CONTRIBUTION OF DIGITAL BANKING AND MOBILE PLATFORMS ON MFIS RELATIONSHIP WITH THE CUSTOMERS IN RWANDA. (CASE STUDY OF GOSHEN FINANCE PLC MUSANZE BRANCH)

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ABSTRACT

This study assessed the contribution of digital banking and mobile platforms on MFIs relationship with the customers of Goshen finance PLC in Musanze district. It had the following objectives: To determine the influence of Automated Teller Machine services on MFIs relationship with the customers, to assess the contribution of online banking service on MFIs relationship with the customers, to evaluate the effect of mobile banking service on MFIs relationship with the customers and to assess the level of satisfaction of Goshen Finance PLC customers in relation with digital banking during COVID-19 pandemic in Goshen finance PLC. This study was designed as qualitative, data were collected by using questionnaire. Information was gathered from 373 respondents among staffs and clients in Goshen finance PLC branched at Musanze district and analyzed by using SPSS software to get relevant information. After analyzing data from the field and computing them, findings revealed the following: that 100% of respondents agree that ATM services increase number of customers, 100% revealed that life improved through ATM services, 100% agreed that it increase competition , 85.2% of the respondent reported that ATM service reduce human intervention, 83.5% was the result of the respondents agreed that ATM helps to increase productivity, while 71.5% of the respondents reported that ATM services accelerate economic growth. The contribution of online banking service on MFIs relationship with the customers, the respondent revealed that 100% strongly agreed that, online banking increase the number of clients in all items have seen as the highest percentage because the client can use online for checking balance, deposit and withdraw money through mobile platforms of the Goshen finance called push and pull service this reduce the transport costs and time saving for the clients, results showed that 45% agreed and 36% strongly agreed that poverty reduction occur through transport cost eliminated and using the time in the other activities and benefiting jobs or other work as direct and indirect employment opportunities. Revealed that 43.2% of the respondent strongly agreed and 34.2 agreed that MFI can expanded due to using online banking. This implied that the online banking which is well managed may contribute positively to MFIs relationship with the customers. Also, findings showed that digital banking and mobile platforms play the roles on MFI relationship with the customers in Goshen finance PLC for the following percentage, 81% strongly agreed and 19% agreed that digital banking crucial important role to the clients for the time saving. And 93% of the respondents were satisfied during the COVID-19 for using digital banking. It is evidenced that there is significant relationship between digital banking and mobile platforms on MFIs relationship with the customers. Therefore, the MFIs relationship with the customer's satisfaction depending on digital banking and mobile platforms improvement.

INTRODUCTION

Traditionally the financial institutions have conducted its business activities with the customers via face-to-face interactions. However, recently retail financial institutions have increased the use of digital platforms as supplementary channels to branch offices in order to offer their products and services to consumers (Sonono & Ortstad, 2017). Adopting financial technology has large potential to financially include people whom the traditional banks, MFIs and developmental institutions make use financial technology to deliver their services, Digital solutions could for speedy credit decisions and loan disbursal releasing loan officer's time to serve more clients in more place than ever before.

Equipping MFIs with technology allow the institutions to work more efficiently and cost effectively, be more agile and responsible to the clients' needs (Pytkowska & Korynski, 2017). According to Ray *et al* (2018), state that the microfinance sector is on the cusp of transformation, worldwide, with integration of digital technologies pushing the sector towards fundamental changes of its characteristics and organization. They also accelerate the growth of the banking sector and help the financial market to mature, especially in developing countries. Along with the digitalization process, technical solutions are heavily reducing the switching costs associated with switching financial institutions variation for themselves.

Recent innovation in digital financial institution's technology have resulted in increased competition from innovative firms, but it has also sparked as a change in customer preferences and demands that have altered the relationship among the customers and retail financial institutions (Accenture, 2015). As a result, customers are today more willing to conduct their financial institutions errands via digital platforms (Skinner, 2014). According to Galazova and Magomaeva (2019), that one's of the main factors for the growth economy is the development of digital technologies in the financial market. Digitalization covers both separate and complex sectors, resulting in significant savings of the human resources and all costs connected with them which improves competition.

