

**UNIVERSITY
OF
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SCHOOL OF POSTGRADUATE STUDIES

**THE IMPACT OF THE ADOPTION OF FINTECH BY COMMERCIAL
BANKS IN LUSAKA CBD FOR PROFIT & PROVISION OF QUALITY
FINANCIAL SERVICES.**

**A DISSERTATION SUBMITTED TO THE SCHOOL OF POSTGRADUATE
STUDIES, UNIVERSITY OF LUSAKA IN PARTIAL FULFILMENT OF THE
AWARD OF MASTER OF BUSINESS ADMINISTRATION**

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DECLARATION

I **Josephine Thole** do hereby declare that this dissertation represents my own original work which has not been submitted for a Master's degree at this institution or any other institution. Any contributed knowledge from other works and publications has been cited accordingly and further referenced.

I further declare that this body of work contains no violation of the University research ethics.

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Date.....01/17/2025.....

DEDICATION

I would like to dedicate this dissertation to the thousands of men and women globally who pioneer as well as spear head innovative ideas for the purposes of improving financial customer services and contribute to their country's economic development. Their tireless passion and work is not only essential to effective and efficient operations but it also enables access to services that otherwise would not be accessed by people especially those in remote areas.

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I also acknowledge the bank workers and customers who allowed me to collect data for this study without reservations.

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LIST OF ACRONYMS/ABBREVIATIONS

Fintech	Financial Technology
ZICTA	Zambia Communication & Information & Technology Authority
ANZ	Australia and New Zealand Banking Group
AU Bank	African Union Bank
COVID - 19	Corona Virus (A Pandemic disease that disrupted world life and claimed millions of lives)
AFDB	African Development Bank
ATM	Automated Teller Machine
POS	Point of Sale
KYC	Know Your Customer
SPSS	Statistical Package for Social Sciences (A data analysis software)

THE ABSTRACT

The Global financial crisis of 2008 set the stage for the expansion of financial technology, an innovation that uses technological systems to enhance efficiency and effectiveness in financial transactions and operations. The emergence of fintech posed a threat to the market share of traditional banks, through its ability to reach and serve vast numbers of people spread out in different geographical locations including the unbanked. This awakened the need for collaboration of fintech and traditional banks. The limited knowledge pertaining to the impact of the integration of fintech led to the investigation of its impact on commercial banks in the Lusaka Central Business District for profit and provision of quality financial services. This study was guided by the following specific aims; firstly, to find out what the impact of the adoption of fintech by commercial banks in Lusaka central business district has been, to analyse how the adoption of fintech by commercial banks in Lusaka central business district influences the provision of quality financial services, to find out the role that fintech plays in commercial banks' provision of quality financial services, and to investigate how the adoption of fintech by commercial banks has led to profit for commercial banks. Using the mixed methods approach, this study utilized the concurrent design to collect data using a self-administered questionnaire as well as a structured interview guide. Furthermore, non-probability sampling was used, particularly, the purposive and convenience sampling to narrow down our sample after which the quantitative data collected was input into SPSS and qualitative data was analyzed thematically. Subsequently, the conclusion was that there indeed has been adoption of fintech by commercial banks.

It was established that fintech has been a contributor to banks profit and provision of quality financial services. Although fintech has not been the sole contributor to profits and provision of quality financial services, it has been a catalyst to ensuring the attainment of profit. The future of banking hinges heavily on innovation and customer centricity among other factors, therefore, the onus is for banks to determine the direction of these innovations to maintain their place as market leaders.

CHAPTER ONE

1.0 INTRODUCTION

For decades, banks in Zambia were the primary structures that offered a vast array of financial services. The traditional service provision model was purely centered on over the counter services where customers' queue up within a physically structured bank to be served. This model has been slowly becoming obsolete as the demands and needs of customers evolved overtime and continue to change. Other financial players in the form of fintech (Financial Technology) companies entered the global financial market while leveraging on the shortcomings of banks. Fintech has not only taken the world by storm, it has also been transforming and improving how businesses as well as organizations carry out their financial transactions. It has disrupted how traditional financial systems have been functioning through its ability to reach and serve vast numbers of people through secure and efficient means over the web and through mobile devices. It is without a doubt that such an intrusion necessitated collaboration between the banks and fintech companies in order for banks to remain relevant and profitable.

It goes without saying that banking services evolved from the brick and mortar centered service provision model to providing automated teller machines, real time transfers, cashless and border-less transactions through secure platforms over the web as well as through mobile devices and online banking. The decongestion of banks that were for a longtime characterized by long queues became a game changer as this also created employment for street vendors as bank agents. Mwelwa, (2022) agency banking has been offering seamless solutions for banks, retailers as well as customers. It allows banks to expand their services in remote areas where they previously would not have been able to reach.

However, the change stated above became not only revolutionary but was also necessitated by the urgent need for adaptability, relevance as well as to counter industry competition through innovation.

BACKGROUND

1.1 HISTORY OF BANKING

According to Oren (2020), the history of banks originates back to ancient civilization, a time when people deposited their valuable items in temples or palaces for safekeeping. These establishments gradually evolved over time and developed into the banks we know today. The First Utah Bank (2024) highlighted that the first recorded bank in the world was the bank of Babylon, a temple that served as a financial establishment that was mandated to issue out loans as well as storage of valuable goods. Oren (2020) further shared that the modern concept of a bank was developed in medieval Italy through the Medici bank of 1397, the first bank to use the double entry bookkeeping and to issue letters of credit which became essential innovations that contributed the bank's expansion and increased their reliability. The idea of banking as we have come to know it also has roots in renaissance period in Italy when merchants and bankers took on an important task of the development of modern banking practices.

In the 17th and 18th Centuries, banks began to form in other parts of Europe like the Bank of Sweden which was established in 1668 and the Bank of England which was formed in 1694. These two banks financed the wars as well as other government activities such as commerce and trade (Ibid, 2020).

However, The First Utah Bank (2024) further shared that the 19th and 20th Centuries saw and witnessed the evolution and expansion of banking operations. Especially with the arrival of technologies that has improved the speed of communication through emails and other communication mediums. The advent of the new technologies, such as ATMs, electronic payments, and online banking, revolutionized the banking industry. The stated innovations made banking more convenient and accessible to consumers through improving efficiency and reducing costs for banks. The globalization of the banking industry in the late 20th century compounded the changes as banks expanded their reach beyond national borders through offering new services such as international payments as well as currency exchange services.

In our modern day, banks play a crucial role in world economy through the provision of financial services such as deposits, loans, insurance and investment to mention a few.

1.1.1 The Zambian Banking History

Furthermore, on a local level, the first bank to venture into offering banking services in Zambia was Standard Chartered bank in 1905 in Kalomo district of Southern province which was then the capital city of Northern Rhodesia. After which Barclays and ANZ Glindlays bank pitched camp in 1964 after independence, Bankers Association of Zambia (2023).

Furthermore, the financial liberation Zambia engaged in at the beginning of the 1990s offered an opportunity for a revival of the Zambian banking sector and the country's overall economic development. According to the competition and market structure in the Zambian banking sector, a report issued by the African Development Bank (AfDB), the increase in the number of banks came with growth in nominal assets, accounting for more than 90% of total financial industry assets, which is ten times higher than other market participants, Zambia Invest (2024).

The banks' share of foreign assets has also decreased in more recent years, averaging about 16% between 2006 and 2011 against 28% from 1998 to 2002. Profitability of Zambian banks has generally been buoyant, generated from earnings on loans and treasury securities, (Ibid, 2024).

More so, the World Bank Group (2024) highlighted that the world has been going through a digital transformation, a shift that was accelerated by the Covid-19 pandemic that necessitated a radical migration from analogue business operations to automated and online systems. Service providers globally had to adapt to the new normal way of conducting their business operations. However, Zambia Banking Industry Survey Report, (2022), highlighted that despite the disruption caused by the pandemic plus a fragile global economy, Zambia's banking sector reported strong performance in 2022. Industry wide profitability increased by 10.7% to K5.7bn, while total assets grew by 25.1% to K196bn (Ibid, 2022).

Banks have been a part of this digital transformation journey and striving to remain competitive through adopting and incorporating financial technologies through means and ways which were discovered through this study.

1.1.2 The Global Financial Crisis of 2008

The fintech revolution was the biggest transformation in financial revolution. The entry of fintech into the mainstream financial space was as a result of the gap that was created due to the lack of innovation by banks after the global financial crisis of 2008 as they were inundated with regulatory requirements, fines and rules to adhere

to. Duignan (2024) adds that as the subprime mortgage market collapsed, many banks found themselves in serious trouble, because a significant portion of their assets had taken the form of subprime loans with less risky forms of consumer debt. In part because the underlying subprime loans in the mortgage-backed security became difficult to track, banks began to doubt each other's solvency, leading to inter bank credit freeze, which impaired the ability of any bank to extend credit even to financially healthy customers, including businesses.

Ndulo et al (2009), in their study of the global financial crisis of 2008 highlighted that the impact of the crisis to sub-Saharan African countries, Zambia inclusive was greater than that of previous occurrences because of the integration with the global economy more than ever before. The crisis began at a time when Zambia was emerging from decades of severe macroeconomic imbalances from the fall of copper prices to the privatization of state-owned entities and falling per capita incomes.

The lack of innovation by banks owing to the crisis of 2008 according to Arslanian (2016) created a gap that necessitated an enhanced user experience as well as convenience. Among many other reasons, this is practically what prompted the growth of fintech into the global game changer in the financial space.

1.1.3 The Mobile Money Revolution in Africa

According to Isiakpona (2024), Mobile money started as a simple solution to send money across distances without the need for a bank account. One of the most successful example is M-pesa, launched in Kenya in 2007 by safaricom. It allowed users to deposit, withdraw and transfer money easily using their mobile devices.

The growth of mobile money in Africa has been remarkable. By 2023, over 400 million registered mobile money accounts were active across the continent. Countries such as Ghana, Tanzania and Kenya had the highest adoption rates with mobile money transactions becoming an integral part of daily life (Ibid, 2024).

Mobile money services have been at the forefront of driving financial inclusion in Zambia through service providers such as Airtel, Mtn and Zamtel. The services offered by these providers enable their customers to be able to withdraw, deposit, transfer and even save funds in their mobile wallets eliminating the need for a bank account. As such, people in the most remote areas of the country become able to transact without physically walking into a bank or a fintech company. Through the

collaboration of fintechs such as mobile money and banks, customers are able to transfer money from their bank accounts to their mobile money accounts. This has reinforced the need for bank accounts.

1.1.4 Digital Payments

Digital payments have also enabled businesses as well as customers to make transactions over the web without using physical cash. This has also contributed to prevention of theft and enables customers to conveniently make payments wherever they may be. International trade has also become simplified through digital payment platforms such as visa, master card and PayPal to mention a few.

1.2 OPERATIONAL DEFINITIONS

Fintech has in the recent decade gained momentum through its disruptive nature that enables financial institutions such as banks to function at a higher level through reliable and secure services. Below are the primary definitions of the key terms that will be used in this research;

Fintech - The multiple literature that explain fintech suggests that there is no single definition of what it is. However, there is an understanding of what it is based on its characteristics. According to (Kawai, 2016), It is a technologically enabled financial innovation that is giving rise to fresh business models, applications, processes as well as improved operations. These innovations have material effect on financial markets and institutions and the overall provision of financial services. In other words, (Koffi, 2016; Ojo & Nwaokike, 2018) elaborated that financial technology is the term used to describe entities in the business of disrupting the financial services industry with the use of technology and innovations to create new models and financial products and services. Therefore, it can be said that fintech describes the intersection between technology and finance.

Quality - According to Khan (2023), quality refers to the degree of excellence or superiority of something. It is a measure of how well a product, a service, or process meets or exceeds customer expectations and or requirements. Quality can be subjective and may vary depending on the context and the perspective of the individuals involved.

