CUSTOMERS' TRUST IN THE USE OF AUTOMATED TELLER MACHINE (ATM) SERVICES IN SOKOTO STATE, NIGERIA

ABDULRAHMAN BELLO BADA

UNIVERSITI SAINS MALAYSIA

2015

CUSTOMERS' TRUST IN THE USE OF AUTOMATED TELLER MACHINE (ATM) SERVICES IN SOKOTO STATE, NIGERIA

by

ABDULRAHMAN BELLO BADA

**Thesis submitted in fulfilment of the requirements
for the degree of
Master of Social Science**

August 2015

ACKNOWLEDGEMENTS

The journey of a thousand miles begins with a step, a popular saying and that bold step has taken but not without appreciating those who made the journey worth it. First and foremost, I am grateful to Allah (S. W. A) who created me, gave me life, spared it and sustained it to this very moment. Also, I am grateful to him, for given me the opportunity to conclude my thesis.

Secondly, my sincere gratitude goes to my father, Prof. Bello D. Bada for his unlimited perennial support throughout my journey as a Master student. I am short of words in describing your effort, encouragement, advice, kindness, guidance, love and patience towards me. I am very grateful to you for sponsoring my Master program from start to finish. Father, you are more than just a dad to me. I am very grateful for your invaluable financial assistance and the trust you have on me to undergo this program. You are my role model and I will always remain indebted to you at all cost.

Thirdly, I would like to express my deepest appreciation to my supervisor Premalatha Karupiah (PhD) who took so much time out of none to supervise this work. I sincerely thank you for the things I have learnt from your abundance knowledge. Your valuable constructive criticism has helped me grow during the period of my program. I pray to God to uphold you in your entire endeavour. Likewise, my unlimited gratitude goes to the lecturers of the Department of Sociology, Universiti Sains Malaysia (USM) particularly Associate Professor Sivamurugan Pandian, Associate Professor Sundramoothy Pathmanathan and the entire lecturers of anthropology and sociology department for their academic and social support throughout my study period.

TABLE OF CONTENTS

Pages

CHAPTER 1 - INTRODUCTION

CHAPTER 2 – LITERATURE REVIEW

CHAPTER 3 – METHODOLOGY

CHAPTER 4 – FINDINGS

CHAPTER 5 – DISCUSSION OF FINDINGS

CHAPTER 6 – RECOMMENDATIONS AND CONCLUSION

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATON

ATM - Automated Teller Machine

IT - Information Technology

NPCN – National Population Census of Nigeria

SSG – Sokoto State Government

ICR – International Cooperate Research

CBN – Central Bank of Nigeria

SAP – Structural Adjustment Programme

ICT – Information and Communication Technology

POF – Personal – Organization Fit

TAM – Technology Acceptance Model

ANOVA – Analysis of Variance

KEPERCAYAAN PENGGUNA DALAM PENGGUNAAN PERKHIDMATAN MESIN TELER AUTOMATIK (ATM) DI NEGERI SOKOTO, NIGERIA

ABSTRAK

Tesis ini mengkaji kepercayaan pengguna dalam penggunaan perkhidmatan mesin teler automatik (ATM) di negeri Sokoto, Nigeria. Kajian ini menggunakan teori kepercayaan Giddens dan Simmel untuk menjelaskan bagaimana keselamatan, privasi, niat perlakuan, kebergunaan, sikap perlakuan, kemudahan penggunaan, dan penggunaan sebenar mempengaruhi kepercayaan pengguna bank dalam penggunaan perkhidmatan ATM di negeri Sokoto, Nigeria. Objektif khusus kajian ini adalah untuk menerangkan tahap kepercayaan pengguna terhadap bank berkaitan dengan mempengaruhi penggunaan perkhidmatan ATM; mengkaji-hubungan di antara kepercayaan pengguna bank dalam penggunaan perkhidmatan ATM; mengenal pasti faktor-faktor yang dapat meramalkan kepercayaan pengguna dalam penggunaan perkhidmatan ATM; dan menentukan perbezaan penggunaan ATM dalam kalangan lima kumpulan bank di negeri Sokoto, Nigeria. Rekabentuk kajian keratan rentas digunakan bagi kajian ini, dan data dikumpul menggunakan soal selidik yang diedarkan kepada 300 orang pengguna Bank Guaranty Trust, Bank Eco, Bank First, Bank Mainstreet dan Bank Zenith. Statistik deskriptifdigunakan untuk meneroka tahap kepercayaan pengguna bank manakala analisis korelasi digunakan untuk menguji hubungan di antara kepercayaan pengguna dalam penggunaan perkhidmatan ATM; regresi berbilang digunakan untuk mengenal pasti faktor-faktor peramal kepercayaan pengguna dalam penggunaan perkhidmatan ATM; dan analisis varians (ANOVA) pula menguji perbezaan penggunaan ATM dalam kalangan lima buah bank yang terpilih. Keputusan kajian menunjukkan bahawa hubungan interpersonal mempengaruhi kepercayaan pengguna terhadap bank, produk dan perkhidmatannya

