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# **Developing technologically induced environments: the case of the Nigerian banking sector**

**by**

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## **Abstract**

This paper addresses issues regarding planning, development and implementation of technological capabilities and problems relating to new product development, innovation processes, synthesizing marketing technologies and strategic planning in a developing economy. During the 1980s consumption and community perspectives of Information Technology (IT) development emerged. The consumption perspective recognized that the embryonic internet could go beyond information retrieval and that management of information could be developed for the market and economic exchange. Despite the main emphasis of the consumption perspective there still remained the realm of human interaction. The emerging technological space did not involve a ready-made environment, and through communication, users defined and created the on-line space they would inhabit. Through examining levels of technologically induced customer services in the Nigerian banking sector, consumption and community perspectives are identified and assessed.

**Key words:** New product development; Marketing technology; Marketing communications; Nigeria; On-line banking; Information technology

## **Introduction**

Much theoretical and empirical evidence focuses on business models of innovation diffusion of from developed countries, where pre-existing product technologies are modified and disseminated into developing countries' mass markets. (Hertwig, 2012; Prahalad and Mashelkar, 2010; Ray and Ray, 2011). Definitions of developing countries vary, but there is general consensus on the characteristics of developing countries. For example, Ratanasithi, Sutummakid and Hemphill (2013) contend that a developing country has three characteristics. Firstly, most actively pursue an export-led growth and development policy. Second, country export success is the success of its individual exporting firms. Lastly, national level structural factors occurring domestically are major export barriers to firms. Noteworthy nuances exist among these characterizations. For example a study was conducted by Ray and Ray (2011) to examine how innovations meet the unique affordability and acceptability criteria of masses at the base of the pyramid (BOP). Their qualitative study elicited a number of factors that impose challenges to MNEs as they break away from traditional business practices towards satisfying mass markets at the BOP. They pinpoint that poor infrastructure, institutional weaknesses and a lack of support services and skills in developing countries may bring unforeseen challenges and costs. They argue that potential exists in mass markets in developing countries, and for MNEs to tap into these potentials it is important to invest in product innovation that addresses affordability rather than importing business innovation strategies from developed countries. In their empirical study based on Ethiopian public health care system, Mengiste and Aanestad (2013) discuss the challenge on how to shape and adapt a given technology to fit a particular local context and make it work over time with severe resource constraints.

A report by McKinsey Quarterly (2014) states that Nigeria is well positioned to benefit from a number of macro trends in the global economy, such as the shift of demand to

developing economies, the explosion of digital technologies along with a growing customer base in the banking sector. With about 170 million inhabitants Nigeria has long been the largest nation in Africa, but is now acknowledged as the continent's largest economy and twenty sixth in the world (World Bank, 2015). Some scholars have explored technological adoption in the Nigerian banking sector. Existing research concentrates predominantly on performance outcomes of implementing innovations and market strategy imported from developed countries. Given the potential significance of the African continent in general and Nigeria in particular, this study aims to shed some light on the wide range of issues that determine technological adoption and individual perceptions of new products in the banking sector.

### **Purpose**

This paper extends conceptual theories on technological adoption and individual perceptions of recent advances in computer-mediated marketing environments. 'Computer-mediated marketing environment' is distinguished from 'technologically-induced customer services'. It is used to designate a state where marketing activities are undertaken in embryonic internet platforms, whereas technologically-induced customer services refers to a state in which the process of marketing activities in market-based organizations move away from mass marketing towards a situation whereby enterprises target customers not as market segments, but as dynamic groups of competent individuals. Organizations are encouraged to capture, store, analyze and lever customer information to enhancing customer loyalty.

Discussion is framed in terms of theoretical fundamentals regarding democratic rationalization, technological diffusion and capability-based theory. Extant conceptual literature on customer services is revisited and related to the exploration to technologically-induced customer services. Phenomenological hermeneutics are identified as the

methodological approach and outline implications for data sampling and analysis are discussed in conjunction with the main findings and implications to offer directions for future research. Understanding current perceptions of individual levels of technological adoption and participation not only facilitates marketing activities, but it improves effective policy implementation. Current practices in technology-induced customer service are explored to provide meaningful customer satisfaction. In undertaking these tasks, service marketing theory and technological perspectives are brought together to provide insights on the current state of play in customer services in technologically-induced environments.

### **Community and Technology: the Role of Democracy**

Based on a phenomenological perspective Feenberg (1999) contends that technological objects enter experience when they are noticed as useful and the design of technology involves ontological decisions, each of which has political consequences. Through instrumental theory, technology can be analyzed on two levels: original function and design and implementation. Through such an analysis, technology may be re-assessed and an alternative modernity developed; technology is not autonomous to human existence, but is socially constructed and able to be controlled and reconstructed. Through synthesizing technology and democracy, a more egalitarian structure may be formed and individuals and social groups become more proactive in technological design and implementation.