Financial Services - Soni (2024) shared that these are products and services offered by institutions like banks, micro financial institutions of various kinds for

purposes of facilitation of various financial transactions and other related activities in the world of finance. Financial services include loan facilities, insurance, credit & debit cards, investment opportunities and money management as well as providing information on the stock market and other issues like market trends.

Profitability - According to Evans (2020) Is the size of the profit relative to the size of the business. It measures the success or failure of a business.

1.3 STATEMENT OF THE PROBLEM

One of the current trends in the banking industry globally is the incorporation of smart technologies to enhance customer experience, (Marr, 2023). According to the Zambia Industry Survey Report, (2022) digital technology has had a big impact on the banking sector as it has allowed new players to enter the market. The rise of fintechs, mobile money operators and digital payment platforms had increased competition for what was traditionally banks business and prompted the development of new services and business models. These new technology-based players offer customer convenience, and are more accessible than physical banks and support better financial inclusion.

Consequently, commercial banks were confronted with increasing competition coupled with duties to provide and meet customer expectations with outstanding services as well as to make profit in a dynamic industry such as the financial industry. The growth of fintech has brought potential solutions to the challenges that banks experience in their quest to enhance service delivery that leads to customer retention and inevitably profit. Work assist (2024) also reiterated that the banking industry is facing increasing competition from new digital players such as fintech startups and digital banks. To compete with these new players, many banks are investing in their own digital solutions and partnering with fintech startups. AU Bank (2024) further highlighted that fintech's act like catalysts for banks through providing cutting edge technologies like artificial Intelligence and machine learning to work up their services and cater to their customers' changing needs. Zambia Industry Survey Report (2023), further added that the pressure posed by non-traditional players was their increase in market share and revenue streams. This prompted banks to adapt their strategies, diversify their service offerings and bolster their digital capabilities.

The major challenge is that there is was limited knowledge and insight of the extent that the commercial banks in the Lusaka central business district had adopted fintech, how it contributed to their profitability and provision of quality financial services. To highlight further on the extent of the challenges banks had to face, Bank of Zambia (2022), reported that the Zambian economy was facing significant macroeconomic challenges as reflected in low growth, high fiscal deficits, rising inflation and debt service obligations as well as low international reserves. The outbreak of Corona virus (Covid-19) pandemic compounded the situation, resulting in unprecedented global public health and economic crises.

The need for digital transformation was also recognized on a national level by the government through the introduction of the digital transformation strategy 2023-2027. It has been premised on Government's aspiration to transform Zambia into a digital economy to enhance productivity and economic growth. National Digital Transformation (2023), shared recent statistics by the Zambia Information and Technology Authority ZICTA, which showed that mobile subscriptions gained traction and continued to rise with performance indicators increasing from 13.4million in 2017 to 20.2million in 2021. This accounted for 50.7% increase and a clear indication that the majority of the population were active mobile phone users therefore, in order to reach them, and serve them better, technological innovation was necessary.

It is for this reason that this research delved into investigating the impact of the adoption of fintech by commercial banks in Lusaka central business district for profit and provision of quality financial services.

1.4 MAIN OBJECTIVE

Using the mixed method approach, this study investigated the impact of adopting fintech by commercial banks in Lusaka central business district's profit & provision of quality financial services.

1.4.1 Specific Objectives

The specific objectives of this study were comprise of the following;

- To analyze what the impact of the adoption of fintech by commercial banks in Lusaka central business district has been.
- To investigate how the adoption of fintech by commercial banks in Lusaka central business district influences the provision of quality financial services.

- To establish the role that fintech plays in commercial banks' provision of quality financial services.
- To investigate how the adoption of fintech by commercial banks has led to profit for the commercial banks.

1.4.2 Hypothesis

This study tested the hypothesis below;

H₀ There is no statistically significant relationship between profitability and the adoption of fintech by commercial banks in Lusaka.

H₁ There is a statistically significant relationship between profitability and the adoption of fintech by commercial banks in Lusaka.

1.4.3 Research Questions

This study was guided by the following questions;

1. How does the triangulation of the quantitative and qualitative data illustrate the sign of fintech adoption by the commercial banks in the Lusaka central business district?
2. Is there a relationship between the adoption of fintech and the provision of quality financial services by commercial banks in the Lusaka central business district?
3. What role has fintech played in commercial banks' provision of quality financial services?
4. Is there a relationship between the adoption of fintech and profits of commercial banks in the Lusaka central business district?

1.5 SCOPE & DELIMITATION OF THE STUDY

In order to get a broad and holistic view of the prevailing impact of adopting fintech for profit and provision of quality financial services, all the commercial banks within the central business district were targeted for this study. This study investigated the experience of commercial banks with fintech as well as the banks performance before and after the adoption of fintech and it examined the resulting effects it has had on the banks' profitability and rendering of quality financial services. However, this study could not zero in on every commercial bank in the city of Lusaka but narrowed down the focus area to the central business district. This study further utilized non - probability sampling which led to high quality data collection.

1.6 SIGNIFICANCE OF STUDY

The need for proper understanding of the collaboration of banks and fintech could not be understated. This study was fundamental to the financial sector, especially to banks as it aimed to bring out findings that would be instrumental to inform their strategic decisions in order to profit and provide quality financial services to their customers in a fast changing industry. More so, the collaboration of banks and fintech has been a critical element to forging the bank of the future which is projected to be characterized by technological innovation, customer centricity, collaboration and a commitment to sustainability and security, (Masquelier, 2024). Additionally, the findings of this study aimed to empower the following key stakeholders:

- Bank owners, board of directors and executives that are charged with the mandate to steer the bank towards profitability, to make well informed and strategic decisions about technological integrations to banks like fintech.
- Fintech companies will gain insights pertaining to the extent of the adoption of their inventions and services into the banking system. It will further enable them to confidently pursue strategic partnerships with commercial banks.
- Policy makers and regulatory bodies will be able to extract key findings that will be instrumental to the formulation of policies and regulations that will safeguard both parties and allow the progression of the collaboration of fintech and banks.
- The public will be empowered with knowledge pertaining to the quality financial services that the banks strive to render and how they could access them.

This study not only enable the users of the findings of this research to have an opportunity to have current information that will support decision making, it will also contribute knowledge to academia, that can be built on in future studies. The findings from this study will also reinforce the necessity of commercial banks to embrace innovations such as open banking and especially fintech into their operations in a highly competitive industry such as the Zambian banking sector.

1.7 LIMITATIONS OF THE STUDY

This study encountered technical challenges pertaining to the lack of first-hand knowledge of fintech especially by bank customers. In many instances, the concept required to be explained to awaken the respondents to their knowledge and

interaction with fintech. Some institutions were not keen on being part of this study as they attributed their denial to information security purposes and company policies that do not permit the disclosure of confidential information for research. However, the research time allotted as well as financial inadequacy posed as a limiting factor to comprehensively accommodate a larger sample size.

1.8 THE ORGANISATION OF THE REPORT

This report is structured as per the guidance given from the University of Lusaka research team. The preliminary pages addressed the order of this report. The report constitutes of six chapters, and will follow as follows: Chapter will introduce the report and state all the relevant information. Chapter two is the literature review consisting of empirical review, theoretical and conceptual framework, after which the methodology will be discussed in chapter 3. The presentation and analyzing of data will be drawn from the data that was collected in Chapter 4. Drawing from the analysis and presentation of findings, Chapter 5 will discuss the findings after which chapter six the conclusions and recommendations from this study will be drawn. Finally, the references of all the contributed knowledge will be highlighted. All the attachments required such as the data collection instruments, similarity report will be included in the appendix.

CHAPTER TWO

LITERATURE REVIEW

2.0 OVERVIEW

This chapter highlights and discusses the studies and major findings that were undertaken in accordance with the impact of the adoption of fintech by commercial banks and how this has affected their provision of quality financial services and ultimately their profitability. It firstly reviews previous studies, after which the theoretical framework was established, followed by the conceptual framework, subsequently, a conclusion was drawn.

2.1 EMPIRICAL REVIEW

Global Perspectives

A study was conducted in Germany by Jünger et al (2020) on the adoption of fintech services by Germany households. Germany lagged behind its global peers, as well as many developing countries, on the fintech wave, although it already had all the elements needed for a successful fintech industry. A striking example was the mobile payments market, where only 14% of Germans used mobile payments, and two-thirds of the population claimed they did not consider adopting fintech services in this area in the future (Ibid, 2020). In contrast, countries including Sweden, Denmark, and the United Kingdom had largely replaced physical cash payments with card and mobile payments, and had even contemplated a digital cash alternative for instance the e-Krona in Sweden (Jünger et al, 2020). These significant differences in the adoption of digital financial services called for a more detailed analysis of the reasons that caused the varying rates of acceptance across countries highlighted above as well as the formulation of measures to improve user acceptance in Germany.

According to Davis's 1989 technology acceptance model, a user's intention to adopt a new technology is determined by its perceived usefulness and ease of use. Recent research uses the technology acceptance model to predict fintech adoption, such as mobile payments in Taiwan (Wu and Wang, 2005), crypto payments in the Netherlands (Jonker, 2019) e-tickets in Finland (Mallat et al., 2009) and e-commerce among other services. However, several studies, such as, Lee, (2009), and

Featherman and Pavlou, (2003), argued that consumer comfort alone could not fully explain the rising popularity of new technologies and services in the financial industry. They showed that consumers' personality, cognitive and behavioral dimensions had an impact on the adoption of fintech products. Specifically, they proposed extending the technology acceptance model using measures of perceived risk and perceived credibility or trust to capture consumers' security and privacy concerns about digital banking activities. Thus, the rise of fintech seemed to be more complex, and consumer willingness to adopt this suite of services exceeded the simple dimension of being cheaper or more appealing.

According to Jünger et al (2020) the study sampled 643 German households between October and November 2017 to assess the adoption of fintech services. The study obtained a total of 324 usable filled-out questionnaires. The results showed that three primary dimensions being trust, transparency, and financial expertise significantly influenced the decisions of households to stay with or switch from traditional retail banking service providers to fintechs. Specifically, households with low levels of trust, high levels of financial education, and preferences for transparency were characterized by a higher switching probability. In contrast, households' price perceptions did not appear to impact switching probability.

The findings from the study were that Lack of trust and dissatisfaction were generally the main reasons why private customers opted to switch financial institutions, or to consider fintech as their main service provider (Maier, 2016, and Manrai, 2007). Fintech can generate higher levels of customer satisfaction through better service and offerings such as lower rates and fees, faster, more flexible, and transparent processes, they could leverage consumers' dissatisfaction with traditional players to increase their market share (Maier, 2016).

The findings contributed to the literature on financial literacy and customer dissatisfaction about the quality of retail banking services as determinants of retail banking customers' propensity to switch from banks to fintechs. The low interest rate environment and the increasing standardization of financial products have made it somewhat difficult for banks to differentiate themselves from their peers (Manrai and Manrai, 2007). Therefore, trust and transparency in financial services processes can be a good basis for banks to differentiate themselves from fintechs. This study provides empirical evidence about the factors that may cause consumers to switch at

least part of their financial services from traditional financial institutions to financial technology startups (fintechs). Other findings from this study suggested that the discovery of 31% of our survey respondents could imagine moving away from a traditional provider to a fintech, indicating that these new providers are able to take significant market share from incumbents (Jünger et al , 2020).

Therefore, this study contributes to the emerging fintech literature, as well as to the limited research on what causes customers to adopt fully digital banking services and motivates them to switch to fintechs. This study was relevant because it captured the human element and the factors that surround the adoption and apathy towards the adoption of fintech. However, it did not investigate the service providers drive so as to understand their core motives which is important to understand as it informs their strategies.