(ATM). Justeru, keputusan ini menyokong teori yang diutarakan oleh Giddens tentang kepentingan komitmen muka terhadap kepercayaan dalam sesebuah organisasi. Terdapat korelasi positif di antara semua pemboleh ubah yang digunakan untuk mengukur kepercayaan dan ini bercanggah dengan teori yang digunakan dalam kajian ini. Sementara itu, sikap merupakan faktor peramal utama yang mempengaruhi kepercayaan pengguna terhadap penggunaan perkhidmatan ATM, dan dapatan ini secara langsung menolak teori kajian. Satu daripada dapatan utama menunjukkan bahawa persepsi pengguna terhadap keselamatan tidak mempengaruhi penggunaan ATM dalam kalangan pengguna bank. Dapatan ini berbeza dengan temuan dalam literatur sedia ada, yang menunjukkan bahawa keselamatan mempengaruhi kepercayaan pengguna bank dalam penggunaan perkhidmatan ATM, dan dapatan ini bersesuaian dengan teori yang digunakan dalam kajian ini. Terdapat juga perbezaan yang signifikan di antara Bank Zenith, Bank Mainstreet dan Bank Eco dari segi persepsi pengguna terhadap kerbergunaan, sikap, penggunaan sebenar, dan kepercayaan dalam penggunaan perkhidmatan ATM. Sementara itu, tidak terdapat perbezaan di antara pengguna kelima-lima bank terhadapkeselamatan, privasi, niat perlakuan, kebergunaan, sikap terhadap perlakuan, kemudahan penggunaan, dalam penggunaan perkhidmatan ATM.

CUSTOMERS' TRUST IN THE USE OF AUTOMATED TELLER MACHINE (ATM) SERVICES IN SOKOTO STATE, NIGERIA

ABSTRACT

This thesis investigated customers' trust in the use of ATM services in Sokoto State, Nigeria. The study used Giddens' and Simmel's Theory of Trust to explore how security, privacy, intention behavior, actual usage, attitude towards behavior, perceived usefulness and ease of use affect bank customers' trust in the use of ATM services in Sokoto State, Nigeria. The specific objectives sought to: describe the level of customers' trust on banks in the use of ATM services; examine the relationship between bank customers' trust in the use of ATM services; identify factors that predict bank customers' trust in the use of ATM services; and determine differences in bank customers' usage of ATM services among five banks under study in Sokoto State, Nigeria. Cross sectional research design was used for this study and data was collected using questionnaire distributed to 300 customers of: Guaranty Trust Bank, Eco Bank, First Bank, Mainstreet Bank and Zenith Bank. Descriptive statistics explored customers' level of trust, correlation analysis tested the relationship between bank customers' trust in the use of ATM services; multiple regression identified factors that predict bank customers' trust in the use of ATM services; and Analysis of Variance (ANOVA) tested differences on bank customers' usage of ATM services among the five selected banks. The results showed interpersonal relationship have high level of customers' trust on bank, its products and services (ATM), thereby concurring with Giddens' Theory on facework commitment to trust in an organization. There was positive correlation between all the variables used to measure customers' trust, thereby rejecting the theories of the study; while attitude towards behavior was the most predicting factor towards

customers' trust in the use of ATM services, also, rejecting the theories of the study. One major finding showed security had no effect on ATM use among bank customers, thus contradicting existing literature, which shows that security affects bank customers' trust in the use of ATM services while concurring with the theories of the study. There was also significant difference between Zenith, Mainstreet and Eco banks on perceived usefulness, attitude towards behavior, actual usage and trust in the use of ATM services. Meanwhile there was no difference between Guaranty Trust, Zenith, First, Eco and Mainstreet banks customers on security, privacy, intention behavior and perceived ease of use in the use of ATM services.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Prior to the introduction of legal tender, such as coins, notes and other forms of modern instruments used in economic transactions, commercial activities were carried out through the exchange of goods and services known as the barter system. Barter system was a form of traditional means of economic transaction whereby goods are exchange with goods. Barter system was followed by primitive forms of money, such as wampum, manillas, whales' teeth, disc-shaped stones, cowries and shells, which were used across different parts of the world as means of payments for goods and services (Davies, 2002). These traditional forms of economic transaction were later converted to paper notes and coins. However, with the growth and development of information technologies (ITs) and its subsequent application in the banking sector, bank notes and coins were converted to data and, in turn, transmitted through internet services and telephone lines (Johnson, 2005).