The use of digital technologies improves the ways of interaction between financial institutions, government and potential customers (Thalassinos, 2018). Digital transformation involves the widespread introduction of modern ways of providing financial services. The number of financial branches is decreasing and many services are being transferred online, especially when lending or investing funds. With the new age of digitalization in the financial sectors, the daily operations are becoming faster, cheaper and easier for customers to use and therefore every financial institution is grasping to adjust their owner operations to fit the needs of a demanding customers (Piirainen, 2017).

Problem Statement

MFIs relationship with the customer is among the most aspects for microfinance institutions to be profitable. Customers are the bloodline of the financial institutions as they are the ones conducting business with the MFIs and bringing the revenue. Digitalization process that has been occurring in the society, customer behavior is changing and customers are starting to expect retail financial services at anytime and anywhere. As the customer in retail financial institutions are naturals

persons, the changes in customer behavior are especially noticeable in the retail financial sector as financial institutions now have keep up with the fast-changing preferences of the customers to keep them satisfied in order to enhance the customer relationship.

In Rwanda based on a survey conducted by Access to Finance Rwanda (AFR) in partnership with Association of Microfinance Institutions in Rwanda (AMIR) in 2020. The study shown that among 177 MFIs in the country, only 9% of Umurenge and non-Umurenge SACCOs are digitalized, while 91% are not digitalized. According to the survey only 8% MFIs and SACCOs were linked to the mobile network operators (MNOs) and the main cause was the lack of digital banking and mobile platforms. Mobile money has been proved to be a lifeline to many during many financial institutions especially during the COVID-19 pandemic. Lack of digital banking has caused delay in payment of checks between banks, time wasted in banks as people line in queue waiting for services, errors as a result of manual work and frauds related cases was common (Bosco, 2017).

Microfinance institutions as a tool of poverty reduction and broaden financial access to the poor, middle income, small and medium enterprises in developing countries. Digitalizing the MFIs and coupling with mobile platforms improve the ways of interaction between financial institutions and customers (Thalassinos, 2018). Having 91% of non-digitalized MFIs in the country, this constitutes a problematic and would cause a negative effect on the MFIs relationship with customers and would have affected the lives of the clients especially during the COVID-19 pandemic lockdowns where mobility was limited and even sometimes impossible. However, assessing digital banking and mobile platforms in relation with MFIs customers was the corner stone of this study.

LITERATURE REVIEW

Digital banking

It is further defined as delivery of banking products and services to customers through electronic channels. Digital Banking is also known as Electronic Banking, Cyber Banking, Home Banking, or Virtual Banking and includes various banking activities that can be conducted from anywhere (Rajan, 2018). Digital Banking is defined as a generic term for development of banking services and delivering products through electronic channels, such as the Automated Teller Machines, the telephone, the internet, the mobile phone (Driga & Isac, 2014). Digital banking is the move to online banking where banking services are delivered over the internet (Cox, 2018).

Mobile platform

Mobile platform is defined as the hardware / software environment for laptops, tablets, smartphones and other portable devices (Fakomogbon & Bolagi, 2017). To be able to develop mobile applications we need to first understand the underlying principles of mobile platforms and how they are related to mobile applications. Mobile platforms are basically those that allow software and services to be run on devices (Afzal *et al*., 2019). People are more dependent than ever on their mobile devices in their lives and works. Mobile platform is defined as an operating system designed for and installed in mobile devices (Akherfil *et al.,* 2018).

Microfinance institutions

Microfinance Institution (MFI) is defined as a financial institution that provides small loans to people who otherwise wouldn't have access to credit (Quaye *et al.,* 2014). Microfinance institutions are the organizations that provide loans to low-income clients, including micro-business and the self- employed, who traditionally lack access to mainstream sources of finance from banking institutions (Cozarenco, 2015). Microfinance institution is defined as an organization that offers financial and non-finance services to low-income population (Antoh, 2015).