Another study was undertaken in India on the impact of the adoption of fintech on the profitability of public and private banks in India. According to (Online, 2021) the findings were that banks were joining forces with fintech startups to upgrade their existing systems and enable smoother operations to deliver a better experience for consumers. By leveraging data analytics techniques, fintechs forged collaborations between numerous financial service providers which enabled them to deliver products and services through an open architecture. Ibid (2021) further shared that the impact of the adoption of fintech was felt in the services the banks delivered through loans as it opened enormous new market for market based loaning. Payment Services became easier and more secure in that payments were made over the web through cell phones, thereby mitigating the requirements for dealer accounts. Cash could be moved straightforwardly to the financial balance, which lessened the odds of fakes and exchange charges. Remittance transfer costs became basic and moderate as opposed to previously when they were costly and confounded. Additionally, insurance services were able to be accessed through the web, therefore the process became relatively easy. Equity funding through technology also became a less taxing venture as it could be done through smart technologies, (Online, 2021). This study focused on both public and private banks, it did not focus on one side of the banking sector. It highlighted the services that

improved but did not consider the profitability of the banks in relation to the adoption of fintech.

Consequently, another study in India was carried out to assess the impact of fintech adoption on banks profitability. This study aimed to understand the impact of financial technology implementation on the profitability of Indian banks. Singh et al (2021) highlighted that the study used return on assets and return on equity as dependent variables, and independent variables included the number of ATMs to bank branches ratio, capital equity tier one ratio, cost to income ratio and fintech dummy which included block-chain, artificial intelligence, robotic process automation, payment technology, and cloud computing. The results showed a significant positive impact of fintech adoption on banks' profitability. However, this study solely focused on profitability and neglected the quality of service that was rendered to customers which is a crucial element that contributes to a service provider such as a bank. Moreover, the customers are the ones who bring in the profits through accessing the services from the banks.

Additionally, another study in Yemen was conducted to establish the relationship between the risks of adopting fintech in banks and their impact on their performance. Al-shari et al (2023) shared that the balanced scorecard was used to measure performance. This study identified four risks, which were the most important risks affecting fintech in banks which included systemic risks, operational risks, outsourcing risks, and cyber risks. The data was collected through a questionnaire for 263 respondents at the managerial level of bank branches in Yemen from October to December 2021. Structural equation modeling PLS-SEM and a disjoint two-stage approach were used to approve the model's constructs. This study proved the validity of the proposed relationship between the risks and the effect of risk variables on each other, except for the impact of outsourcing risks on cyber risks. Also, the study results showed that cyber risks and operational risks of adopting fintech have a negative impact on banks' performance. But the outsourcing risks of the adoption of fintech had a positive impact on banks' performance while the systemic risks did not affect banks' performance. Therefore, this study was considered one of the unique studies that contribute to analyzing the risks of adopting fintech in banks and its impact on performance. In addition, it gave a clear

picture for decision-makers in banks to identify the dark side of fintech adoption. However, this study fell short of investigating the potential solutions to the risks of the adoption of fintech. It is for this reason that this study endeavors to thoroughly investigate the impact of fintech adoption and to understand how it affects the rendering of quality financial services.

Another interesting study was conducted in China which examined the effect of fintech adoption on traditional banks. Bian et al (2023), shared that the study employed machine learning and textual analysis to count the number of mentions of fintech related terms in annual reports, and collected the number of fintech related patent applications. Based on a sample of 181 Chinese commercial banks, the results indicated that fintech adoption had a positive and significant effect on bank performance. The fintech adoption effect appeared to be heterogeneous among technology categories and was more pronounced in banks with more technical managers. The findings from this study highlight the empirical evidence of the impact of fintech. Although the specific areas that positively affected the bank's performance were not highlighted.

Another empirical study was undertaken which aimed to examine the adoption of fintech products in Jordanian commercial banks. The primary focus was on the influence of environmental regulations. Specifically, this study investigated the impact of environmental pressures both from the customer and competition front as well as top management support on the adoption of fintech products.

According to Atta (2024), a questionnaire survey was carried out, and data from 550 respondents familiar with the bank's operations was collected. The results revealed that competitors pressure and customer pressure had a significant positive influence on the adoption of fintech products, indicating that banks were more likely to adopt fintech solutions when faced with increasing competition and customer demands. Furthermore, top management support was found to be positively associated with the adoption of fintech products, emphasizing the importance of leadership in driving successful integration. Also, regulators and policymakers could foster fintech adoption in the banking sector by creating supportive frameworks that balance innovation and risk. (Ibid, 2024) the findings highlighted the need for Jordanian commercial banks to recognize and respond to environmental pressures to remain

competitive and meet customer expectations. Additionally, regulations encouraged the development of financial products and services within the fintech sector. This study enriched fintech adoption literature in the context of Jordanian commercial banks.

This study contributes to the existing fintech literature by shedding more light on the factors that influenced fintech adoption in Jordanian commercial banks. It provided practical implications for banks, regulators and policymakers who endeavor to promote fintech adoption within the financial sector. Evidently, leadership has been established as a crucial factor as it determines the extent to which the integration of fintech is successful. On the other hand, this study encouraged reaction to the external pressures instead of responding to the external pressures strategically.

Another empirical study was conducted on the role of fintech adoption for competitiveness and performance of the Banking industry in Dubai. The author of the study (Dwivedi, 2021) understood fintech as the combination of innovation and technology to deliver financial products and services to stakeholders. The research was tested on the 76 banking professionals and executive bankers. The findings suggested that the adoption of fintech had a significant influence on the competitiveness and competitive results in the performance of the banking industry in Dubai. The second finding suggested that proper adoption of fintech and aligning with the management of technology also had a direct impact on the performance of the banking industry. The study was deemed important because the United Arab Emirates Banking industry serves almost 200 nationalities. This study however was too generic and lacked specificity; it did not highlight the competitive results that each bank produced because result of fintech adoption.

Regional Perspective

Moving along, an appraisal was conducted in Nigeria by (Alao, 2020), on fintech induced competition in the Nigerian banking industry. The outcome revealed that the most disruptive factor of the fintech evolution in the Nigerian banking industry was the ability of fintech to serve the large population of the unbanked Nigerians. According to a report, this category accounted for 60 million of the total population of Nigerians (Kola-Oyeneyin et al., 2020). Based on the findings of this study, raking next closest to the most disruptive factor was the fintech's agility and increasing customers' preference for fintech products, with 20% score each. These factors were

a reality that Nigerian banks had to contend with strategically to retain their competitive edge. This study amplified the impact that the adoption of fintech brought in the Nigerian banking industry, however, it focused more on the competitive aspect that fintech brought and did not explore the collaboration of the banks and fintech.

Another study was conducted in 2019 on the risk aversion and the adoption of fintech by South African banks. The study was premised on the need to adopt fintech for survival, and collaboration instead of competition. The major findings were that the risk appetite of South African banks was traditionally conservative. This is largely due to escalating property prices and debt levels during the period 2004 to 2007 (Businessstech, 2016). Therefore, this study did not take into account the level of industry competition that could potentially affect the profitability of a bank.

Local Perspective

A comparative study between Zambia and Kenya was carried out on the factors influencing the adoption of digital payments platforms in developing countries by Chisamanga (2020).

The core aim of the study was to understand the obstacles and challenges that short circuit the adoption of digital payments in developing countries such as Zambia and why countries like Kenya have experienced success in this area. It also endeavored to propose solutions and recommendation on how the challenges could be resolved. This study utilized the quantitative method and the data was collected from authentic resources using the survey method. The study also incorporated secondary data which was triangulated to ensure validity of the study. The findings showed that low literacy levels, poor consumer education, high service charges, poor regulatory environment and perceived risks have negatively affected the adoption digital payment platforms in Zambia. Therefore, the bank of Zambia in collaboration with the Ministry of Finance should advocate for the transition from cash to digital financial services and champion literacy initiatives for the local citizens. ZICTA in collaboration with the bank of Zambia should create an enabling environment for innovators, investors and local consumers (Ibid, 2020).

This study fell short of the big picture of the financial landscape of Zambia. While it is that digital payment platforms such as Mobile money are the current avenues for swift digital payments, it neglected the collaboration of fintech and banks which are institutions have built reputations of trust and consistency.

Another local study was conducted by (Iluba et al 2021), on the fintech evolution and its effect on traditional banking in Africa with a specific focus on Zambia. The findings showed that people would either open a bank account or a mobile wallet or both. The results showed that 212 representing 79.4% of the respondents owned a bank account and 55 representing 20.6% of the respondents stated that they did not own a bank account. On the other hand, 267 represented 100% of the respondents had a mobile wallet. The findings further revealed that individuals preferred using mobile money to send and receive money than banks. The findings also suggested that to counter the dominance of fintech and to improve adoption of banking services, banks could reduce requirements for opening bank accounts as the process was lengthy and tedious. Banks could consider opening more branches in order to improve access to banking services. Banks could consider extending their operating hours as customers want to access banking services without being restricted to short banking hours. Lastly, that banks should revise their fees and charges to make them more affordable (Ibid, 2021). This study focused solely on the competition aspect between fintech and traditional banks therefore, not exploring the impact of the collaboration of traditional banks and fintech firms.

2.2 THEORETICAL FRAMEWORK

In the quest to understand the impact of the adoption of fintech by commercial banks in Zambia and its bearing on their service provision and profitability the technological acceptance model was used as a foundation for this study.

The model is largely credited to Fred Davis, which originated in 1986. This was at a time when computers were being introduced into the workplace and Fred Davis was looking for a way to predict and explain system use both for vendors and information technology managers (Stair, 2016). In essence the model was designed to measure the adoption of new technology based on customer attitudes on perceived usefulness and perceived ease of use.

According to (Ibid, 2016), in this model, perceived usefulness was defined as the degree to which individuals believe that use of the system would improve their performance. The perceived ease of use was the degree to which individuals believe that the system would be easy to learn and use. Both the perceived usefulness and ease of use could be strongly influenced by the expressed opinions of others who used the system and the degree to which the organization supported use of the

system. Perceived usefulness and ease of use in turn influence an individual's attitude toward the system, which affect their behavioral intention to use the system.

2.3 CONCEPTUAL FRAMEWORK

The conceptual framework highlighted the variables in this study and illustrate the relationship between the variables and map out how they collaborated to establish a coherent conclusion.

Figure 1 below highlighted the conceptual framework this study took on to establish the relationships between the variables:

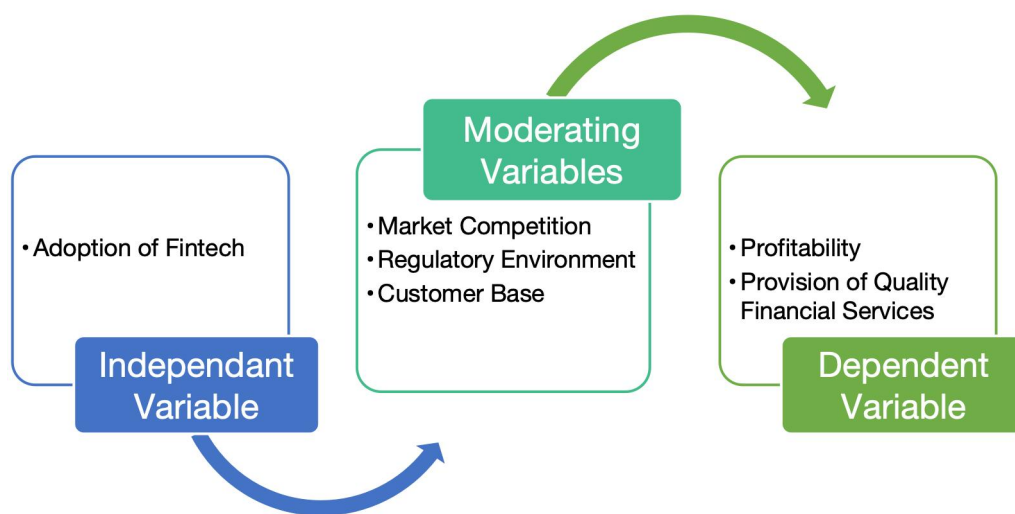


Figure 1. This figure is a conceptual framework displaying the independent variable, moderating variables dependent variables. Figure 1 was derived from excel diagrams/charts.