In contrast with other media like newspapers, radio and television, the internet is not another voice or interpretation of daily life, but the construction of another life or virtual world which parallels that of daily life and face to face interaction. Computer networks construct a world and do not simply facilitate reflections; they develop social relations (Bakardjieva and Feenberg, 2002). Two different models regarding perspectives of internet usage emerged during the 1980s; the consumption model and community model (ibid). The

consumption model developed through the recognition that the internet could go beyond information retrieval and that the management of information could be developed and for the market. Despite the shift toward the consumption model there still remained ‘the older practice of human communication on computer networks’ that remains the main emphasis for users for most of the time they are on-line (ibid p 181). This space was not a ready-made environment. Through communication users had to define and create the on-line space they would inhabit. In such a way, users manipulate designers’ rationales for technology which incorporates new types of social acts involving new normative implications that transcend norms and functions of face-to-face interaction. The communication model renders computer networks’ environments ‘within which communities form and ways of life are elaborated’ (ibid, p 182). Communities are fundamental for human development and involve value creation, shared beliefs, commonality and participation so closely related to notions involved with democracy.

Dewey (1927) considered that technology detracted from democratic discourse and the public cannot find itself because there were too many distractions in modern society. He identified technologies as the main problem and explained that these distractions were more prevalent for modern society. He identified movies, cheap reading matter and automobiles as diverting attention away from important issues and democratic participation. Such technologies are far more topical for the everyday person than the latest political discussions and debates. He fails to provide a solution to the problem of technology detracting from interest in political affairs and democratic discourse, but does hope that society will eventually use technology to improve communication and thus improve democracy and public interest in politics. He also argued that democratic discourse must occur in communities where people can become democratically active and express issues of public concern; democracy involves the life blood of community. Indeed, when the democratization

of technology is considered, the internet and virtual communities provide a rich empirical situation for this inquiry and analysis.

### **Technological Infrastructure and Knowledge**

The rapid diffusion of the internet has radically changed delivery channels used by the financial services industry. Banks have established presence on the internet using web technologies providing customers with the opportunity of performing interactive retail banking transactions. Virtual customer environments can be viewed as an integral element of the firm's overall customer relationship management initiative. Such an approach allows firms to capture potential synergies between on-line and off-line interactions in a way that benefit both customers and the firm (Ozuem, *et al*, 2008; Al-Somali *et al*, 2009; Pauwels, *et al*, 2011). The inherent benefits of on-line banking provide firms and customers with new ways of interacting among themselves. Much attention has been accorded to technology adoption and uses in financial institutions, particularly on the provision of technologically-induced customer services and customer retention strategies in developed countries (Mols, 2001; Nielsen, 2002; Nielsen, *et al*, 2003; Venkatesh, *et al*, 2012; Baird, *et al*, 2012). As already noted, theory suggests that technological adoption and use-adoption are ideal types of computer-mediated marketing environments (Bharadwaj, 2000; Antioco and Kleijnen, 2010) that are capable of promoting effective marketing activities. Most knowledge is based on mechanisms and assumptions on abundance and efficiency of technological infrastructures in developed countries (Prince, Barrett and Oborn, 2014). Whilst many different theoretical perspectives could offer insights on technological developments, these offer few insights on issues related to perceptions and utilization of evolving technological environments in developing countries. Claims made for the existence of a digital knowledge divide are based on binary perspectives summarized as follows:

- Digital technology is no longer seen as a dichotomous categorization between the haves and have-nots;
- Digital divide is viewed as a continuum of access and use where interrelated reasons such as attitudes, skills, quality of access and social support are at work in explaining how people use new technologies.

Implementation of effective customer service in technologically induced environments entails understanding technological competences in a given context. Some research has examined capability dimensions of technological management, but little on how effective customer services in technologically-induced environments influence technological adoption and use in developing countries. Centindamar *et al* (2009) provide a comprehensive overview of which core activities form the body of technology management. They suggest that technological management can be categorized into six dimensions, providing a modernist underpinning:

- 1) “Acquisition” is how a company obtains technologies valuable for its business. It is based on buy-collaborate-make decisions. In other words, technologies might be developed internally by some of collaboration, or acquired from external developers.
- 2) “Exploitation” entails commercialization, but expected benefits need to be realized through implementation, absorption and operation of the technology within the firm, and such processes include incremental developments and process improvements.
- 3) “Identification” is necessary for technologies at all stages of development. This process includes marketing changes as well as technological developments.
- 4) “Learning” is a critical part of technological competency; it involves reflections on technology projects and processes carried out within or outside the firm.

- 5) “Protection” is a formal process such as patenting and staff retention and this needs to be in place to protect intellectual property within the organization, including knowledge and expertise embedded in products and manufacturing systems.
- 6) “Selection” takes account of company-level issues. This requires a grasp of strategic objectives and priorities to enable an alignment between technology-related decisions and business strategy. Technological adoption is not static; it is a continuous process that scans the environment and aligns technological capabilities and competences and ensures that these are managed effectively.