Customer relationship

Customer relationship is about managing interactions with previous, currents and potential customers. Companies that manage their customer relations well deliver positive customer experiences that strengthen customer retention and promote customer acquisition (Trainor, 2014). According to Alt and Reinhold (2016), defined customer relationship as the way in which company communicates and deals with existing customers. Customer relationship is the relationship that an institution has with its customers and the way in which it treats them for increasing interaction for both parties (Galal, 2019).

Customer Satisfaction

It is a term frequently used in marketing, it is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services exceeds specified satisfaction goals (Rajan, 2018). Customer satisfaction is the degree of satisfaction provided by the goods or services of a company as measured by the number of repeat customers. Although customer satisfaction is a new thing, researchers defined customer satisfaction under different angles and different time (Angelova & Zekiri, 2011).

Empirical Review

The below conceptual framework model was supported (Lauri, 2016) on the assessment of internet and mobile banking in Denmark and found that technological advance affects positively the current banking industry as it is a way for customers to handle their own daily banking issues by themselves. Through internet banking, customers can pay their bills, handle their accounts, and deal with their investments among many other things that before needed a visit to the bank. As study on electronic banking and financial performance of commercial banks in Rwanda as conducted by (Ngango, 2015) revealed that electronic banking system like ATM, pay direct, electronic check

conversion, mobile telephone banking and E-transact has a great impact on bank performance because they increase profitability, reduce bank cost of operations, and increase bank asset and bank efficiency.

According to Muluka (2015), as studied on Influence of digital banking on customer satisfaction in Kenya on the objective of to understand whether the customers had problems in adapting the digital banking platforms offered, the survey showed that 62% indicated they did not find it hard to adapt to digital technology. This was implying that majority easily adapted to technology. And also, to understand how many online banking channels the customers operated and how reliable they thought the banking channels were, the study shown that majority 60.9% of customers had between 3-4 banking channels, those with between 5- 6 banking channels were 26.3%. To establish how reliable, the digital channels were, the result indicated that a majority of 84% though digital banking channels were very reliable. 12.9% were of the view that the channels were slightly reliable.

As studied on Digitalizing Microfinance in Europe conducted by Pytkowska and Korynski (2017) revealed that digital field application in Europe that Loan officers use digital solutions in 81% of MFIs participating in the survey. In 17% of MFIs loan officers use mobile phones while in case the others - tablets or laptops. Western European MFIs are more advanced in digitalizing the work of their field staff compared to MFIs in Eastern Europe. As many as 87% of Western Europe MFIs equip their credit officers with electronic devices compared to 76% of MFIs in the East. The largest number of institutions still use server-based loan tracking systems. Among the surveyed MFIs 86% have the MIS on their servers while only 14% used cloud-based systems and the major benefit of digitalization is seen in improved efficiency of operations - reduced time to serve the client (72% of MFIs) and reduced costs of operations (67%).

The survey conducted by Galazova and Magomaeva (2019), on the transformation of traditional banking

activity in digital revealed that the digitalization has great potential, financial technologies are risk management tools in financial sector (for example big data can be used to minimize credit risk, in internal audit, control etc.) and it shown that block chain technologies (platforms) used as a system of recording information in a way that makes it difficult or impossible to change, hack, or cheat the system (Vandeputte *et al.*, 2017). As studied the role of FinTechs in the business model of microfinance institutions in Western Europe, revealed that advantages of mobile banking are the ability to reach more remote and poorer borrowers, mobile banking is largely available, and MFIs need to follow the trends if they do not want their customers to switch to competitors.

According to Mardiana *et al.* (2020) studied a survey on the contribution of financial technology in increasing society's financial inclusions in the industrial era 4.0.The government targets financial inclusion to increase by 75% by 2019 and the survey shown that with the increasing number of fintech companies operating in Indonesia, they will increasingly reach communities in the main rural areas far from where financial services are available, because fintech can be accessed online very quickly and easily through each smartphone. Then this will certainly be able to help the achievement of government targets in increasing the financial inclusion of the Indonesian people. As studied by (Bosco, 2017) as an effect of integration of computerized system and digital finance services profitability & client satisfaction in KANOMBE SACCO,

Revealed that 27% of the respondents have indicated that it helps in detection and prevention of errors, 20% of them have showed it will help them in Express an opinion about financial statement services, 13% of them have indicated

that it helps in providing true and fair view on financial services, 20% of them have indicated that computerized system will help in establishment the degree of reliability of annual statement of accounts, 20% of the respondents have identified that computerized system will help KANOMBE SACCO in issuing of reports to shareholders. This indicates that the majority of the respondents have indicated that 27% of the respondents have indicated that computerized system and digital finance services will help KANOMBE SACCO in detection and prevention of errors.