Adoption of Fintech

The adoption of fintech was pivotal to this research as it contributed greatly to banks profitability. Adopting fintech essentially was integrating technologies that made service provision easier and a lot more secure. This variable also encourages the use of innovative technologies to accomplish key deliverables such that services provided to clients became more efficiently and effectively executed. (Carbo-Valverde, 2017) Digitalization and fintech represents an opportunity to reduce marginal costs and gain productivity. They may imply a large accumulation of intangible assets which would be difficult to value in capital markets, thus blurring

industry boundaries, and creating significant privacy, regulatory and law enforcements.

Profitability

This was the state of exceeding the breakeven point such that the revenue generated goes above the initial investment. An institution that is profitable has the capacity to expand geographically as well as to provide the best services to its clients.

Market Competition

Every market and industry is understood to be composed of market competition in order to accumulate large market share as well as to secure profits. The banking industry is composed of institutions that had the same size and offer similar products and services therefore, market competition dictates the level to which an institution is able to reach its targets and ultimately to make profit. When fintech institutions function autonomously, they could compete with the services the banks offer and exceed the banks services such that the banked population would prefer to use fintech services. However, Zveryakov et al. (2019) argued that the competition between banks and fintech companies was shifting to cooperation.

Fintech competitors according to Buchak et al. (2017) are putting pressure on the traditional business model of banks. Two competitive advantages of retail banks which may be eroded by the new entrants are that banks can borrow cheaply with their access to cheap deposits and explicit or implicit insurance by the government, and they enjoy privileged access to a stable customer base that can be sold a range of products. The presence of deposit insurance may facilitate the entry of new competitors as banks, but in this case the entrants will have to pay the cost of the banking license and compliance expenditures.

Regulatory Environment

The regulatory environment was comprised of institutions such as the bank of Zambia that institute policies that regulates what was allowed to be used specially to serve the public. They institute laws that protect against exploitation and cybercrime which could dim the confidence to adopt fintech.

Mukuka (2023) highlighted that Fintech in Zambia is governed by various pieces of legislation, depending on the type of financial service offered. There is no single piece of legislation that governs the entire fintech industry. Generally, fintech is governed by the same laws that govern traditional financial services. However,

because of the digital or technological aspect, there are specific laws that apply only to fintech and not to traditional financial services. Fintech is primarily governed by the Banking and Financial Services Act No. 7 of 2017, which regulates the licensing of financial service providers and the provision of financial services. It also governs the behavior of financial service providers and creates consumer protection mechanisms. It is administered by the Bank of Zambia which issues different types of licenses to financial service providers.

The National Payment Systems Act No. 1 of 2007 regulates payment system operations to ensure their safety, security, and dependability. The Insurance Act Chapter 392 of the Laws of Zambia, in addition to regulating life and general insurance, introduces and makes provision for the regulation of micro-insurance, expanding the number of insurance products that can be offered through fintech. The Data Protection Act No. 3 of 2021 specifies how customer information and data must be gathered and managed and the various regulations and directives issued pursuant to the foregoing (Ibid, 2023).

Quality Financial Services

Quality financial services were relative as this was mainly determined by the service provider. However, customers influence quality of financial services through their expectation of the communicated level of quality. Quality financial services were crucial to the retention of customers. Technological innovation was a prime factor in the provision of quality services especially in the 21st century. Quality financial services was therefore a byproduct of adopting and making use of relevant technological systems.

Customer Base

The customer base was the primary element that was necessary for profit to be made through the rendering of quality financial services. The customer base was composed of banked individuals and the unbanked individuals who were potential customers. Once an institution wins over loyal customers, it was easy to not only serve them but to attain profits as well as to satisfy the customers financial needs. The level of customer base had a bearing on the profitability of an institution.

In conclusion, while it was that various studies had been undertaken to better understand the impact of the adoption of fintech from many different fronts, no study has been undertaken in the Zambian local banking sector to investigate the impact of fintech adoption and how this has affected profit and service provision. Therefore, it

was for this very reason that this research explored the impact that using fintech has brought to local Zambian banks.

CHAPTER THREE

METHODOLOGY

3.0 OVERVIEW

This chapter describes the methodology that this study used. The paramount being the research approach, research design, study population, sampling technique, data collection procedure, data analysis and finally ethical consideration.

3.1 RESEARCH APPROACH

This research took on the mixed method approach, a combination of both the quantitative and qualitative methods. This was to enable this research to bring out comprehensive findings. The core endeavor of this approach was to provide a complete and comprehensive understanding of the study being conducted. Selection of Research approach (2024) added that through the mixed method approach a researcher is able to base the inquiry on the assumption that collecting diverse types of data best provides a more complete understanding of a research problem than either quantitative or qualitative data alone.

Therefore, the mixed method was appropriate to obtain a complete perspective from the findings of this study.

3.2 RESEARCH DESIGN

This research utilized the concurrent design, a form of mixed methods design in which qualitative and quantitative data was converged or merged to provide a comprehensive analysis of the research problem. Taherdoost (2022) highlighted that this design required that data from qualitative and quantitative methods be gathered at one phase and concurrently. After which the provided databases are to be examined to find differences, convergences and possible combinations. The main aim of this method is to cover the demerits of one of the single methods with the strengthening of the other one or to add the strengths of the methods to each other. Finally, data would be merged or rather integrated into the mixing process which was done in the discussion or interpretation of findings.

3.3 STUDY POPULATION

The study population included all commercial banks within the Lusaka central business district. The sample size was derived from the total population of the study which comprises of 14 functional banks in Zambia that employee approximately 10

members of staff per branch and serve over 50 customers daily. The sample had a minimum of 30 percent of the population in accordance with the rule of thumb.

3.4 SAMPLING TECHNIQUE

The sampling technique that was employed was the non-probability sampling technique and would further utilize purposive sampling. This was because not every individual was a gatekeeper of the information that was being sought, therefore, key individuals as per their expertise and office jurisdiction were identified and engaged to be respondents.

The study targeted all 14 identified commercial banks in the Lusaka central business district. Bank employees who interact with fintech systems to serve customers as well as customers were also sampled through convenience sampling.

3.5 DATA COLLECTION PROCEDURES

This research collected primary data as well as secondary data. The former was collected through a structured interview guide as well as a self-administered questionnaire. The latter utilized data in form bank statements to investigate and analyze data as it related to this study.

The questionnaire and interviews were accompanied by a consent note, stating the intention of the questionnaire and the overall study in order to bring context and clarity to the respondents before administering the data collection instruments. Further, document analysis was carried out through the annual reports that banks publish on their websites.

3.6 DATA ANALYSIS

The data collected in this research was systematically organized qualitatively and quantitatively respectively and then the findings were compared through the concurrent triangulation process.

Firstly, the qualitative data was filtered and reduced through thematic and content analysis by way of reading, assigning themes and labeled. The quantitative data was reviewed and input into SPSS, Statistical Package for Social Sciences, a data analysis software. Thereafter, the quantitative data was analyzed using descriptive and inferential statistics, to describe the data numerically in order to generalize the insights gathered from the sample population to the entire population. Thereafter, statistical tests and analysis tools were used such as the regression analysis as it was able to determine the relationship between two or more variables of interest and correlation test to deduce the relationship between variables and the extent of that

relationship. The findings from the data were compared and merged to check for divergence, complementarity and commonality. Subsequently, the interpretation of findings in relation to the research questions and objectives were discussed in the reporting of findings phase.

3.7 STUDY VARIABLES

Independent Variable

The adoption of fintech is the independent variable that this study identified. This is essentially because the adoption of fintech is an unchanging variable that is able to cause a change in another variable while it remains constant.

Dependent Variable

Profitability and provision of quality financial services are the study variables identified in this study which are dependent on the influence of another variable, in this case the adoption of fintech.

Control Variable

Control variable, also known as the moderating variable consisted of market competition and regulatory factors. These variables affect the relationship between the independent and dependent variables therefore influencing the outcome from the two variables.

3.8 ETHICAL CONSIDERATION

The nature of the information that was sought was sensitive and crucial to the targeted institutions business strategy. Therefore, ethical clearance was sought from the University of Lusaka ethical clearance team before engaging with the target population of this study. Further, other key ethical considerations were taken into account so as to protect the respondents that were part of the sample. Therefore, the following considerations were adopted;

- ✓ **Organizational Consent** - Permission was sought from the institutions that were part of this study. This was to ensure that consent was given to carry out the research because of the nature of the data that is required to be collected.
- ✓ **Confidentiality** - The respondents' names were not captured in order to protect their privacy. Therefore, all the respondents have an anonymous status.
- ✓ **Validity of Information** - The respondents were encouraged to share accurate and honest information in order for authentic and unbiased data to be collected for this study.

- ✓ **Gifts & Rewards** - The respondents were not offered any incentives in form of gifts or rewards in order to be part of this study. They were clearly requested to take part in this study out of their free will and courtesy. They were given the opportunity to opt out for any reasons that they would bring forward.

CHAPTER FOUR

PRESENTATION & ANALYSIS OF RESULTS

4.0 OVERVIEW

This chapter constitutes the data that was collected on the quest to investigate the impact of the adoption of fintech by commercial banks in Lusaka central business for profit and provision of quality financial services through the data collection instruments that were employed. Both quantitative and qualitative data analysis was undertaken. Quantitative data was analyzed through descriptive statistics which included, frequencies, measures of central tendencies. Inferential statistics included correlation which assessed the level of association between variables. Furthermore, regression analysis determined the relationship between variables. The findings from secondary data sources were presented in table form using trend analysis. Overall, the quantitative findings are presented in figures and tables. Qualitative data was summarized and presented through themes.

4.1 QUANTITATIVE PRESENTATION & ANALYSIS

Demographics & Background Information

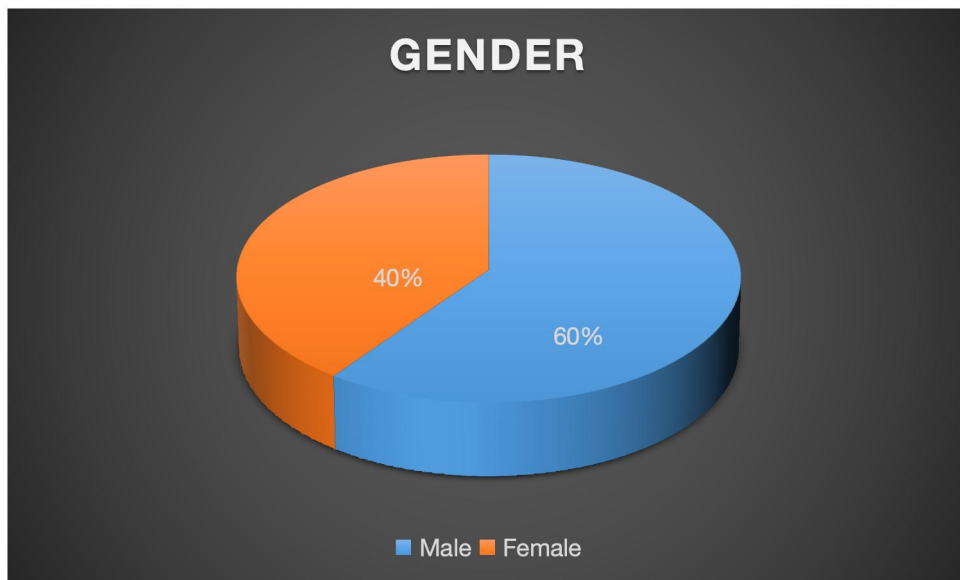


Figure 2

Demographic data was important and played a crucial role in understanding the respondents and it built a basis for understanding and characterizing the

respondents accordingly. The findings from our investigation in figure 2 show that 60% of our respondents were male and 40% were female. The consideration of both genders was to promote inclusion and eliminate gender bias.