The growth of ITs in the world is becoming a dominant factor and has created positive impacts on the banking industry. The growth of ITs in the banking sector comes with the advancement in electronic system which is characterized by new and more sophisticated ways of transaction (Ozuru, Chikwe, & Uduma, 2010). Moreover, it also led to the development of the automated teller machines (ATMs), internet, telephone and mobile banking. These forms of electronic systems help in differentiating between conventional and modern banking; and facilitate the process of transferring cash in the form of data rather than in its raw cash form. Hence, banks across the world adopted different forms of electronic banking and Nigerian banks were not left behind.

Nigerian banks now have adopted different forms of electronic banking but are still battling with rising problems associated with the system such as: indiscriminate issuance of ATM cards without any regard to the customer's literacy level; unfriendliness of the system; and lack of assurances on the use of the system. In fact, the above constraint on indiscriminate issuance of ATM cards is serious considering the average literacy level in Nigeria, which is about 56.9 per cent of 167 million in 2011 (Adeola, 2011). This average literacy level in Nigeria, has a significant effect on customers' ability to effectively use electronic system in banking activity and tend to affect their perception towards the effectiveness and simplicity of the system (Ogbuji, Onuoha, & Izogo, 2012).

Moreover, it has been observed that lack of orientation on how to use ATM cards and pin numbers by banks as well as deployment of unsolicited emails and short text messages (SMS) by scammers requesting customers to provide details of their cards is affecting bank customers' use of electronic banking. This present activities of fraudsters, according to Johnson (2011), is causing chaos and threatening the usage of ATM cards. Similarly, inefficient and inconvenient banking services offered through ATMs militates against customers' use of the system in Nigeria. Therefore, this study examined how customers' trust affects the use of ATM services among bank customers in Sokoto State, Nigeria.

1.2   Problem Statement

The Nigerian banking sector is becoming more competitive because customers want improvement in the products and services provided by the banks apart from ensuring the safety of their cash deposits (Kasum, Abdulraheem, & Olaniyi, 2004). This is why customers change their patronage from banks that operate conventionally (using paper entry) to banks that operate using electronic

system (such as ATM, internet, mobile and telephone banking) (Dogarawa, 2005; Ezeoha, 2005). However, Kumbhar (2011) indicated that efficiency, security, responsiveness, cost effectiveness, problem handling, compensation and contact services are factors that affect customers' perception on the use of ATM. Additionally, Manjunatha and Shivalingaiah (2004) explained that customers' perception is one of the major determinants of organizational products and services.

The quality of banking products and services are determined by customers' assessment resulting from the trust and satisfaction they derive in patronizing and utilizing accessible and affordable facilities (Olaleke, 2010). In addition, customers' level of trust and satisfaction with service delivery is derived largely from the quality of services provided by the banks that use electronic system (Adeoye & Lawanson, 2012). This therefore, shows that trust has always been a key factor in all business organizations, especially in the banking sector, its products and services (Toth, 2009).

The above discussion probably explains why Giddens (1990) argue that, trust in an organization, its products and services is associated with an abstract system (expert system). Therefore, even though people trust an abstract system to perform their duty, the major contradiction of the modern society is the tension between trust and mistrust, or trust and uncertainty (Jalava, 2006). It thus becomes imperative to also consider the suggestion by Davis, Bagozzi, and Warshaw (1989) that perceived ease of use, usefulness, attitude toward behavior, intention behavior and actual usage, affect the use of electronic system. Other scholars Chiemeke, Evwiekpaefe, and Chete (2006) argue on the existence of other variables (perceived security and privacy level) that could also influence customers' trust in the use of ATM services. This study therefore argues that, by implication, electronic banking is not only

constrained by the factors enumerated above, but also limited by the banks' inability to extend the installations of the ATMs beyond their premises in Nigeria, which seems to be reducing the rate at which customers access electronic banking at their finger-tips and thereby affect their level of trust on banks.