Naranjo-Gil (2009) noted that organizational and environmental factors had inconsistent effects on adoption of technical innovations and concluded that high adopters of both types of innovations were more sensitive to environmental and organizational factors. Here, technological innovations can be an important source of competitive advantage when there is a balanced rate of adoption that can help organizations maintain or improve performance levels. Fundamental to the success of any business are market conditions and the position that is held. Profit, cash flow and shareholder earnings can be changed if leadership takes wrong decisions due to lack of understanding of marketing dynamics (Young and Burgess, 2010). Internet banking should be seen as part of a general trend in which customer relationships as well as new web technologies have become important. The banking industry provides strong incentives for banks and customers to use the internet. Differences in banks’ organizational resources and capabilities are increasingly becoming tools for competitive advantage in developing and developed nations. Investment in sophisticated IT allows a business to achieve a differential advantage by securing relationships through improved service quality and market responsiveness, but resources that help an organization provide customer service must also include technical and managerial skills. To succeed in pushing customers to increase use of new web-technologies, organizations have to know customer requirements

and respond through appropriate reactions (Bharadwaj, 2000; Nielsen, 2002). Human nature is grounded in social constructs and is part of cognitive being involving ideas pre-determined by society or endemic to being human. Janda, *et al* (2002) examined consumer perception of internet retail service quality and found that five key dimensions are relevant to consumer participation within on-line environments:

1. Performance – how well an on-line retailer does in terms of meeting expectations regarding order fulfilment (efficiency);
2. Access – internet retailer’s ability to provide a variety of products from anywhere in the world (liberty);
3. Security – related to perceptions of trust in the on-line retailer’s integrity regarding financial and privacy issues (legal structure and social contract);
4. Sensation – interactive features of the e-retailer’s website (aesthetic experience);
5. Information – quantity and credulity of information provided by the on-line retailer (informed consumer).

Reflecting on Janda, *et al* (2002), Baron and Harris (2008) observe that the dimensions have some similarities with the constituents of SERVQUAL (a means of measuring the scale of quality in the service sector) dimensions; for example, trust, security and credibility, but SERVQUAL was derived in the context of interpersonal service encounters, so an understanding of internet retail service quality is a more complex arena than simply treating it as another SERVQUAL application. As Gilmore (2003) notes, the analysis of SERVQUAL could be carried out in a number of ways that can be analyzed item-by-item and dimension-by-dimension that can represent perception and expectation statements relating to a single dimension and combine to form a single measure of service quality, the so-called SERVQUAL gap. Customers’ service expectations are characterized by a range of levels, bounded by desired and adequate service, rather than a single level. Expectations are dynamic

and evaluations may shift over time, from person to person and from one culture to another. What is considered quality service that satisfies customers in developing countries may be different in developed economies. Customers are satisfied when purchase results exceed expectations; each experience leads to an evaluation and an accompanying emotional reaction by the customer. That said, the basis of expectation has certain ideals at their core; it is difficult to discard predominant ideas and ideals even if the tools are novel by nature. A pre-understanding of requirements is apparent because society constructs notions, and to move beyond these (no matter the novelty) is extremely difficult.

### **Methodology**

The approach for this paper involves phenomenological hermeneutics, which engages in critical analysis of people (human action) or texts through an emphasis on the very fact of being human understanding is based in interpretation. “Inquiry involves the behavior of a questioner, and therefore of an entity, and as such has its own character of being” (Heidegger, 1962/2004 p.24). The meaning of being is already within us because “seeking must be guided beforehand by what is sought ... we always conduct activities in an understanding of being” (ibid p 25). Phenomenological hermeneutics attempts to comprehend facticity (the facts of being) which may only be found in the life-world or the practical pre-abstract/pre-theoretical existence. What is important is existence within the world and how we belong to the environment. As individuals we are thrown into an existence in a world we did not construct, and in this strange perplexing world we have to find a way. Phenomenological hermeneutics is not about abstract supra-individuals or transcendental egos, but involves understanding actual people in actual situations (Howell, 2013).

Gadamer (1970) argued that comprehension is not “an isolated activity of human beings, but a basic structure of experience of life. We are always taking something as

something. That is the ‘given-ness’ of world orientation that one cannot reduce to anything simpler or more immediate” (p 87). Indeed, “that what is called prejudices expresses the structure of anticipation of human experience” (Ricoeur, 2008; p 70). Investigation, understanding and interpretation involve a hermeneutical circle because any attempt to question something involves some notion regarding the nature of the matter or situation investigated; that is, some notion of the question in relation to the subject matter to be understood. Questions do not emerge from the ether, but already exist within us and what is to be studied. Fundamentally, the answers to questions cause us to re-assess the perspectives originally held; such then involves further questions.

Given the concepts and issues raised through the methodology, this study attempts to illuminate and investigate human activity regarding the commercialization of computer-mediated marketing in the Nigerian banking sector. Pre-understanding guided the research process and enabled respondents to recognize concepts and provide responses to questions posed. Given the purposive sampling methodological approach that was used indicates a pre-supposition regarding what is sought in a phenomenological hermeneutics context. The researchers deliberately selected particular individuals or contexts because they seemed likely to produce the most valuable data. Samples were selected with a specific purpose in mind and their relevance for the investigation. Participants chosen provided unique subjects from which to explore their experiences on how they access and utilize internet platforms in terms of their banking transactions. Samples were drawn from individuals comprising semi-skilled and skilled workers. In the first period (from January 2012 to February 2012) a total of 37 participants were interviewed, including 15 participants from 4 different top banks in Nigeria. In the second period (August 2012 to September 2012) students and local shop owners in four different locations across Nigeria were selected and personal interviews were conducted in their respective environments or premises. In this phase, 30 participants were interviewed.