According to Rodriguez *et al.* (2019) on the survey of a new banking model for Africa shown that in Rwanda Urwego Bank, formerly UOB, as a Rwandan microfinance bank offering a full suite of banking services to its more than 300,000 customers. Urwego provides a mobile banking channel and an agent network of 158 active agents branded mHose. The primary objectives for the digital channel were furthering financial inclusion, removing cash handling from loan officers, recruiting new customers, and driving efficiency. In February 2019, more than 70 percent of its group customers' loan repayments were collected via agents.

Conceptual Framework

The study was based on both independent and dependent variables. From the above literature review, it has been seen throughout that the MFIs relationship with customers depend on two main independent variables such as ATM service (X_1) as the means of increasing the number of customers, Online Banking (X_2) as the way of expanding of service accessibility and avoiding queue in bank. The overall aim of MFIs relationship with customers is the profit maximization. The following conceptual framework summarizes the independent and dependent variables as described in this section.
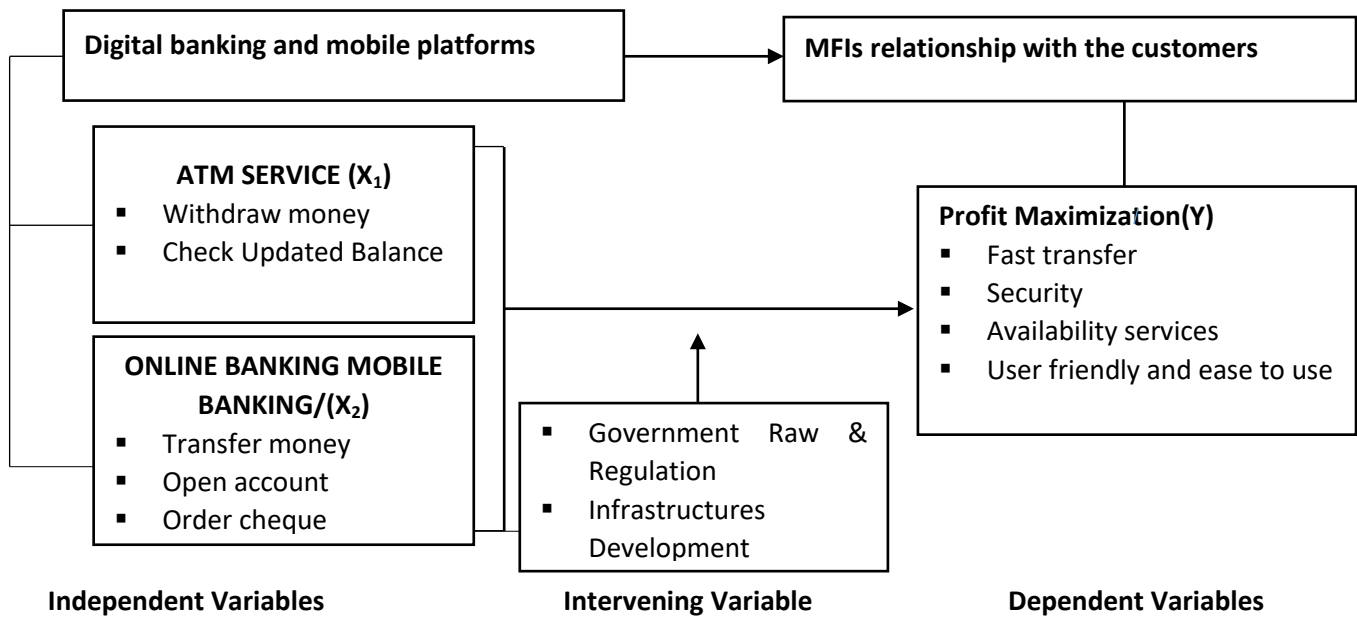
Figure 1: Conceptual Framework