It is in view of the preceding argument that this study considers the sociological proposition that without some element of trust, human social and business life will not be possible (Good, 1988; Simmel, 1990). Equally, if trust is one of the most valuable aspects in the study of customers and organizations (Giddens, 1990; Simmel, 1990), can lack of trust hinder the growth and development of electronic banking in Sokoto State, Nigeria? Since Aladwani (2001) assert that weak customers' trust on banking products and services could possibly affect the credibility and image of the banks, including customers' usage of electronic banking services such as the ATM. Thus, the study investigated if privacy, security, attitude towards behavior, intention behavior, actual usage, perceived usefulness and ease of use affect customers' trust in the use of ATM services in Sokoto State, Nigeria.

1.3   Research Questions

1. What is the level of customers' trust in banks towards the use of ATM services in Sokoto State?

2. What is the relationship between security, privacy, intention behavior, actual usage, attitude towards behavior, perceived usefulness and ease of use on customers' trust in the use of ATM services in Sokoto State?

3. What is the most predicting factor of security, privacy, intention behavior, actual usage, attitude towards behavior, perceived usefulness and ease of use on customers' trust in the use of ATM services in Sokoto State?

4. What is the difference in security, privacy, intention behavior, actual usage, attitude towards behavior, trust, perceived usefulness and ease of use on ATM usage among Guaranty Trust Bank, Zenith Bank, First Bank, Eco Bank and Mainstreet Bank customers in Sokoto State?

1.4   Objectives of the Study

This study examined the factors that influence customers' trust in the use of ATM services in Sokoto State, Nigeria. The objectives of this study are:

1. to describe how customers' level of trust on banks influence their usage of ATM services in Sokoto State.

2. to examine the relationship between security, privacy, intention behavior, actual usage, attitude towards behavior, perceived usefulness and ease of use on customers' trust in the use of ATM services in Sokoto State.

3. to identify which of these factors security, privacy, intention behavior, actual usage, attitude towards behavior, perceived usefulness and ease of use is the most predicting factor of customers' trust in the use of ATM services in Sokoto State.

4. to determine the difference between security, privacy, intention behavior, actual usage, attitude towards behavior, trust, perceived usefulness and ease of use on ATM usage among Guaranty Trust Bank, Zenith Bank, First Bank, Eco Bank and Mainstreet Bank customers in Sokoto State.

1.5   Hypotheses

The null hypotheses of the study were formulated as follows:

1. There is no significant relationship between security, privacy, intention behavior, actual usage, attitude towards behavior, perceived usefulness and ease of use on customers' trust in the use of ATM services in Sokoto State.

2. There is no significant relationship between security, privacy, intention behavior, actual usage, attitude towards behavior, perceived usefulness and ease of use in predicting customers' trust in the use of ATM services in Sokoto State.

3. There is no significant difference between security, privacy, intention behavior, actual usage, attitude towards behavior, trust, perceived usefulness and ease of use on ATM usage among Guaranty Trust Bank, Zenith Bank, First Bank, Eco Bank and Mainstreet Bank customers in Sokoto State.

1.6   Significance of the Study

The objective of this study is to examine the factors that influence customers' trust in the use of ATM services in Sokoto State, Nigeria. Therefore, this study provides insight on the importance of customers' trust in the use of ATM banking, with a view for the banking sector to make strategic decisions on how to address the increasing reduction in customers' trust in the use of ATM services. Thus, addressing issues associated with customers' trust in the use of ATM services would pave way for the growth and development of the banking sector and could influence their patronage towards the system in a positive way.

Moreover, this study has enormous importance to students, academicians and institutions that want to make research inquiry on similar field. The ideas generated in this study provide a background through which students from different fields (such as sociology, management, economics etc) could review relevant points, perspectives and paradigm in relation to their area of study. Since, this study is first of its kind conducted from a sociological perspective in Sokoto State, Nigeria.

This study adds value to the theoretical understanding and explanation of the links between individuals (customers) and organizations (banks), its products and

services (ATM). This study examines concepts such as attitude towards behavior, intention behavior, actual usage, security, privacy, perceived usefulness and ease of use, including how they influence the relationship between electronic banking (ATM) and bank customers' trust in Sokoto State, Nigeria.

