satisfaction of Polaris bank in Lagos State, Nigeria was rejected.

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DISCUSSION OF FINDINGS ONE

The test of the hypothesis shows that electronic commerce has a positive significant effect on customer satisfaction. The findings supported the quantitative findings related to the earlier findings, Akpan, (2016) investigated on the influence of ATM service quality on customer satisfaction in the banking sector of Nigeria by conducting a survey research in which questionnaires were administered on customers of four banks randomly selected for the study (First Bank of Nigeria Plc., United Bank for Africa Plc., Guarantee Trust Bank Plc. and Access Bank Plc. at the ATMs terminals of the banks during transactions. Its findings revealed that the higher the ATM service quality, the higher the level of satisfaction it provides. The study then concluded that ATM service quality determined customer satisfaction and it is recommended that banks should improve on their service quality for them to remain relevant in the face of global competition.

3.2 HYPOTHESIS TWO

H_{02}: There is no significant effect of e-payment on revenue growth.

For the hypothesis stated above, simple linear regression analysis was used. Revenue growth was used as the dependent variable and e-payment as independent variable. The value for e-payment and revenue growth for each respondent was generated by using the mean scores of responses of all items for each of the variables. Data from two hundred and fourteen (214) respondents were analysed. The results of the regression analysis was shown in Table 2.

Table 2. Regression analysis of e-payment and revenue growth of Polaris bank in Lagos State, Nigeria.

Model Two $y_2 = \beta_0 + \beta_2 x_2 + e_i$		**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	**Sig.**
		B	**SD. Error**	**Beta**		
N	(Constant)	1.246	.215		2.699	.008
214	E-payment	.709	.099	.440	7.125	.000
Dependent Variable: Revenue growth $R = .440$, $R^2 = .193$, $t = 7.125$, $p = 0.000 < 0.05$						

Source: SPSS Output, 2025

INTERPRETATION

The result presented in Table 2 showed that e-payment had a positive significant effect on revenue growth of Polaris banks in Lagos State, Nigeria. ($\beta = 0.709$, $t = 7.125$, $p<0.05$). The R value for the regression model was 0.440 which showed that e-payment had a positive significant relationship with revenue growth. In addition, the R square value for the regression model was 0.193 meaning that 19.3% variations in revenue were caused by e-payment. Standard error (SD Error = 0.099) measured the adequacy of the model. This means that the variability in the prediction was 0.99. The model was adequate as the S.E $\leq$ 2.5.The regression model used to explain the variation in customer satisfaction due to the effect of e-banking can be stated as follows:

RG = 1.246 + 0.709EP……...……. (eqn i)

Where: RG = Revenue growth

EP = E-payment

The regression equation above showed that the parameter estimate of e-banking were complied with *a priori* expectation which stated that e-payment had a positive effect on revenue growth. The constant was 1.246, which implied that if e-payment was at zero; the value of customer satisfaction would still be positive. This implied that if employees believed that there were no e-payment platforms at their bank, their workplace could have had a level of revenue growth. The coefficient of e-banking was 0.709 indicates that one unit change in e-payment 0.709 resulted in

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1.246 increase in revenue growth of Polaris bank in Lagos State, Nigeria. This implied that an increase in e-payment subsequently increased revenue growth of Polaris bank in Lagos State, Nigeria. Table 2 showed the t value is 7.125 at $p< 0.05$ which suggested that e-payment significantly explained variations in revenue growth which further proves the fitness of the model. Based on the results, the null hypothesis one (H_{02}) which stated that e-payment had no significant effect on revenue growth of Polaris bank in Lagos State, Nigeria was rejected.

DISCUSSION OF FINDINGS TWO

The test of hypothesis revealed that electronic payment had a significant effect on revenue growth which supported the findings of that of Adedokun (2017) who examined whether e-payment methods such as mobile banking and POS services had a significant impact on the financial performance of SMEs in Zaria metropolis, using the multiple regression method to analyze the data. The finding of Adedokun's study was that these innovative methods of payment had a significant effect on the performance of SMEs in Zaria.

4.0 CONCLUSION AND RECOMMENDATIONS

The purpose of the study was to examine the importance of electronic banking operations on deposit money banks performance in Lagos State, Nigeria. The findings summarised the contributions of the study and highlighted the importance of electronic commerce on customer satisfaction of Polaris bank customers. The results revealed that electronic commerce has a significant relationship with customer satisfaction. A large number of respondents agreed that electronic commerce has a great effect on customer satisfaction. The results also showed that the bank has acquired cutting edge state of the art technologies in their e-banking channels to drive their operations which make it easier and more convenient to use their services seamlessly which will also help to retain existing customers as well win new ones. Furthermore, the objective of electronic payment towards revenue growth was also positive because the results showed that e-payment platforms had a positive impact on the organization revenue growth because of the robust support and stability the electronic payment channels offered with less network disruptions which enabled more transactions to be consummated on real time basis. On the overall, it could be reasonably concluded that efficient and effective electronic banking applications will go a long way to support and enhance deposit money banks to grow their operations, branch network, cost reduction and other numerous services which will help to sustain organizational productivity.

It is recommended that strategies that involves upgrading of the existing Information Technology infrastructures (hardware and software), training and retraining of human resources to enhance the quality of service delivery with minimal network disruptions should be vigorously pursued. The study further recommended that deposit money banks should formulate, administer and continuously implement good compensation policies, especially for the staff of Information Technology division to prevent frequent high rate of staff attrition that has bedeviled such divisions thereby causing dearth of quality staff to man the sensitive departments to prevent network disruptions and other technological glitches. The compensation management structure should be dynamic to include new and enticing ways to retain and motivate employees with a wide range of benefits designed to encourage individual efforts. The deposit money banks are at liberty to use various factors and strategies to support the training of its employees for better performance. There should be proper employee awareness of the various rewards attached to each performance targets so that each employee will know what he/she should know what to expect in terms of bonus awards and benefits in exchange for additional efforts made by employees to improve organisational growth. Excellence compensation policies will ensure they retain the dedication, commitment and loyalty of their employees which is the major drive for keeping employees contented and satisfied, thus preventing disgruntle pool of employees who might be tempted to sabotage the system if they are not well catered for. Organisations management should ensure that work environment, especially physical infrastructures are conducive to motivate staff to higher productivity. Banking institutions should be proactive by designing and implementing competitive remuneration packages and charting robust career development programmes for its employees. These career development programmes could include training, conferences attendance, seminars and refreshers courses carefully designed for committed and hardworking employees. Furthermore, the line of communication between employers and their employees should smooth which is vital to the growth and development of the organisation. There should be smooth vertical and horizontal

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communications among all the stakeholders so as to reduce the incidence of misconstruing management or employees' intentions and thus prevent avoidable clarification of issues arising from breakdown in communications

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