Independent Variables   Intervening Variable   Dependent Variables

METHODOLOGY

Study Area: Goshen finance PLC as study area is a digitalized microfinance institution that provide financial services to the low- and middle-income households in Rwanda. It was established on 29th September 2005 by members from Adventist church. And it was licensed by Central Bank of Rwanda (BNR) on 2nd July 2007, now day it has eight branches located in the following areas Nyarugenge, opposite the Mosque, near the former post office, Nyarugenge, downtown in the building below the tax park, Remera, Gisimenti, Yyusa Plaza near Lando Hotel, Kimironko, near the Market as you go to Kigali parents, Nyabugogo, as you turn to kimisagara road at Karinda's House, Ruhango, near the new Market, Musanze, opposite the new market and Rubavu, near the Mosque.

Research Design: According to Kathari (2008), research design is the conceptual structure within research was conducted, it constitutes the blueprint for the collection, measurement, and analysis of data as such design includes an outline of what the researcher has done from writing the hypothesis and its operational implications to the final analysis of data. A researcher was used a descriptive research design, where qualitative approach would be used. In qualitative approach the researcher was used data from questionnaire filled by respondents that have been collected from MFI's staffs and clients on how digital banking and mobile platform contribute on the MFIs relationship with the customers in order to describe the activities and its contribution of digitalization on MFIs relationship with the customers.

Study population: All items under consideration in any field of inquiry constitute a" universe" or population. It can be presumed that in such an inquiry when all the items are covered no element of chance is left and highest accuracy is obtained (Kothari, 2004). The targeted population consists of 5446 both clients and staff for Goshen Finance PLC branched Musanze district.

Sampling Technics: Under stratified sampling the population was divided in several sub-populations that are individually more homogeneous than the total population (different sub population are called "strata") and then a researcher was select items from each stratum to constitute a sample. The customers were grouped into two strata based on gender. Male customers were 3268 and females represent 2178 which make a total of 5446 both staff and customers for Goshen Finance PLC branched at Musanze District.

Sample size Determination: To study a whole population was impossible to researcher, the smaller sample would be taken by using SLOVON'S formula to calculate sample size required as following formula:

$$n = \frac{N}{N + z^2 \frac{p(1-p)}{e^2}} \left(z^2 \frac{p(1-p)}{e^2} \right)$$

Where N = population size; Z = confidence level (1.96 in this case, considering a 95% confidence level); p = probability of success or expected proportion (0.50 in this case, due to the expected proportion being unknown a priori); q = probability of failure (1- p); ℓ = precision (maximum permissible error in terms of proportion. In this case, it was closely equal to 4.9%). Upon calculations using the formula above, a sample of 373 customers were selected. Among this, male customers were 224 and the rest 149 were women. The questionnaires were distributed to Goshen Finance customers until the required number was obtained.

Data processing and Analysis: Data collected from 373 customers were checked and cleaned, after checking data were entered in SPSS software data entry template. The descriptive tables with percentages were a way of analysis, further analysis to test the relationship between independent and dependent variables was also performed for the test hypothesis, analysis of variance (ANOVA) was also highlighted and the data was organized in a meaningful pattern for the purpose of presenting it in a more comprehensive form.

RESULT AND DISCUSSION

Digital banking and mobile platforms

The subsection below shows views of respondents with regard based specific objectives which were to determine the influence of automated teller machine services, to assess the contribution of online banking service, to evaluate the effects of using mobile banking service and to assess the level of customer satisfaction with digital banking during COVID-19 pandemic on MFIs relationship with the customers in Goshen finance PLC branched at Musanze district.