One to one semi-structured interviews, lasting 30–60 minutes, were conducted with informants to explore their perspectives regarding a range of issues on technologically induced customer services (see Table One). Although the emergent structure and focus of these interviews varied from individual to individual, the underlying outcomes were categorized to create patterns of customer perceptions on technologically induced interactions.

**TABLE ONE: SEMI-STRUCTURED INTERVIEW PROGRAMME**

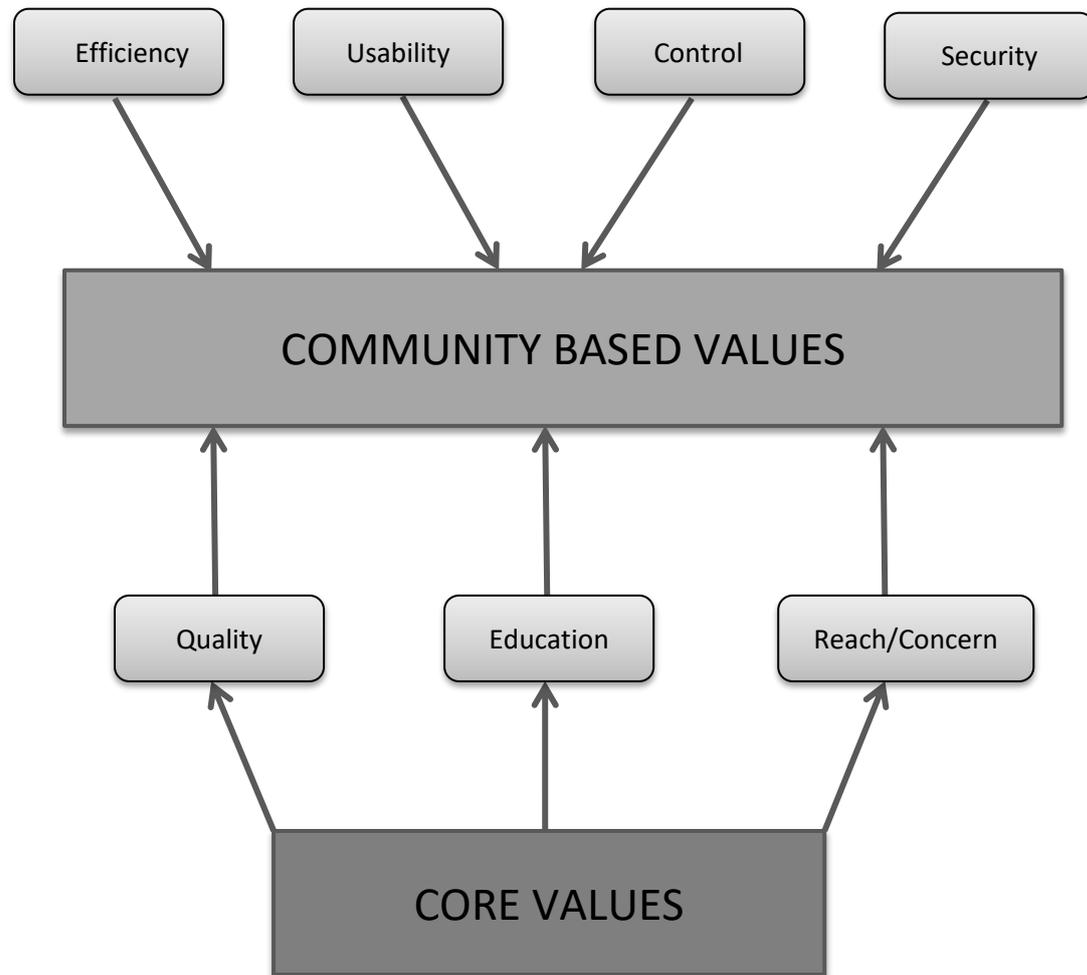
1. Can tell what you think of on-line customer services in the Nigerian banking sector?
2. Do you think that the Nigerian banking sector has adequate technological infrastructure to enhance customer services in on-line environments?
3. What are the reasons you decided to undertake on-line banking transactions?
4. Identify your experiences of on-line customer services in the Nigerian Banking sector.
5. When compared with face-to-face transaction how effective are banks in responding to your queries online?
6. Do you think that the customer services for online environments are adequate?
7. Have you ever encountered any problems in online transactions? If so, how helpful were staff in resolving these problems?
8. What do you consider to be the major problems with the Nigerian online Banking sector?
9. Have you ever used online banking or tried to access and conduct online banking transaction outside Nigeria? If so, how effective were these online transactions?
10. Identity changes or improvements would you like to see regarding online banking in Nigeria?
11. Are there any other relevant topics we should have discussed?
12. Are there any further questions we should have explored?

According to Gronroos (1984) and Wang, et al (2004) customer perception revolves around pre-conceptions regarding what customer expectations and interpretations of service involve. Expectations serve as standards for measuring what they perceive as quality and their overall judgement which stems from the adoption and use of a service or product. A technologically induced marketing environment involves ideas of consumerism and efficiency with phenomenological pre-suppositional assumptions.