Giddens' (1990) and Simmel's (1990) perspectives on trust were employed to provide explanation on the kind of business relationship that exist between customers and the banking sector in the use of its products and services such as ATM. Giddens and Simmel argued that customers' trust in an organization existed at both personal (called facework by Giddens) and impersonal (called faceless by Giddens) level. While both Giddens and Simmel discuss trust at great length, their theory does not operationalize trust or identify what influences trust. Therefore, this study introduced the following concepts: attitude towards behavior, intention behavior, actual usage, security, privacy, perceived usefulness and ease of use as independent variables which were used to measure their influence on the dependent variable which is trust in the use of ATM services in Sokoto State, Nigeria. The result generated in this study revealed that the above variables could be used to support or reject Giddens' and Simmel's arguments on the kind of trust relationship that exist between customers and the banking sector in the use of its products and services.

Further, the overall findings of the study stand to benefit the financial sector to improve customer-bank relationship. This could be achieved by clarifying issues generated as factors militating against the growth and development of customers' trust in the banking sector and the use of its products and services (ATM). In addition, the findings of the study are likely to strengthen the strategic approaches of the banking sector in retaining and attracting new customers in the global competitive electronic banking sector.

1.7   Background of the Study Area

Nigeria is situated on latitudes 4^0 degrees and 14^0 degrees North and longitudes 3^0 degrees and 15^0 degrees East (Ghanbari, 2011). Nigeria is located at the west coast of Africa on the shore of the Gulf of Guinea. It is bordered to the north by the Republics of Niger and Chad. It also shares borders to the west with the Republic of Benin and to the east by the Republic of Cameroon and Atlantic Ocean. The approximate land area of Nigeria is 923,768 square km which is enriched with abundance of resources for agricultural, industrial and commercial activities (Ayua & Dakas, 2005; Obilade, 2013). Nigeria is the most populous nation in Africa and has a population of 167 million (National Population Census of Nigeria, 2011). Nigeria has more than 250 ethnic groups with three major groups: Hausa-Fulani in the north, Yoruba in the west and Igbo in the east. Nigeria has 36 states and a federal capital territory (Abuja). Sokoto State is one of these 36 states. The figure 1.1 below shows exactly the location of Nigeria in Africa, the number of states in Nigeria and their main capital.

Figure 1.1: Map of Nigeria showing the 36 states and their capital cities, including the federal capital territory Abuja.[1]

Sokoto State is positioned on latitude 40^0 to 60^0 North and longitude 11^0 30^0 to 13^0 50^0 East and North (Sokoto State Government, 2009). Sokoto State is located at the north-western part of Nigeria, and it is considered as the center for Islamic learning and jurisprudence. Sokoto State was a former headquarter of Islamic caliphate of 1804 historic jihad. Moreover, Sokoto State is predominantly a Muslims community. Sokoto State was transformed into Northern region of Nigeria in 1903, subsequently, North western state in 1967. Later, it was divided into Sokoto and Niger State in 1976. Likewise, Kebbi and Zamfara State were carved out in 1991 and

---

[1]https://www.google.com.my/search?q=map+of+nigeria&biw=1280&bih=689&tbm
=isch&imgil=5gIIGSvFtvZyKM%253A%253BrpPLJdC0J4WThM%253Bhttp%252
53A%25252F%25252F

1996 respectively (Inuwa, Yusof, & Saibon, 2014). The figure 1.2 below revealed the map of Sokoto State, including its 23 local governments.
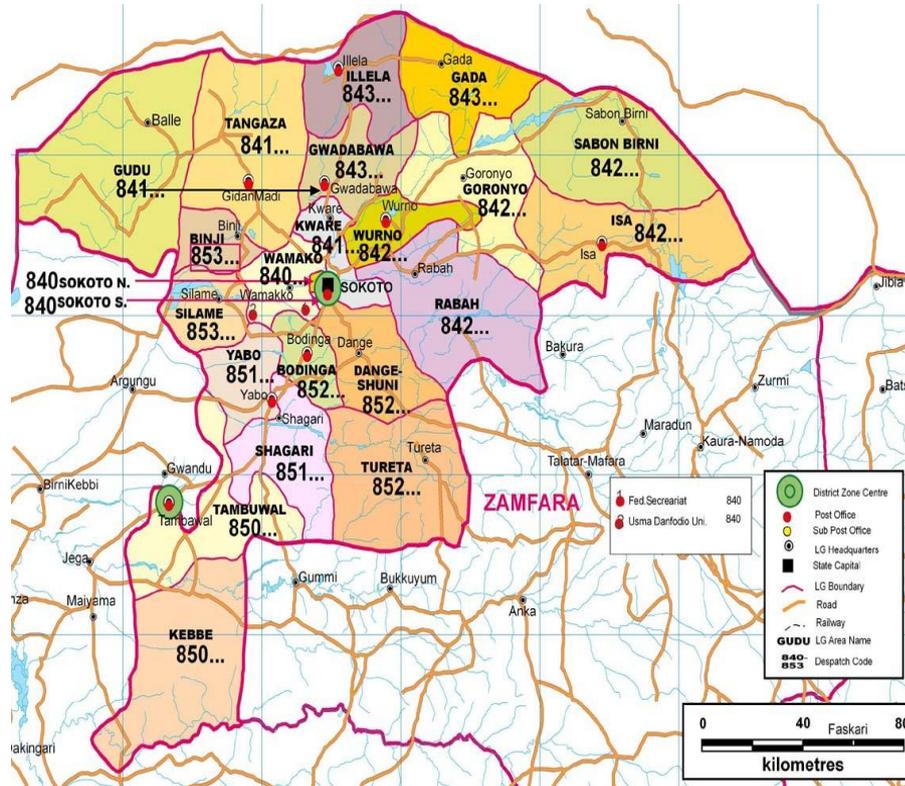
Figure 1.2: Map of Sokoto State including its 23 local government areas[2]