Age Group				
	Frequency	Percent	Valid Percent	Cumulative Percent
21-25	2	6.7	6.7	6.7
26-30	4	13.3	13.3	20.0
31-35	10	33.3	33.3	53.3
36 & Above	14	46.7	46.7	100.0
Total	30	100.0	100.0	

Table 1

Age Group Statistics

Statistics	
Age Group	
Mean	4.20
Median	4.00
Mode	5
Std. Deviation	.925
Skewness	-.987
Sum	126

Table 2

The age distribution of the data collected and displayed in table 1 shows that 6.7% of the respondents belonged to the 21-25 age range, 13.3% belonged to the 26-30 range, 33.3% were respondents from the 31-35 age group and finally, the 36 and above range accounted for the majority being 46.7%. Therefore, the average age range as per table 2 was between 31-35 and 36 & above. The standard deviation 0.925 entails that the data is spread out away from the mean. The skewness value of -0.987 entails that the data is negatively skewed. The center of our data set was located in 31-35 age range.

Statistics

Educational Qualification	
Mean	2.13
Median	2.00
Mode	2
Std. Deviation	.776
Skewness	1.655
Sum	64

Table 3

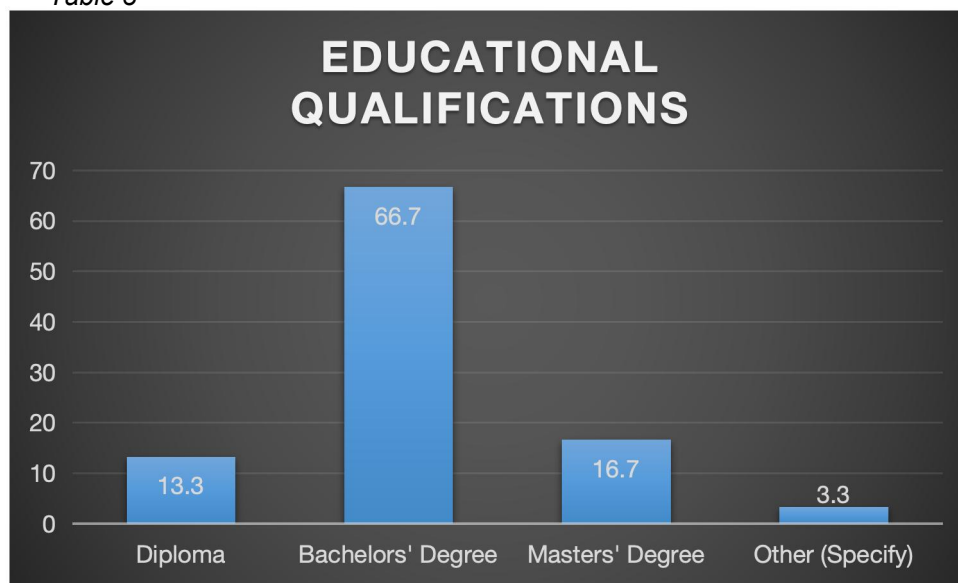


Figure 3

Figure 3 shows that educational qualifications of our respondents were distributed as follows; 13.3% were diploma holders, 66.7% were bachelors' degree holders, 16.7% were Masters' degree holders and 3.3% possessed other qualifications such as certifications. Table 3 shows that the average educational qualification was bachelors degree with a mean score of 2.13. the mid-point of our data set was the bachelors degree holders. The standard deviation value of 0.776 indicates that the data was spread away from the mean. The skewness being 1.655 entails that the data was positively skewed.

Professional Status Distribution					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Worker	13	43.3	43.3	43.3
	Customer	17	56.7	56.7	100.0
Total		30	100.0	100.0	

Table 4

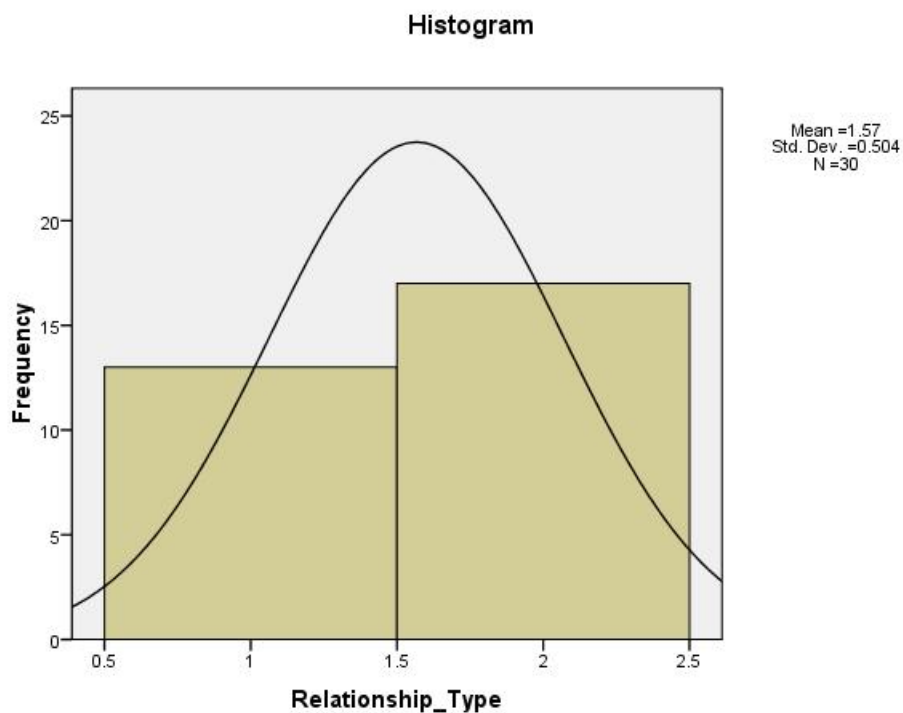


Figure 4

Our respondents were comprised of 43.3% bank workers who are at the front line of the rendering of fintech services and 56.7% of customers who are the recipients of the banking services. Table 4, shows that the responses were normally distributed with the average of the respondents being customers and standard deviation of 0.504 indicating that the data is spread away from the mean.

IMPACT OF FINTECH ADOPTION

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	27	90.0	90.0	90.0
No	3	10.0	10.0	100.0
Total	30	100.0	100.0	

Table 5

Table 5 shows that of the total sample, 90% possessed a thorough understanding of what fintech is, 10% had no express knowledge of fintech.

	Frequency	Percent	Valid Percent	Cumulative Percent
None	4	13.3	13.8	13.8
1-2Years	3	10.0	10.3	24.1
3-5Years	5	16.7	17.2	41.4
More than 5 Years	17	56.7	58.6	100.0
No Response	1	3.3	100.0	
Total	30	100		

Table 6

The findings as depicted in table 6, show that 13.3% of our respondents had no experience with fintech services, while 10% interacted with fintech for 1-2 years, 16.7% interacted with fintech services for 3-5 years, 56.7% interacted with fintech for more than 5 years. Therefore, the majority of our respondents had more than 5 years of experience with fintech.

Introduction_Smart_Technologies				
	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	29	96.7	96.7	96.7
No	1	3.3	3.3	100.0
Total	30	100.0	100.0	

Table 7

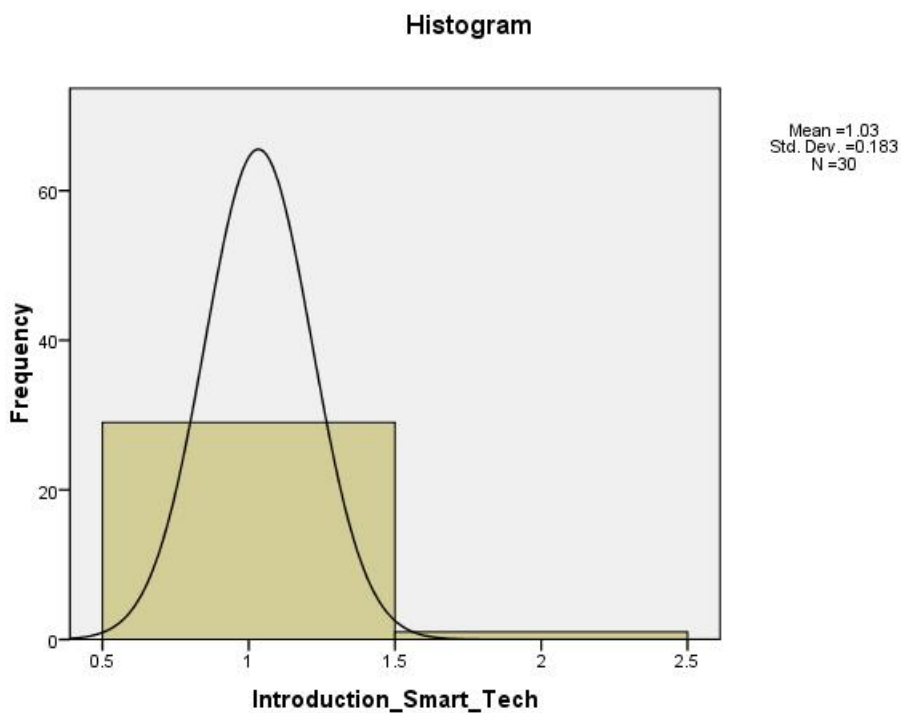


Figure 5

The data collected indicated that the majority of respondents recognized the fintech services that their bank introduced. 96.7% were aware of the smart technologies the banks introduced while 3.3% were not aware of the introduction of smart technologies. The mean score of 1.03 showed that the average respondents affirmed that they were indeed aware of the introduction of smart technologies by their bank. The standard deviation indicated that the data was spread away from the mean with the score of 0.183.

CROSS TABULATIONS

Gender & Understanding_Of_Fintech Crosstabulation

		Understanding_Of_Fintech		Total
		Yes	No	
Gender	Male	17	1	18
	Female	10	2	12
Total		27	3	30

Table 8

Table 8 shows a cross tabulation of gender and the understanding of fintech which highlights those 17 males understood fintech while 1 male did not. 10 females affirmed their understanding of fintech while 2 females did not have any knowledge of what fintech was. Table 8 clearly shows that the male respondents were the majority of the sample and almost all of them possessed knowledge and understanding of fintech.

Gender & Professional Status Cross tabulation

		Professional Status		Total
		Worker	Customer	
Gender	Male	6	12	18
	Female	7	5	12
Total		13	17	30

Table 9

Table 9 above indicates that of the total sample of male respondents 18, 6 were bank workers and 12 were customers. 7 out of 12 total female respondents were bank workers while 5 were customers.

Gender * Educational_Qualification Cross tabulation

		Highest_Qualification				Total
		Diploma	Bachelors' Degree	Masters' Degee	Other (Specify)	
Gender	Male	3	12	2	1	18
	Female	1	8	3	0	12
Total		4	20	5	1	30

Table 10

Table 10 shows that of the 18 males, 3 had diplomas, 12 possessed bachelors degrees, 2 had masters degrees and 1 had other qualifications. From the female respondents totaling 12, 1 had a diploma, 8 had bachelors degrees, 3 had masters degrees.

Age & Understanding_Of_Fintech Crosstabulation

		Understanding_Of_Fintech		Total
		Yes	No	
Age Group	21-25	2	0	2
	26-30	2	2	4
	31-35	9	1	10
	36 & Above	14	0	14
Total		27	3	30

Table 11

Table 11 indicated that the respondents from the age range of 21-25, 2 respondents understood what fintech was. From the 26-30 age range, 2 understood fintech and 2 did not know what fintech was. The 31-35 respondents showed that 9 understood fintech while 1 did not. Lastly, the 36 and above range included 14 respondents who understood what fintech was.

		Male/Female	Educational Qualification
Gender	Pearson Correlation	1	.036
	Sig. (2-tailed)		.852
	N	30	30
Educational Qualification	Pearson Correlation	.036	1
	Sig. (2-tailed)	.852	
	N	30	30

Table 12

Table 12 displays a correlation of gender and educational qualification with a coefficient value of 0.036. The analysis showed that there was a weak positive correlation between gender and educational qualification.