A thematic analysis based on the phenomenological hermeneutical perspective was used to explore insiders' views of the phenomenon. Thematic analysis enables researchers to "increase their accuracy or sensitivity in understanding and interpreting observations and interviews about people, events, situations and organizations" (Boyatzis, 1998, p.5). During the interview sessions, notes were taken to include responses and all material was reviewed to ensure that salient points and recurring themes were articulated and patterned alongside responses as they emerged; questions were adapted and further issues explored as interpretation and responses guided the research process.

A technologically induced marketing environment was not entirely novel for individuals because most had at some time or another used the internet; each had a pre-understanding of the technology to be explored. However, a large proportion had not used the internet for financial transactions. Customer pre-conceptions pertained to a wide range of issues regarding satisfaction in a service-oriented sector. Figure 1 illustrates attributes related to individual pre-conceptions and perceptions of technological induced marketing environments. This incorporates the language and discourse used in the life-world to comprehend the changing technological environment and related phenomenon.

**Figure 1: Themes in technologically-induced environments: issues and challenges**



## **Initial Emergent Themes**

These themes were condensed into four initial themes which emerged from respondents' perspectives and were derived from three core themes. As the analysis developed, some interlocking categories were triggered, which are replicated and compounded some key issues in the core values (quality, education, reach/concern) but are too complicated to be categorized using the initial emergent themes. Although, responses could be broadly categorized and placed using the initial emergent themes, the key issues arising from responses are mutually exclusive and distinct. The principal emphasis on community-based values (efficiency, usability, control, and security) is to elucidate the barriers and dimensions of technology adoption in the Nigerian banking sector. Investment in sophisticated IT may allow a business to achieve a differentiation strategy, providing effective customer service is hampered by human technical and managerial skills without which organizations may not fully utilize the benefits of computer-mediated marketing environments (Baron and Harris, 2008).

### **1. Education Theme**

On-line experience has enabled perspectives of the world to be realized in terms of plurality of knowledge and identity as well as fiction and uncertainty. Indeed, the internet has become an all integrated marketplace where people can interact and search for information that can be derived from the on-line market-place. Users can adopt different *persona* and become part of different communities where they can freely express themselves, interact and exchange ideas. Furthermore, education involves elements of enlightenment thinking and the development of knowledge as intrinsic to the creation of a better society and healthy democracy. As a self-employed interior decorator indicated:

*“The internet is a great avenue for education. I have learnt many things just by searching on-line. For example, most of my designs come from pictures of well-decorated homes I saw on-line. It is amazing the amount of knowledge available on the internet. There are e-books, reviews, essays and discussion forums for all kinds of subjects. Actually, my current 2010 catalogue of most beautifully decorated homes were compiled from the internet and that is what I use for my clients now. I guess the same applies to on-line banking; the more I use it, the better I get.”*

To this respondent, on-line banking is one of many things that can be learnt over the internet. Being part of an on-line community fosters intellectual growth and is rewarding to those who take advantage of what the internet is offering. Through the consumption model the respondent further develops networks and the communication model and on-line activity.

There are two points being made by respondents in terms of education one involves functional process and the other means of facilitating learning. A housewife stated:

*“Being at home most of time has its downsides, but I rarely get bored. I am responsible for managing household money, shopping, paying bills and housekeeping generally. Hence, I regularly pay for most of our bills on-line using our bankcards and I manage our accounts. On-line banking has changed banking for me, I do not have to go to my children’s school to pay their fees; I simply transfer money into the school account. In terms of education, I am positive that all of us here have looked up something we did not understand from an on-line source at one time or another.”*

As indicated by this respondent, customers who bank on-line ought to access as much information as possible and take advantage of the seamless, borderless feature of internet technology to explore knowledge and experience the world at the click of a mouse. She uses the internet to undertake chores in an efficient manner, but also considers it a source of

learning that enhances her knowledge and understanding. Efficiency is the underlying rationale for internet, but further interaction with the technology renders educative outcomes.

## **2. Reach/Concern Theme**

Reach defines the wider coverage of the internet as a medium that goes beyond users' spatial definitions of time and place and fosters coverage beyond the physical environment. Time and space no longer involve given concrete entities; individuals exist in separate situations at many different times. There is a new conceptualization of time and space that goes beyond geographical limitations of time zones. Enlightenment notions such as boundaries and nation-state and customary ideas regarding time and space are surpassed with internet usage; 'the internet ... exploded with imagined communities that are based on the swift interactive exchange of electronic text' (Feenberg and Bakardjieva, 2004; p 38). However, not all have access to the internet, but this is increasingly becoming an aspiration to be involved in this idea of time and space. Simply having a computer is no longer sufficient. As noted by a 23 year old psychology student:

*"The challenge is not having access to a computer. In this country what discourages me and so many of my mates is having access to the internet. My university has a computer department but no internet; I have a computer at home but no internet. I tried subscribing to mobile internet, but the connection was epileptic and there was no power supply."*

Access to computer is one thing and being able to connect to internet technology is another. This respondent noted that he has access to a computer at home but cannot afford the internet connection. Whilst computer manufacturers offer low cost computer equipment, connecting these computers to access internet content poses some difficulties. Social expectations are raised and notions of improvement and economic advancement are required

for involvement in the new world of the internet. Indeed, a 55 years old taxi driver commented:

*“One of my younger brothers bought a computer 8 months ago. In fact, this is a wasteful project since this money could have been used for something better. I have waited for months to get connected to internet technology, but electricity supply is not helping matters. We have an endemic problem of electricity supply in the country. I am always amazed to hear these banks promoting all sorts of programs related to digital environments. One crucial question which these companies have not yet got a grip of is the infrastructure that these on-line programs rest upon.”*

Whereas the psychology student concentrates on the optimistic aspects of developments, the more mature taxi driver is concerned with the requirements for the internet to operate, for example, sustainable electricity supplies. Success of digital communities relies solely on the constant supply of electricity. As respondents noted, low cost computers are readily available within the Nigerian market, but access to internet technologies cannot be achieved if there are poor technological infrastructures. This respondent went on to note:

*“We are in the melting point and the issues of digital services are not our priority until these are in place: electricity and security. Customers would rather continue with traditional banking than subscribe to on-line banking that is not sustainable.”*

One of the notable insights provided by this respondent is the realization that the Nigerian economy can barely compete with other developing economies until available infrastructures are in place. It is difficult for financial services organizations to compete with the outside world if existing infrastructural services are at ‘melting point’ to a point of degeneration.

### 3. Quality Theme

The concept of service quality was a model with useful features measuring quality in service oriented enterprises. Bitner, et al (1990) stated that in a phenomenological hermeneutic context, consumers' perceptions are usually preceded by expectations of that service. It is necessary for utilities like electricity to be in place if service quality is to have technological capability and subsequent accessibility. Furthermore, the idea of service quality can be subjective or relative and relate to individual expectations. Two respondents accentuated:

*“Service quality in terms of on-line banking is very relative in the sense that what we expect from our banks are different and the quality of service is defined by how well a delivered service matches customers' expectations. I would think that quality depends on feedback and timely information.”*

*“I visited my bank a few months ago, but was advised to check on-line for further information. I'm really disappointed that this organization assumes that everybody has access to computer. I would like more information to be available in the banks rather than referring us to on-line banking information.”*

These respondents explained that service quality depends on feedback and information that is timely. One could argue that proactive feedback is dependent on technological capabilities both in companies' readiness to embrace technologies and users' accessibility to existing evolving technologies. As they indicated, several infrastructural issues have affected the way financial services organizations provide timely information to them. These organizations may have the technological readiness to provide 'timely information' to customers, but customers may not have these facilities to access this information.

#### 4. Community Based Values Theme

Through customer services issues relating to on-line banking four values emerged; these included convenience (efficiency), control (self-determination and empowerment), usability (inclusivity) and security (social protection). Consequently, the consumption model is premised on the communication model with human beings developing technology and the new space for social interaction.

#### 5. Efficiency Theme

Respondents did identify strengths of the consumer model and considered convenience as a main reason for the adoption of internet banking compared to conventional traditional in-branch banking. A respondent who was a part-time project manager stated:

*“When on-line banking started, I was still a student. However, I was introduced to using the internet early and I quickly began applying it to my study. Therefore, when my bank introduced internet banking, I was eager to try it out and I realized that it was very convenient for me. I can transfer funds between my different accounts. I can monitor my money as I spend it and I do not have to call my banker all the time to ask for check books; I simply order them.”*

For this respondent, convenience meant less interaction with his bank manager and more time to attend to his banking needs himself. His perception involves the efficient use of time and being empowered to take charge of transactions and maximize the full benefit of internet technology. Another respondent, an employee in a financial institution, commented:

*“Since my bank started on-line banking programs, I can say that our customer base has grown. Despite this increase, we, the employees, have more time to attend to customers’ needs as they used to be mostly channeled through our on-line feedback*

*resource. It has helped in cutting our costs especially administrative costs in processing paper application forms. With internet banking, we take applications over the phone and enter data directly into the system and other applications are done mostly on-line, which in turn speaks efficiency on our part.”*

This respondent further stated that he saw on-line banking as beneficial to both banks and customers. He stated that he sees banks and customers as co-creators of the new on-line banking phenomenon in Nigeria in the sense that while banks are experiencing growth in their customer base, consumers are acquiring new skills and affirming control over their banking needs. Two particularly important issues emerged from this theme: flexibility and leaning. A 43-year-old IT consultant averred:

*“I chose my bank for one main reason – close proximity to my house and place of work. I was quite satisfied with their quality of service. However, due to infrastructural glitches, I have done much on-line.”*

An interesting issue that emerged from this respondent is that the choice of a financial services provider was dependent on proximity to his place of work and home. In the same manner, another respondent, who was a student in a Nigerian university, commented:

*“To me, the fact that I do not have to carry money around is hugely convenient and safe. I am very happy with my bank’s cards and I keep my pins safe. I do not have to spend cash all of the time. I make sure I monitor my account on-line so I do not over-spend, but access can be frustrating in most times due electricity problems.”*

Whilst there is a wide recognition of the benefits of on-line banking, a major problem is access to technology due to inconsistent electricity supply. Customers found they could easily adapt new banking systems enabled by the internet to their daily lives. This could be

done so conveniently that the process becomes seamless. For bankers, on-line banking is deemed cost effective and creates more time for research and development; more so they can cater to the needs of more customers without geographical constraints.