Influence of automated teller machine (ATM) services on MFIs relationship with the customers of Goshen finance PLC

The results yield are showed in the table below, findings from table 1 below revealed that 100% of respondents agree that ATM services increase number of customers, 100% revealed that life improved through ATM services, 100% agreed that it increase competition , 85.2% of the respondent reported that ATM service reduce human intervention   83.5% was the result of the respondents agreed that ATM helps to increase productivity, while 71.5% of the respondents reported that ATM services accelerate economic growth. Based on the above combined results for strongly and agreed respondents, it implies that Goshen finance 's customers know how ATM services can impact on MFIs relationship with the customers even if no ATM machine installed in Goshen Finance Plc.

Table 1: Influence of Automated Teller Machine (ATM) service on MFIs relationship with the customers (n=373

Sub questions	Strongly Agree in %	Agree in %	Disagree in %	Strongly Disagree in %
It helps to increase productivity	32.5	51	8	8.5
Increase the number of customers	38.2	61.8	0	0
Accelerate economic growth	38.5	33	19.5	9
Improve quality of life	57.3	42.7	0	0
Increase competition	34.5	65.5	0	0
Reducing human intervention	45	40.2	10	4.8

Source: primary data, 2021

Contribution of online banking service on MFIs relationship with the customers

The results from figure 2 below showed the percentage of contribution of online banking service on MFIs relationship with the customers. It was revealed by 100% strongly agreed that, online banking increase the number of clients in all items have seen as the highest percentage because the client can use online for checking balance, deposit and withdraw money through mobile platforms of the Goshen finance called push and pull service this reduce the transport costs and time saving for the clients, results showed that 45% agreed and 36% strongly agreed that poverty reduction occur through transport cost eliminated and using the time in the other activities and benefiting jobs or other work as direct and indirect employment opportunities. revealed that 43.2% of the respondent strongly agreed and 34.2 agreed that MFI can expanded due to using online banking, and also Therefore, it can be concluded that online banking promotes effectiveness and efficiency in services delivery MFI and clients because it can increase the number of clients, MFI's expansion, direct and indirect employment opportunities and poverty reduction at ease.

Table 2: The contribution of online banking services on MFIs relationship with the customers (n=373)

Sub questions	Strongly Agree in %	Agree in %	Disagree in %	Strongly Disagree in %
Increasing in number of clients	100	0	0	0
MFI's expansion	43.2	34.2	19.3	3.3
Direct & indirect employment opportunities	21	57	18	4
Poverty reduction	36	45	14	5

Source: primary data, 2021

Effects of using mobile banking service on MFIs relationship with the customers

The results from table 3 below showed the percentage of effects of using mobile banking service on MFIs relationship with the customers in Goshen finance Plc. It was revealed by 47.5% knowhow by the customers that, knowhow by the customers in all items have seen as the highest percentage because the clients do not know how mobile banking used in order to withdraw their money and deposit this are an effect for them, revealed that 24.3% was insufficient of internet network 29.5% was language barrier because the language used in those digital banking and mobile platform are internationally while most clients used native language this an effect for them, 36% was high cost of installation the respondents revealed that digital banking and mobile platforms requires enough capital to install, 14.3% was power failure and 100% of the respondents disagreed that in Goshen finance PLC about lack of skilled labor meaning that this institution their employees are qualified for digital banking and mobile platforms.

Table 3: Effects of using mobile banking services on MFIs relationship with the customers (n=373)

Sub questions	Strongly Agree in %	Agree in %	Disagree in %	Strongly Disagree in %
Insufficient of internet network	0	24.3	44.5	31.2
Power failure	5.3	9	47.5	38.5
Lack of knowhow by the customer	29.5	18	18	34.5
Language barrier to the customers	21.5	28	25	25.5
Highest cost of installation	31	5	28.5	35.5
Lack of skilled labor	0	0	60.9	31.9

Source: primary data, 2021

Relationship between digital banking and mobile platforms and MFIs relationship with the customers

The output table 4 below indicates that there is a high positive correlation, R=0.938 between digital banking and mobile platforms and MFIs relationship with the customers. This suggests that as the MFIs get digitalized, it automatically increases the relationship with its customers. Correlation coefficients are used to measure the strength of the linear relationship between two variables. A correlation coefficient greater than zero indicates a positive relationship while a value less than zero signifies a negative relationship. Since the R square (Coefficient of determination) is 0.88 this explains that digitalization of Goshen Finance contributes to the increase on customer relationship at the level of 88%. The remaining 12% can be explained by other variable that was not captured in the analysis.