		Gender	Understanding_Of_Fintech
Gender	Pearson Correlation	1	.181
	Sig. (2-tailed)		.337
	N	30	30
Understanding_Of_Fintech	Pearson Correlation	.181	1
	Sig. (2-tailed)	.337	
	N	30	30

Table 13

The correlation between the gender and understanding of fintech gave a coefficient value of 0.181 which showed that there was a weak positive correlation between gender and understanding of fintech.

Correlations

		Educational_Qualification	Relationship_Type
Education Qualification	Pearson Correlation	1	.153
	Sig. (2-tailed)		.420
	N	30	30
Professional Status	Pearson Correlation	.153	1
	Sig. (2-tailed)	.420	
	N	30	30

Table 14

The correlation between educational qualification and professional status depicted a weak positive correlation of 0.153.

**T Test
Gender & Understanding of Fintech**

Group Statistics

		N	Mean	Std. Deviation	Std. Error Mean
Understanding_Of_Fintech	Male	18	1.06	.236	.056
	Female	12	1.17	.389	.112

Table 15

Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Understanding Of Fintech	4.050	.054	-.976	28	.337	-.111	.114	-.344	.122
			-.886	16.401	.388	-.111	.125	-.376	.154

Table 16

Table 16, shows the findings for the comparison of means for the understanding of fintech between males and females. The findings were that the t value -0.976, was smaller than the critical value 2.048 ($t < 2.048$), it also showed that the p value was larger than 0.05 ($p > 0.05$) which essentially entails that there is no statistical significance. The confidence interval also showed that the lower limit was -0.344 and upper limit 0.122. This implied that the confidence interval included zero. The overall conclusion was that there was no statistical difference between the means of the males and female's understanding of fintech.

BANK PERFORMANCE

Influence Of Fintech in Service Delivery

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	5	16.7	16.7	16.7
Neither Agree or Disagree	1	3.3	3.3	20.0
Somewhat Agree	3	10.0	10.0	30.0
Agree	12	40.0	40.0	70.0
Strongly Agree	9	30.0	30.0	100.0
Total	30	100.0	100.0	

Table 17

Most of our respondents were in agreement with the notion that the adoption of fintech influences the delivery of financial services to customers in a positive way with 40% of them affirming through agreeing, 30% strongly agreeing, 10% somewhat agreed, 3.3% neither agreed nor disagreed and 16.7% strongly disagreeing.

Improved_Financial_Services				
	Frequency	Percent	Valid Percent	Cumulative Percent
Speed of Service	5	16.7	16.7	16.7
Accessibility of Services	15	50.0	50.0	66.7
All the Above	10	33.3	33.3	100.0
Total	30	100.0	100.0	

Table 18

Table 18 shows that the respondents highlighted that accessibility of services was improved the most with 50% of them expressing this. 16.7% identified that speed of service had improved after the introduction of smart technologies by the bank. 33.3% of the respondents highlighted that all the services which included speed of service, accuracy of transactions, customer support and accessibility of services all had improved.

Experience With Fintech Services				
	Frequency	Percent	Valid Percent	Cumulative Percent
Fair	6	20.0	20.7	20.7
Good	10	33.3	34.5	55.2
Very Good	9	30.0	31.0	86.2
Excellent	4	13.3	13.8	100.0
No response	1	3.3	100.0	
Total	30	100		

Table 19

When asked how their experience with the interaction with fintech has been, the majority of the respondents affirmed that their experience had been good with a

frequency of 33.3%, 30% said it was very good, 13.3% said excellent and 20% thought it was fair.

THE ROLE OF FINTECH IN SERVICE PROVISION

Fintech - Convenience & Flexibility

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	1	3.3	3.3	3.3
Neither Agree or Disagree	1	3.3	3.3	6.7
Somewhat Agree	1	3.3	3.3	10.0
Agree	13	43.3	43.3	53.3
Strongly Agree	14	46.7	46.7	100.0
Total	30	100.0	100.0	

Table 20

Table 20 shows the summary of responses to the statement, “the use of fintech has led to convenience and flexibility to clients”. The responses were that 46.7% strongly agreed, 43.3% agreed, 3.3% somewhat agreed, 3.3% were neutral and 3.3% strongly disagreed that the use of fintech has led to convenience and flexibility to clients.

Frequency of Bank Visit

	Frequency	Percent	Valid Percent	Cumulative Percent
Never	2	6.7	6.7	6.7
Rarely	18	60.0	60.0	66.7
Sometimes	4	13.3	13.3	80.0
Often	4	13.3	13.3	93.3
Always	2	6.7	6.7	100.0
Total	30	100.0	100.0	

Table 21

As per the data collected and displayed in table 21, 6.7% expressed that they never physically visit the bank to receive banking services. 60% highlighted that they rarely, visit the bank, 13.3% said they sometimes visit the bank, 13.3% said they often visit

the bank and 6.7% of the respondents said they always visit the bank to receive banking services.

Physical Bank Visits – Bank Transfer

	Frequency	Percent	Valid Percent	Cumulative Percent
Extremely Unlikely	7	23.3	23.3	23.3
Unlikely	13	43.3	43.3	66.7
Neutral	6	20.0	20.0	86.7
Likely	3	10.0	10.0	96.7
Extremely Likely	1	3.3	3.3	100.0
Total	30	100.0	100.0	

Table 22

Table 22, highlights that 23.3% of the respondents were extremely unlikely to physically visit the bank, 43.3% of the respondents were unlikely, while 20% were neutral, 10% expressed that they were likely to physically visit the bank and 3.3% were extremely likely to physically visit the bank to facilitate a bank transfer or payment. Therefore, the data showed that the likelihood of physical bank visits reduced as customers utilized online payment systems.

Regression Analysis - fintech adoption & provision of Quality Financial Services

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.001	1	4.001	3.031	.093 ^a
	Residual	36.966	28	1.320		
	Total	40.967	29			

a. Predictors: (Constant), Introduction_Smart_Tech

b. Dependent Variable: Fintech_Results

Table 23

From table 23, the p-value 0.093 ($p > 0.093$) is greater than the significance level of 0.05, implying that the regression model is not statistically significant. Therefore, introduction of smart technologies by the bank is not a strong predictor of the provision of quality financial services.

T Test

Introduction of Fintech & Provision of Quality Services

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Introduction of Fintech	1.03	30	.183	.033
	Provision of Quality Services	5.97	30	1.189	.217

Table 24

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)	
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference					
				Lower	Upper				
Pair 1	Introduction of Fintech	-	1.258	.230	-5.403	-4.464	-21.486	29	.000
	Provision of Quality Services	4.933							

Table 25

Table 25 shows the findings for the comparison of means for the introduction of fintech and the provision of quality financial services. The findings were that the t value, was smaller than the critical value 2.080 ($t < 2.080$), it also showed that the $p < 0.00$ was smaller than 0.05 which translated in there being a statistically significant difference between the two means. The confidence interval also showed that the lower limit was -5.403 and upper limit -4.464. This implied that the confidence interval did not include zero. The overall conclusion was that there was a statistical difference between the two compared means.

Regression Analysis – Experience with fintech & Bank recommendation

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.287	1	4.287	6.266	.019 ^a
	Residual	18.472	27	.684		
	Total	22.759	28			

a. Predictors: (Constant), Experience_With_Fintech

b. Dependent Variable: Bank_Referral

Table 26

From table 26, the p-value 0.019 ($p < 0.019$) is less than the significance level of 0.05, implying that the regression model is statistically significant. Therefore, customer's experience with fintech services is a strong predictor of bank referrals.

Preference of Services Type				
Name of Service	Frequency	Percent	Valid Percent	Cumulative Percent
External Funds Transfer	1	3.3	3.3	3.3
Bank Statements	1	3.3	3.3	6.6
Insurance	1	3.3	3.3	9.9
Loan & Mortgage	13	43.3	43.3	53.2
Overdraft Services	6	20	20	73.2
All the above	2	6.7	6.7	79.9
None of the Above	5	16.67	16.6	96.5
Credit & Debit Card Services	1	3.3	3.3	100
Total	30	100	100	

Table 27

Table 27 shows the responses of the preferences of services customers would prefer to access physically at the bank. 3.3% preferred to access insurance services physically, 43.3% of respondents opted to receive loan and mortgage services

physically. Furthermore, 20% preferred to access overdraft services physically, 6.7% preferred to access all the services offered by the bank physically, 16.67% expressed that they would rather not receive any services listed physically. 3.3% for respondents who would like to access bank statements in a physically structured bank and 3.3% preferred to access credit and debit card services physically.

Trend Analysis – Banks Profits

First Capital Bank			
<i>Year Ending 2014</i>	<i>Year Ending 2023</i>	<i>Difference</i>	<i>Growth %</i>
K6,020,786	K178,889,737	K172,868,951	97%
Indo Zambia Bank			
<i>Year Ending 2015</i>	<i>Year Ending 2023</i>		
K80,815,194	K604,333,150	K523,517,956	87%
Access Bank			
<i>Year Ending 2017</i>	<i>Year Ending 2023</i>		
(K55,119.00)	K148,027	K92,908.00	63%
Ecobank			
<i>Year Ending 2009</i>	<i>Year Ending 2023</i>		
K25,107	K90,535	K65,428	72%
Zanaco			
<i>Year Ending 2008</i>	<i>Year Ending 2023</i>		
K51,985	K1,879,481	K1,827,496	97%

Table 28

All the data highlighted in the above table was derived from each banks' published annual statements.

Table 28 highlights a trend analysis of 5 commercial banks in the central business district's recorded profit as per their published annual reports. The analysis displayed by table 28 shows that bank profits have steadily been increasing with above average performance to performing exceptionally well. Part of their strategies was the inclusion of technologies that enabled them to serve customers with value added services.

4.2 QUALITATIVE DATA ANALYSIS

Transformation of Fintech – Customer Perspective

Our respondents stated that fintech enhanced their service experience through “24/7 access of banking services through online banking and mobile banking which can conveniently be accessed on their mobile devices in the comfort of their homes”. This also “reduced costs of physically visiting the bank and provided convenient services at their finger-tips”. “Services such as account balance inquiries, transfers and access to statements have become easily accessible”. The “online platforms are easy to navigate, fast and secure”. The traditional physical visit to the bank to access mundane banking services became significantly reduced due to remote banking.

Transformation of Fintech – Service Provider Perspective

Among the many responses received from the service provider respondents, was that “transactions became easier and faster”. They also reiterated that “the reduction of long queues enabled them to serve other priority customers physically”. “Speed of service to customers also improved as well as improved payment systems”. Other respondents highlighted the “national financial switch which transformed their banking system thereby transforming interbank transactions”. “The availability of 24/7 banking services entails extended business hours for the bank”, thereby generating passive income. They further stated that “the on boarding of fintech systems has also lessened paperwork, enhanced customer experience”.

Rationale for Service Specific Preferences

The data collected pertaining to the specific services customers preferred to access at a physical bank indicated that the majority of the respondents opted to receive mortgage and loan services in person. Their responses in this regard were that “this service requires face to face interaction with a bank service provider”. Other responses were that “they may need to clarify, ask questions and get responses immediately”, “face to face interactions build more trust and confidence in the mortgage and loan service” “It requires clear explanation and understanding”.

Furthermore, other respondents highlighted that they preferred to receive overdraft services physically and another group of respondents preferred to receive non of the banking services physically as they shared that “If things are can be done online, there is no point of going to the bank”, others expressed that “it is more convenient and time saving to access services online”.

Effects Of The Use Of Smart Technologies - Bank Perspective

The data collected using the structured interview revealed that the use of smart technologies has impacted banks in both a positive and negative way. The positive effects being the “reduction of customer turnover, and complaints of delayed services” owing to the decongestion of physical banks because of the provision of alternative channels through which they can access different services away from the physical bank building. This in turn makes room for the bank and its workforce to focus on tasks that strategically benefit the bank.