## **6. Control Theme**

Control is the ability of on-line banking customers to access content at will, and generate information without restriction to access what they want, download, modify and change content to suit their needs and purposes. It empowers consumers to interact with others in communities where values are shared. With on-line banking, consumers have access to real time information and have a range of choices from which bank to choose to what kind of service will be most appropriate. As one 36 year old business executive stated:

*“I have complete control over what I do over the internet, especially where my banking needs are concerned. I can access my bank details anywhere and anytime. I rarely call my bank for anything unless it is security related. I can transfer funds when I want to and can even stop a transfer mid-way if I am not sure. What I am trying to say is that with on-line banking, the power has been given to us to take care of our money the way it suits us and, it suits me real fine!”*

Here control involves being empowered to make decisions without having to wait in the bank. Having unrestricted access to accounts and being able to exercise free-will is beneficial. The internet has opened a new window into new ways of doing things and power to effect change is exercised. On-line banking offered her greater control than traditional bricks and mortar banking where banks are overloaded with paperwork that slows down processes. An emerging key issue from control was trust and according to a 42 year old member of the clergy, having control sometimes led to misuse of power and abuse of trust:

*“Much as I love the internet because it breaks the shackles of ignorance, and is like an open window to the global world, it can be abused especially where money is concerned. I have had complaints from friends who sometimes were charged for transferring money on-line by their banks; something they were not aware of before subscribing to the service. Some of them have complained that they have been charged for using their debit cards or MasterCard at certain shops or ATMs.”*

Respondents perceived control as beneficial. They use the internet to carry out transactions, to increase their learning and interact with others within a global community and it is evident there are misgivings concerning usage and patronage

## **7. Usability Theme**

This describes the user-friendly attribute of the internet and on-line banking. Usability is important and is closely linked to the adoption of on-line banking. This respondent noted:

*“There is publicity material in banks advising customers to use on-line facilities: I am sick of seeing these leaflets. Personally, I can hardly read.....never mind use the internet. I think they need to focus on personal areas.”*

According to this respondent, financial institutions are publicizing the use of on-line banking as never before. One important issue emerging from this respondent is inability to read and make use of internet technologies in facilitating her interaction with banks. Similarly, this respondent complained about the lack of response from banks in on-line environments.

*“I recently opened an on-line account with one of the banks and I must tell you I have been at it for almost a month. The problem is that the password and username the bank gave to me never worked and each time I complained through e-mail, they did*

*not respond on time and when they reset the password, I found that I could not log on. After several trials, I have decided to go back to conventional banking transactions.”*

An interesting issue emerging from this respondent is response time. He had contacted his bank on several occasions regarding access problems, but seemed not have achieved success.

*“At my bank, management invests in research and development to continually ensure that customers do not find banking a challenge. I must point out that our literacy level and familiarity level with internet in Nigeria is not as high as in Europe or the developed world where teenage students and children own laptops with mobile broadband. Here, this is found only among the rich and upper middle class.”*

One bank manager said:

*“Much as we want more people such as individuals, students, market women and business people to buy into internet banking, we are very much aware of their inadequacies, so we ensure that our websites are simple, easy to navigate and informative. We constantly upgrade our internet banking technology to improve our capacity and to accommodate our expanding customer base.”*

Interestingly, this respondent pointed out that financial services organizations are very much aware of these inherent problems. Institutions are working to see how they can use available facilities to reach out to on-line marketing environments.

## **8. Security Theme**

Participants were asked what they thought about the safety of their personal and important data on the web. One respondent who was a teacher in an international college stated:

*“Security has always been an issue with me. My wife and I operate a joint account on-line and I remember we gave the bank all our details such as home and workplace addresses, phone numbers, bank card and our international passport details. Sometimes I panic just thinking what will happen if such information falls into the hands of an internet fraudster, especially here where fraud is rife.”*

Another respondent echoed these thoughts:

*“I am a bit skeptical where internet banking is concerned. I realize that I have been waiting until I can feel confident that my information or details will be safe and secure on-line. Otherwise, I might just stick with normal banking.”*

Security is a major challenge for on-line banking customers in Nigeria. Users live with fear of hacking or cloning credit and debit card details, identity theft and illegal transfers of funds. Some participants were concerned that their data would be disclosed to third parties. This was more apparent with users who did not have a sound knowledge of the internet. However, some participants who had a technical background and understood security technology had more confidence in internet security than others. In the light of this, another respondent who is a legal practitioner stated:

*“I have taken measures to ensure my data is safe by regularly checking my account balances, monitoring my transactions and printing my receipts should I need to show evidence.”*

Consumers tend to have more faith in banks that have strong security measures in place and can quickly respond to customers who have issues with privacy of their data. Privacy was an emerging issue in security; participants revealed that they would not be

comfortable if their banks did not take measures to protect their privacy. The respondent went on to say:

*“People who readily adopt internet technology are those who are willing to take risks and face new challenges. I advise people to believe in technology that brings new ways of doing things and in so doing be ready to accept risks and be innovative. On-line banking is very convenient and I think customers should overlook risks in favor of convenience and other positive factors that on-line banking brings.”*

The virtual world of internet technology transcends time and space in a modernist context and on-line banking customers utilize the medium to learn, sharpen and broaden their activities. As customers come together within the on-line interactive market-space, they exchange information and constantly use the medium to enhance interaction and learning. There is experiential evidence from respondents that on-line banking is changing traditional banking and most banks' customers are positively disposed towards this medium. Figure 1 represents several barriers to technology-induced customer services in the Nigerian banking sector.