Table 4: Relationship between digital banking and mobile platforms on MFIs relationship with the customers

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.938[a]	0.88	0.879	0.4712

a. Predictors:

Results presented in Table 4 above provides information on regression model for these variables. Based on these results, the Adjusted R-Square is 0.879 which implies that 87.9 percent of variations in profit maximization are explained by increase in number of customers and expansion of Goshen finance Plc.

Hypotheses Testing

H_{01}: ATM services have statistically significant impact on MFIs relationship with the customers of Goshen Finance PLC

The table 5 below provides results from ANOVA test for testing whether there is a significant impact on MFIs relationship with the customers of Goshen Finance PLC. According to the results presented, the p-value is 0.000 which is less than 0.05. This implies that we do not reject the null hypothesis and conclude that ATM services have statistically significant impact on MFIs relationship with the customers of Goshen Finance PLC.

Table 5: ANOVA test for ATM services on MFIs relationship with the customers

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	435.805	4	108.951	2831.5	.000[b]
1	Residual	9.158	368	0.038		
	Total	444.963	372			

a. Dependent Variable: Profit maximization for MFIs
b. Predictors: (Constant), Reducing human interventions, increasing competition, improve quality of life for MFIs &clients, Increasing the number of customers

H_{02}: online banking services have statistically significant impact on MFIs relationship with the customers of Goshen Finance PLC.

The table 6 below provides results from ANOVA test for testing whether there is a significant contribution on MFIs relationship with the customers of Goshen Finance PLC. According to the results presented, the p-value is 0.000 which is less than 0.05. This implies that we do not reject the null hypothesis and conclude that online banking services have statistically significant contribution on MFIs relationship with the customers of Goshen Finance PLC.

Table 6: ANOVA test for online and or Mobile banking services on MFIs relationship with the customers.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	435.805	6	72.634	1872	.000[b]
	Residual	9.158	366	0.039		
	Total	444.963	372			

a. Dependent Variable: Profit maximization for MFIs

b. Predictors: (Constant), Reducing human interventions, accelerate economic growth, increasing competition, improve quality of life for MFIs &clients, it helps to increase productivity, increasing the number of customers

Customer's satisfaction level

The level of satisfaction is computed as the sum of fully satisfied (strongly agree) and satisfied (agree) divided by the total size of the respondents.

$$Customer\ Satisfaction\ (CS) = \frac{\Sigma xfull\ Sat. + \Sigma xSat.}{n}$$

Where $x_{fully\ Sat.}$ denotes the respondent who reported fully satisfied (strongly agree) and $x_{sat.}$ denotes who reported satisfied (agree) while n denotes the total sample size. Similarly, the level of dissatisfaction can also be calculated by taking the sum of lower level of perception (fully dissatisfied plus dissatisfied) divided by the respondents' total size.

$$Customer\ Dissatisfaction\ (CS)$$
$$= \frac{\Sigma xfull\ Dissat + \Sigma xDisat.}{n}$$

Where $x_{fully\ Disat.}$ denotes the respondent who reported fully dissatisfied (strongly disagree) and $x_{Disat.}$ denotes who reported dissatisfied (disagree) while n denotes the total sample size. Complementarily, the rest would be considered as the level of neutrality (responded neutrally) or Customer Neutrality which is given as follows:

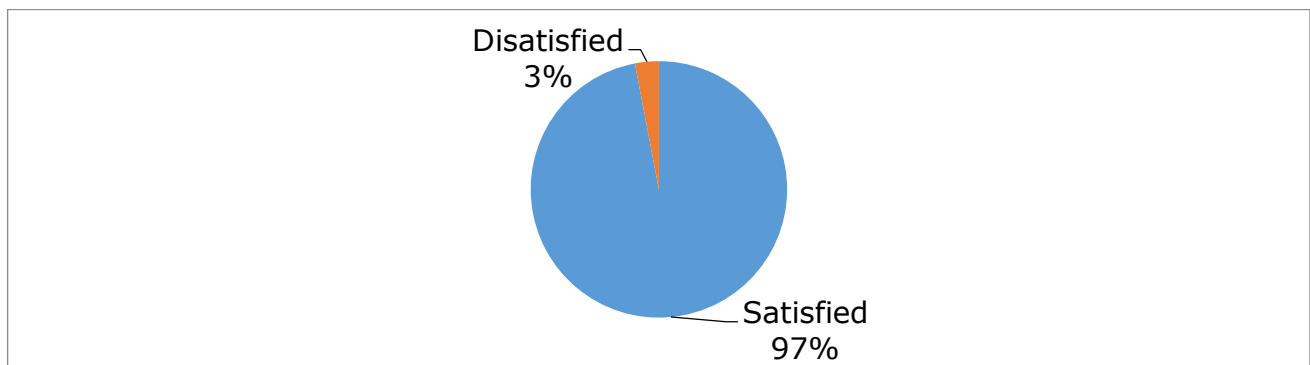$$Customer\ Neutrality\ (CN)$$
$$= [100 - (CS + CD)]\%$$

Disatisfied 3%
Satisfied 97%

Figure 2: Customer's Satisfaction

Table 7: Model fitting

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-4.644	0.277		-16.75	0
	ATM services	1.693	0.094	0.604	18.08	0
	Online and Mobile Banking	0.63	0.053	0.397	11.887	0

a. Dependent Variable: Profit maximization for MFIs

From above table the causal effect of independent variables on dependent variable which is the MFIs profit maximization in this study, was determined using the regression model as given below

$$Y = A + B_1 X_1 + B_2 X_2 + E$$

Where: Y= MFI relationship with customers that can be measured through profit maximization; A =Constant; β= Coefficient of X; X_1=ATM services; X_2=Online banking or and Mobile banking; E=Error term. Therefore, given the numerical output on the table above, the model becomes

$$Y = -4.644 + 1.693 X_1 + 0.63 X_2$$

Table above presents estimates of parameters of the model. According to the results presented in the table, the p-value for all estimated parameters is 0.000 which is less than 0.05. This implies that all these independent are statistically significant. The value of constant which is -4.644 units which means that MFIs will be in loss of 4.644 units when ATM services and digitalization are absent or not functioning in Goshen Finance plc. On the other hand, the coefficient of 0.630 for online banking and Mobile platforms implies that MFIs profit increases by 0.630 units for an increase of online banking service while holding number of customers constant. Similarly, the coefficient of increasing the number of customers which is 1.693 implies that MFIs profit increases by 1.693 units for an increase in one customer holding the number of branches constant. As a conclusion, effort must be put on online banking and mobile platforms since the coefficient is still under unit. Based on these results it can be said that digital banking is closely related to MFIs customers as it contributes to the increase in customers which in turn contributes to profit maximization for MFIs.

CONCLUSION

MFIs relationship with the customer is among the most aspects for microfinance institutions to be profitable. Customers are the bloodline of the financial institutions as they are the ones conducting business with the MFIs and bringing the revenue. Digitalization process that has been occurring in the society, customer behavior is changing and customers are starting to expect retail financial services at anytime and anywhere. As the customer in retail financial institutions are naturals persons, the changes in customer behavior are especially noticeable in the retail financial sector as financial institutions now have keep up with the fast-changing preferences of the customers to keep them satisfied in order to enhance the customer relationship.

During this study finding revealed that there is positive relationship between digital banking and mobile platforms on MFIs relationship with the customers digital banking and mobile platforms in terms of withdraw money, check updated balance, transfer money, open account, order cheque and MFIs relationship with the customers in terms of fast transfer, security, availability services, user friendly and ease to use. It is evidenced that there is significant relationship between digital banking and mobile platforms on MFIs relationship with the customers as proved by R-Square. Therefore, the MFIs relationship with the customer's satisfaction depending on digital banking and mobile platforms improvement.

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