On the other hand, due to age and literacy diversity, the use of smart technologies has negatively affected the elderly and uneducated. Cybercriminals exploit this category of individuals due to their lack of ability to decode their ill intentions. System maintenance works also account for the negative effects of using smart technologies as they may occur suddenly and in some instances, for longer periods than planned, therefore, reducing productivity. Additionally, there is also a risk of employee turnover due to laying off members of staff that become irrelevant after adopting technologies that perform their tasks. There is also a cost of backup systems and servers that are used to store information.

Guarantee of Fast & Secure Services Feedback

As per the data collected from the respondents, the services that the banks offer are indeed fast and secure. The bank has put measures in place to ensure authentication of account holders such as the requirement to produce an original copy of a national registration card, passport or driver’s license to gain access to accounts. They have also instituted strict KYCs including proof of residence for all account holders. The bank has also invested in security procedures such as passwords and tokens for online and mobile banking. Another paramount security measure they have instituted is communication with the customers and guiding them to beware of cybercrime and refrain from sharing their bank passwords with third parties among other things. Furthermore, the speed of service has also improved in that banks offer both onsite and offsite customer services through call centers. They also invest in training their staff to adhere to service level agreements and turnaround time per customer as prescribed by the consumer protection commission and bank of Zambia.

Provision of Satisfactory Financial Services Through Fintech

The respondents' feedback to the inquiry of the satisfactory rendering of financial services by the bank using fintech produced both negative and positive responses. Some respondents highlighted that it indeed has enabled banks to provide satisfactory financial services as evidenced by the reduction of customer service complaints. On the downside, system maintenance though necessary distorts progress and are sometimes inconsistent. Respondents shared that systems go offline; faults and errors occur that prevent the satisfactory rendering of financial services.

Banking Services Offered Online

Our respondents highlighted the following services can be accessed online; "Utility bill payments, school fee payments, smart pay, real time payments, transfer of funds to another account within the bank as well as outside the bank, motor vehicle insurance, statutory obligations such as tax, national health insurance" among other things. The services highlighted, are essential and crucial to customers, therefore, their ability to access them online has been time and cost effective.

Bank Annual Statements Insights

During the year under review, being 2015, Indo Zambia Bank embarked on an information technology enabled business transformation programme, for the benefit of customers. The programme which was implemented by the Bank provided their customers a superior banking experience and convenience on a 24/7 basis through deployment of an upgraded core banking solution platform with integrated delivery channels like ATMs, Visa Debit Cards, Internet, Mobile banking, e-Statements among other things (Indo Zambia Bank, 2015)

Ibid (2015) also states that in the first quarter of 2016, the bank launched a full-fledged transaction enabled internet banking service. Through this platform, customers have the privilege to make payment of utility bills and also inter and intra bank fund transfers. Corporate customers are also furnished with the facility of direct salary uploads. In order to protect customers from phishing, Indo Zambia Bank implemented beneficiary registration for third party fund transfer activities. The introduction of "swift" facility for worldwide interbank financial communication was also a game changer. The bank also ensured that all Indo Zambia bank branches possess the real time gross settlement service and electronic funds transfer facilities.

Also customers were provided the facility of making interbank transfers online using Internet Banking.

Indo Zambia Bank (2023) The bank maintained its customer centric policy through which it continues to place customers at the heart of its operations to ensure retention and guarantee business growth. As a result of the customer centric approach, the bank recognized that the future of banking is about delivering a convenient and exceptional customer experience that is powered by innovation and the smart use of technology. The bank also continued to improve their digital platforms to make internet banking faster and safe as well as to enhance the banking experience through making the experience more convenient and more accessible.

According to First Capital Merchant Bank (2014) the new core banking system the bank adopted, Finacle was implemented in May 2014 together with other systems such as the integrated switch and European banking authority financial reporting. The implementation of the new internet banking platform was launched in 2015. Ecobank (2024) the increasing focus on digital platforms to provide convenience to clients has become a priority factor. The bank commits to serve clients with speed, accuracy and optimum professionalism.

Access bank (2024) The bank prides itself as a local bank delivers commercial banking products as well as e-banking and internet banking. The bank recently launched “Promo Through Electronic Payment Platform” in their quest to serve customers better. The platform offers convenient and affordable alternative to cash payments across different banks.

Zanaco (2023) in their 2023 integrated annual report stated, the bank recognizes the opportunities that new technology brings and have taken intentional steps to incorporate these opportunities into product offerings for the benefit of clients. These include servicing digital clients through digital platforms such as through the Zanaco App, Zanaco Xpress Agents, ATMs, Internet or rather Online Banking and Mobile Banking. Digital Banking caters for all clients within the informal and formal sector with less complex financial needs that rarely require access to branches.

More so, the realized performance against key performance indicators relating to this enabler are measured by overall growth in customer numbers which includes the growth in Xpress agents, improved customer experience scores, increased customer transactions and improved sustainability. Registered client numbers continue to grow, closing at over 5 million by year end 2022 grew to 4.10 million. Xpress agent

numbers grew from 22,000 in 2022 to over 27,000 at the end of 2023. In the quest to deliver on the customer centric approach, continuous improvement of channels and customer touch points through launching new services becomes essential, relationship management with agency banking and engagement in key partnerships such as the Airtel and Zanaco Bill Muster service. All this serves to make financial services accessible to customers as the bank strives to meet more of the customers financial needs (Zanaco, 2023).

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.0 OVERVIEW

This chapter discusses the findings that were reported in chapter four. The findings therefore, will be discussed critically in order to establish answers to the research questions and essentially bring to light the impact of the adoption of fintech in the commercial banking sector. The impact of fintech adoption was also expressed through the revolutionary transformation our respondents have experienced both from the customer front and bank's perspective through the insights shared by their workers.

5.1 Discussion of Findings

Firstly, the background information in form of demographics from the data collected and highlighted in figure 2 had a 35% response rate, this accounts for the 30 self-administered questionnaire respondents and 5 interview respondents from 5 banks. Therefore, as per the rule of thumb that states that a sample should comprise a minimum of 30% of the total sample, the 35% rate this study accomplished not only meets this requirement but is also considered sufficient and has the capacity to deliver accurate findings in accordance to the central limit theorem (Ganti, 2024). Although the percentage of male respondent was higher than that of the females, this gap can be attributed to the males acute interest in technological innovation as compared to women.

5.1.1 Evidence of Fintech Adoption

From the findings in the proceeding chapter, there is substantial proof of the adoption and integration of fintech by banks. Table 7 highlights findings reinforcing the assertion of the adoption of fintech by commercial banks accounting for 96.7% of the self-administered questionnaire respondents who admitted of the introduction of innovative technologies to their banking services. The UN Capital Development Fund (2023) highlighted that the fintech market poses both opportunities of collaboration and competition. There has been a surge and a drive for more established financial service providers to partner with fintech both as service providers for their unique internal needs as well as co-providers of services such as shared wallets.

Furthermore, customers prefer to access the services offered by banks in their respective locations. This is a clear indication of the acceptance of the use of fintech systems. The findings from this study in table 21 also highlight that 60% of customers rarely visit the bank to access basic banking services. Another indicator of the use of mobile devices to access banking services.

5.1.2 The Relationship Between Fintech & Profit

One of the driving forces and requirement for any business to grow and thrive is a positive cash flow that leads to profit. More so, every business aims to have a sustainable profit venture. This aim hinges on the strategic decisions that a business makes. From the findings in the proceeding chapter, it is evident that incorporating smart technologies in the form of fintech has revolutionized the banking sector by way providing remote banking platforms over the web among many other convenient and relevant services that banks today are offering.

From the trend analysis of five sampled banks, the profit increase percentage has been increasing over the years. All the five sampled banks have embraced fintech in that they all offer online banking, E-payments through Mobile Money, ATMs and POS among other services. This is also reinforced by the 46.7% response rate from respondents who affirmed that fintech has led to convenience and flexibility of access to financial services. Among the sampled banks, Zambia National Commercial Bank Annual Report (2008), highlighted that part of their milestones for the year 2008, was the launch of corporate and retail internet banking modules, increasing their ATMs from 35 to 145 by December 2009 as well as the launch of cellphone airtime topup on ATMs. Furthermore, their financial performance showed that they were able to grow revenues by 34% compared to the 24% achieved in 2007. The availability of 24/7 banking services enables the banks to continuously generate revenue. The utilization of fintech services also enables the bank to run effective and efficient operations, which contributes to preservation of resources that would otherwise be used to resolved internal failure costs.

5.1.3 The Relationship Between Fintech & Quality Financial Services

The findings gathered on the relationship between fintech and provision of quality financial services suggest that the use of fintech has enhanced the customers user experience. The respondents highlighted that Improved speed of service, accuracy of transaction, customer support, accessibility of services as cornerstone qualities that contribute to a preferred customer experience. The qualities mentioned, are able

to be enhanced by fintech systems. Therefore, the underlying relationship between fintech and provision of quality financial services was established. This is evidenced by the findings from the regression analysis highlighted in table 26 and the T test summarized in table 25. The findings were that there was a statistical difference between the two compared means of the (introduction of fintech and provision of quality financial services) The regression analysis concluded that the introduction of smart technologies by the bank was not a strong predictor of the provision of quality financial services. This is because fintech plays a facilitation role of quality service provision. Other factors such as internet connectivity may interfere with service provision. This is also true of a study that was conducted in India by (Sankaran & Chakraborty, 2021) who highlighted that the growth of fintech in India is not without challenges. Network quality issues disrupt transactions impacting two-thirds of digital payment users monthly.

5.1.4 Interpretation of Hypothesis

H₀ There is no statistically significant relationship between profitability and the adoption of fintech by commercial banks in Lusaka.

The findings from this study support and shows that there is a connection between the utilization of fintech services that have been established by multiple factors some of which include the accessibility of bank services at any time and at varying locations. The ability of fintech to serve large numbers of people which includes both the banked and unbanked produces economies of scale and passive income. The secondary data analyzed in table 28 reinforces this conclusion that there is a relationship between profitability and the adoption of fintech by commercial banks in Lusaka.

H₁ There is a statistically significant relationship between profitability and the adoption of fintech by commercial banks in Lusaka.

The data collected in the preceding chapter particularly, the trend analysis based on profit from the banks that were part of the sample entails that banks indeed have been reaping profits. However, it was established that while it is that online platforms and other fintech mediums such as ATMs generate revenue, they are not the primary sources of profits for banks. The role established by the findings is that they catalyse and provide flexible and convenient ways for banks to serve a vast number of people.

Therefore, the role that fintech plays in the profitability of banks cannot be understated. Through enhanced and decentralized ways to access services through street vendors, online services on mobile devices and automated teller machines, customers have the privileged of anywhere, anytime service access.

The conclusion is to reject the null hypothesis and accept the alternative hypothesis that states that there is a statistically relationship between profitability and the adoption of fintech by commercial banks in Lusaka central business district.

5.1.5 Factors Supporting Fintech Adoption

Global Trends

Financial Technology has been widely accepted globally by financial institutions, banks inclusive. Because of its acceptance, it has become necessary to incorporate it into business systems. Technology enables faster and accurate transactions, customers have been made aware of this and therefore, demand such services. Moreover, businesses expand through establishing more business in other parts of the world, likewise people travel the world and require banking services from their native country. This reality reinforces the relevance of fintech adoption.

Frequency of Bank Visits

The congestion of banks with long queues affects customers productivity, apply pressure on bank workers such that errors become a common occurrence. The findings in table 21 regarding the frequency of bank visits show that 60% of the respondents highlighted that they rarely opt to visit the bank to access banking services to avoid the tedious long queues and congestion they have experienced. As such, customers would rather be able to access services in their respective locations away from the bank.

Speed of Services

The ability to serve large numbers of people depends on the speed of service. Technological systems are the tools that have the capacity to offer speed of service. Therefore, the drive to maximize on profits, encourages decision makers to adopt smart and fast financial systems that are able to reach and serve customers within the shortest time possible.