For one to understand the impact of computer-mediated marketing environments on modern culture, one needs to identify sources of constraints and opportunities which follow from the 'situatedness' from its use in time-space (Orlikowski and Baroudi, 1991; Ozuem, *et al*, 2011). The pressures and opportunities for mobilizing time-space during exchange of information constitutes the grounding for which effective computer-mediated marketing strategies could be developed and sustained. In its physical manifestations, computer-mediated marketing environments share a number of characteristics across geographical boundaries due to interconnectivity and interoperability. In seeking to identify the technological frames of meaning shared by respondents, it is argued that a valuable

understanding of technologically-induced customer services may occasion different problems and solutions, because social problems are dependent on community-based values. This interpretation of technology adoption utilizes the concept of relevant social groups; those who influence the creation, demand, production, diffusion, acceptance, or opposition to the technology (Feenberg, 2002; Bijker, 1987; Mingers and Willcocks, 2014). In this way computer networks construct a world and develop social relations (Bakardjieva and Feenberg, 2002). Both the consumption model and communication model explain the development of on-line interaction. However, the latter remains the main emphasis for users for most of the time they are on-line (ibid). The communication model renders computer networks' environments 'within which communities form and ways of life are elaborated' (ibid, p. 182). Communities provide the basis for human development through value creation, shared beliefs, commonality and participation. Overall, interviewee perspectives reflected relationships between the consumption and community models. Technology can be used for business purposes that are not autonomous of human existence and social development: as interviewees identified, it is socially constructed.

### **Concluding remarks and future research direction**

Through pre-conceptualization of what is sought by the researcher and considered from an instrumental perspective, emergent themes identify communication and consumption perspectives (Feenberg, 2002). Government and institutions involved in management, design, provision and monitoring of internet banking should ensure that customers and users are not subjected to fraud and identity theft as these negatively influence customer adoption. In addition to monitoring, there should be a structure to promulgate and enforce practices to guide the use of internet banking. Monitoring the internet is providing customers and the public with information on security breaches, and implications this might have on consumers. In such a way negative pre-conceptions can be challenged and positive attitudes facilitated.

When determining the direction on-line activity may take, there is a need to examine the relationship between the consumption model and the community model; the former 'is a plausible vision of the future, given the structural realities of the world in which we live' whereas the latter 'would take much more conceptual work, design efforts and political mobilisation' (Bbakardjieva and Feenberg, 2002; p. 190). Human activity is an important variable for the communication model; the extent to which people put their competencies and resources to work will determine which of emergent format and structure will prevail. Conceptions such as the 'right to free assembly' and democracy underpin notions regarding on-line freedom and on-line communities.

Providing faster, easier and more reliable services to customers were amongst the top drivers for on-line banking. Closely linked with notions of efficiency, such issues transcended the nation-state and give impetus to discourse relating to globalization. Discourse is loaded with pre-conceptions that are culture specific, but historically developed. Such discourse identifies instrumental values in terms of security and usability as well as access and infrastructure, which identifies discourse of "concern". Discourse concerning community based values in terms collaboration, built in user interests and learning process identified instrumental values.

Governments can play a pivotal role in facilitating instrumental values through ensuring adequate provision of necessary requirements like telecommunications and electricity supplies so providers can use the routes to make the internet universally available. Government should reduce the cost of telecommunications' interconnectivity to encourage private investors who are willing to provide fast, affordable and innovative internet connectivity. Banks should invest in purposeful and integrated marketing communications to create awareness and educate members of the public on the concept of internet technology.

An awareness campaign might include the usefulness of the internet and its applicability to every area of life. Educating customers and members of the public should involve free demonstrations and presentations on the basic usability skills needed to derive satisfaction from the internet. The campaign could help produce more confidence in customers and improve their patronage. Banks and financial services providers should regularly update their websites with current and very important information that might help users with their on-line banking needs. They need to put in place active security features to discourage fraudulence and phishing. Customers want to trust websites they use for on-line banking, the importance of helping to nurture and build trust in their services need greater attention. Banks should continue to measure their level of service quality by using SERVQUAL and other applicable models to determine how much their services have improved over time.

What is clear is that the level of technologically induced marketing environments is distinctly different to that of developed countries. Academics and practitioners might undertake future studies to examine the level of technological diffusions in rural areas rather than from an 'urbanized' perspective and build on ethnographic accounts of on-line activity, interactions and cultures as well as philosophical debates that dispute 'the good and the ill, the promise and danger involved with new social media require further attention' (Feenberg and Barney, 2004).

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