

The Innovations On Bank Performance: The Impact of E-Banking in Customer Satisfaction

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Abstract

Nowadays, technological advancement has resulted in the digitalization of the majority of everyday services. One of the important sectors is the bank system all over the world. People are running all day in a very challenging system of work, sports, pleasures, family, kids, etc. They often do not have time to have bank services in the first place. In this study, we investigated the effects of the bank's profitability performance on e-banking services in Albanian society.

The effects of ROA and ROE performance were examined in data from Albanian banks that have developed and expanded e-banking services from 2019 to 2022 using dynamic panel data methods. Due to the innovative nature of e-banking services, they will improve the bank's performance significantly. Both the analyzing method and the involvement of developed and developing e-banking data are the most obvious differences between the study and similar studies in the literature.

Results show that bank profitability of developed and developing e-banking systems is affected by the ratio of the number of branches to the number of ATMs, which is highly significant, and e-banking services are significant. Results show that some variables were found to be in contrast to the expected negative relationship because of diversity in the level of development of the banks' system in Albania, the socio-cultural structure, and e-banking infrastructure.

Keywords: Innovation, technology, e-banking, profitability, performance