Accuracy of Services

Financial technological powered systems can be precise as they are powered through artificial intelligence. For instance, the automated teller machines are able to

accurately dispense the right amount of money requested by the customer while deducting the precise amount from the customers account.

Customer Support

The need for customers to resolve errors, address unfortunate occurrences such as loss of a debit card, double deductions payments by the bank, swallowed debit cards are common. Customers in such instances require immediate support to rectify such occurrences hence the relevance of customer care and call centre services. Customer support services are enhanced through fintech as inquiries and issues can be clarified and mitigated online.

Convenience & Flexibility

Flexibility and convenience are also driving forces to the adoption of fintech in commercial banks. The 21st Century customers are accustomed to accessing services remotely, such as shopping online, fast food delivery services and the ability to make bill payments using a mobile device. Table 20 displays findings that over 90% of respondents agreed with varying intensity that the adoption and use of fintech breeds convenience and flexibility.

5.1.6 Challenges of Fintech Adoption

Technology Literacy

The lack of technology literacy among the elder generation and people in the rural areas of the country has been a challenge to the successful adoption of fintech. The stated individuals are easily taken advantage of and scammed by criminals. This is basically because a majority of them are not tech savvy and struggle to navigate the online systems successfully without assistance.

System Malfunctions

System malfunctions also affect the provision of financial services in that they disrupt the flow of services, retard progress. Lack of productivity is known to lead to loss of revenue and breeding of customer grievances and complaints.

System Maintenance

Although system maintenance is justifiable to customers, and is needed to repair bugs and glitches, it also contributes to hindering the seamless access of banking services. Sometimes, the requirement for system maintenance may occur at pick service times and may take longer than anticipated.

Employee Turnover

The on boarding of fintech systems render jobs that a human being would be employed to execute to be replaced by a system hence rendering some jobs redundant. This in turn leads to entrenchments and cut downs in human capital.

Cost of Back Up Systems

There is a cost to back up systems especially with the current constant loss of electricity in Zambia. Servers that store information only function in cold rooms with optimal air conditioning. The cost of these backup systems and alternative power sources is large.

System Intergration Failures

The integration of fintech systems into the banking system are not always successful. Some banks have experienced system crashes in their attempt to integrate fintech systems.

CHAPTER SIX

CONCLUSION & RECOMMENDATIONS

6.0 OVERVIEW

This chapter draws the conclusion of this study as well as highlights the recommendations birthed from this study with the aim to address a research gap that can potentially be explored in future.

6.1 Conclusion

In conclusion, financial technology has been a game changer, a solution to some of the challenges experienced in the banking sector. Its ability to reach multitudes while leveraging the use of mobile devices has empowered businesses and created employment for street vendors. It has also been a panacea curing system deficiencies and establishing leakages as well as strategic alliances. The successful integration of these systems is fundamental to the provision of convenient and seamless financial services that inevitably foster profit.

The following are the salient conclusions from this study:

- ✓ This study constituted a higher percentage of male respondents than females, however, the sampling procedures that were used (Purposive and convenience sampling) enabled the collection of quality data.
- ✓ Most of the respondents possessed more than 5 years of experience working and interacting with fintech services and 90% understood what fintech was.
- ✓ It was established that the relationship between adoption of fintech and profitability and provision of quality financial services is catalytic than it is a causal relationship.
- ✓ The adoption of fintech has contributed significantly to the decongestion of banks as evidenced by the 60% of respondents in figure 25 who shared that they rarely visit a physical bank to access banking services.
- ✓ The primary service that has improved after the adoption of fintech is accessibility of services with 50% of respondents affirming this.
- ✓ The impact of the adoption of fintech has been the enablement of access to 24/7 banking service, cost saving of resources that would be used to get to a physical bank, decongestion of physical banks, creation of employment for street vendors, fast, secure and seamless payments.

6.2 Recommendations

The following are the recommendations birthed from the findings of this study:

- ✓ Simplification of technological system interfaces to promote user friendliness of Apps and other technological innovations.
- ✓ Banks to contend for market leadership through pioneering innovative Ideas and developing new and unexplored products and services.
- ✓ Influence fintech innovation direction in order to be positioned to benefit through successfully attaining strategic goals.
- ✓ Capitalize on customer reviews in order to create and develop relevant products and services.
- ✓ Decentralization of services to keep banks less congested through more agency banking empowerment services.
- ✓ Invest in research & development to understand the external environment in order to respond to threats appropriately and use weaknesses to an advantage.
- ✓ Create customer technology awareness campaigns to drive literacy on cyber security and awareness.
- ✓ Banks to offer low transaction costs in order to draw and retain customers while positioning themselves to benefit from economies of scale as well as to gain a large market share

6.3 Recommendations for Further Study

The concept of fintech is not only relevant today but for the future as well. It is important to gather insights into the perceptions and perspectives that are held about it. Banks are recommended to seek and establish insights pertaining to their customers' current needs and future needs to provide relevant services while leveraging innovations such as fintech.

Therefore, a study to assess the literacy levels and perceptions of people especially the elderly and uneducated is necessary to build a bridge on the knowledge gap as well as to capture insights from a unique set of people in society.

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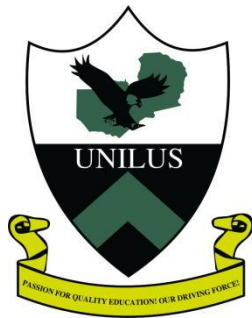
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APPENDIX



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QUESTIONNAIRE

CONSENT NOTE:

Dear respondent,

Thank you for agreeing to take part in this survey. As part of my Masters' Thesis, I am on a quest to investigate "The Impact of the Adoption of Fintech by commercial banks in Lusaka CBD for Profit & Provision of Quality Financial Services". I am confident that your responses and insights will be instrumental to this study. Your respondent status is anonymous and you are encouraged to respond truthfully. There are four sections in this survey, please answer all the questions.

Thank you Once again.

SECTION A: DEMOGRAPHIC INFORMATION

1. Gender

Male Female

2. Age Group

16 - 20 21 - 25 26 - 30 31 -35 36 & Above

3. Highest Educational Qualification

Diploma Bachelors' Degree Masters' Degree PHD

Other (Please Specify)

4. What is your relationship with this bank?

Worker Customer

SECTION B: IMPACT OF FINTECH ADOPTION

5. Do you understand what fintech is?

Yes No

6. Experience with fintech Services?

None 1 - 2 years 3 - 5 years More than 5 years

7. In your experience with working with this bank, has there been an introduction of smart technological systems to better serve you as a customer or an employee?

Yes No

8. What has been the biggest transformation that fintech has brought to your bank?

.....
.....
.....

SECTION C: BANK PERFORMANCE

9. The adoption of fintech influences the delivery of financial services to customers in a positive way.

- Strongly disagree
- Disagree
- Somewhat disagree
- Neither agree or disagree
- Somewhat agree
- Agree
- Strongly agree

10. Which aspect of financial service quality have improved because of fintech?

- Speed of Service
- Accuracy of Transactions
- Customer Support
- Accessibility of Services
- All of the Above

11. What has been your experience with your interaction with fintech?

- Poor
- Fair
- Good
- Very Good
- Excellent

12. Are you likely to recommend/refer someone to your bank?

- Extremely Unlikely
- Unlikely
- Neutral
- Likely
- Extremely Likely

SECTION D: ROLE OF FINTECH IN SERVICE PROVISION

13. The use of fintech has led to the provision of quality financial services.

- Strongly disagree
- Disagree
- Somewhat disagree
- Neither agree or disagree
- Somewhat agree
- Agree
- Strongly agree

14. The use of fintech has lead to convenience and flexibility to clients.

- Strongly disagree
- Disagree
- Somewhat disagree
- Neither agree or disagree
- Somewhat agree
- Agree
- Strongly agree

15. How often do you visit the bank in order to receive banking services?

- Never
- Rarely
- Sometimes
- Often
- Always

16. Are you likely to physically visit a bank in order to process a payment or a transfer?

- Extremely Unlikely
- Unlikely
- Neutral
- Likely
- Extremely Likely

17. What services are you comfortable with being served with online?

- External Funds Transfers (EFTs)
- Bank Statements
- Insurance
- Loan & Mortgage Services
- Overdraft Services
- Credit & Debit Card Services
- All the above

18. What service do you prefer being served with physically by the bank?

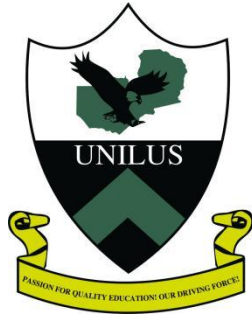
- External Funds Transfers (EFTs)
- Bank Statements
- Insurance
- Loan & Mortgage Services
- Overdraft Services
- Credit & Debit Card Services
- All the above

None of the Above

19. Why? Please Explain;

.....

.....



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INTERVIEW GUIDE

**The Impact of the Adoption of Fintech by commercial banks in
Lusaka CBD for Profit & Provision of Quality Financial Services.**

SECTION 1: IMPACT OF FINTECH ADOPTION

1. How would you say your banking experience has improved because of fintech?
2. How has the use of smart technologies over the web using mobile devices affected the bank?
3. Are the banking services received fast & secure?
4. In your opinion, how has the bank been able to ensure that the services are fast and secure?

SECTION 3: QUALITY OF FINANCIAL SERVICES

5. Has the adoption of fintech lead to the provision of satisfactory financial services?
6. If yes, please explain.

SECTION 4: ROLE OF FINTECH IN SERVICE PROVISION

7. Are there banking services that people can access online?
8. What are they and how have they revolutionized your banking service?
9. Have the online services provided by the bank served the people well? Please explain.
10. Have the online systems been time and cost effective for the bank and the people?



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UNILUS-RESEARCH ETHICS COMMITTEE

Ref no: FWA00033228-12112/24

Date: 1st December 2024

STUDENT NAME: Josephine Thole

THE IMPACT OF THE ADOPTION OF FINTECH BY COMMERCIAL BANKS IN LUSAKA CENTRAL BUSINESS DISTRICT FOR PROFIT & PROVISION OF QUALITY FINANCIAL SERVICES.

The above research was submitted to the research ethics committee for review. The study has no major ethical problems and is approved subject to the following:

1. The study cannot be changed without express permission of the UNILUS research ethics committee.
2. Approval from the necessary authority should be sought.

The committee wishes you success in your work.



Professor Kasonde Bowa
MSc(Glasgow),M.Med(UNZA),FRCS(Glasgow),FACS,FCS,DPH(LSTMH),MPH(UCL)
Chairman- UNILUS REC
Professor of Urology and Consultant Urologist
Deputy Vice-Chancellor – Research and Innovation
Executive Dean - School of Medicine and Health Sciences

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IS J097 DECLARATION SCHOOL OF POSTGRADUATE STUDIES THE IMPACT OF THE ADOPTION OF FINTECH BY COMMERCIAL BANKS IN LUSAKA CBD FOR PROFIT & PROVISION OF QUALITY FINANCIAL SERVICES. A

DISSERTATION SUBMITTED TO THE SCHOOL OF POSTGRADUATE STUDIES, UNIVERSITY OF LUSAKA IN PARTIAL FULFILMENT OF THE AWARD OF THE MASTER OF BUSINESS ADMINISTRATION BY JOSEPHINE THOLE MBAGEN22111683 ©2024

II I Josephine Thole do hereby declare that this dissertation represents my own original work which has not been submitted for a Master's degree at this institution or any other institution. Any contributed knowledge from other works and publications has been cited accordingly and further referenced.

I further declare that this body of work contains no violation of the University research ethics. Signature:

Josephine Thole (Student) Date.....01/18/2025..... Signature

..... Prof. Kalonde Gilbert (Supervisor) Date.....01/17/2025.....

III DEDICATION I would like to dedicate this dissertation to the thousands of men and women globally who pioneer as well as spear head innovative ideas for the purposes of improving financial customer services and contribute to their country's economic development. Their tireless passion and work is not only essential to