Presently, Sokoto State has 23 local government areas and there are 21 branches of the main banks currently operating in Sokoto State. The performance of some of these banks in Nigeria and Sokoto State in particular from 2006 onward is less efficient than expected. It is characterized by poor and inefficient services, poor management, limited number of branches, limited number of products and services, lack of liquidity, insolvency and lack of customers' trust (Isimoya, 2014).

---

[2]https://www.google.com.my/search?q=map+of+sokoto+state&biw=1280&bih=689 &tbm=isch&imgil=P0LevmxDwHRMyM%253A%253BqdF3S9HPIl8sCM%253Bht tp%25253A%25252F%25252F

Thus, the above mentioned problems lead to closure of so many banks, resulting in great loss to the economy at the states and federal level. Other than that, it also lead to unemployment, loss of money and confidence by customers and investors, respectively (Isimoya, 2014). This attitude exhibited by the banking sector in Nigeria and Sokoto State in particular prompt the research on customers' trust in the banking sector, its products and services (ATM). The concept of trust in a modern society or institutions is very complex (Giddens, 1990; Simmel, 1950). Trust is a central component that produces cohesion within the social networks that compose the structure of society and customers' interaction with an organization (Fukuyama, 1999; Putnam, 2000; Simmel, 1964). Moreover, the concept of trust is imperative in the discussion of organizations that use both western knowledge and culture in their operation.

The western education introduced in Nigeria in the 19th century by the missionaries and the colonial administration is associated with the Christian religion and culture. The main aim of this form of education was to teach the locals the language of Bible and convert them into Christianity. This form of education was taught in Sokoto State in order to force the local to accept both Christianity and western culture. However, the administrative styles, culture, social and business relationship in Sokoto State are practiced based on the Islamic principles. The socio-economic, political and education system were governed based on well institutionalized Islamic principles. The institutionalized Islamic principles in Sokoto State prompt locals to reject western education and culture. Moreover, locals perceived participation in western education and culture as an infidel act (Lovejoy & Hogendorn, 1990; Maishanu, 2007; Miles, 2003; Robson, 2010).

Even though western education is established in Sokoto State, the level of locals turn out to this type of education is deteriorating. The Sokoto State inhabitants perceived western education and Islamic education in two different perspectives. Western education is seen as expensive, an its benefits could only be derived in this world, while Islamic education is perceived as very cheap, and its benefits could be derived in both this world and hereafter (Fafunwa, 2004; Lawal, 2003). Therefore, this form of negative perception developed by Sokoto State locals towards western education challenge their acceptability towards an organization that operates based on western knowledge. In addition, this make the concept of trust necessary, if not compulsory in the process of interacting with any institution that uses western knowledge or culture. The banking sector is one of the modern institutions that operate based on western knowledge and culture.

Sokoto State is predominantly Islamic and conservative society that is still backward when it comes to the issue of western education and modernization of institutions. Against this backdrop, the introduction of modernization and complexity of the banking sector, its product and services (ATM) make the concept of trust as an intermediary between Sokoto State bank customers and the banking sector in using its products and services (ATM). The growth and development of the banking sector, its products and services (electronic banking) makes it hard for a layman to understand due to the confidentiality involves. Hence, customers' trust in an expert system who serves as the access point of the business relationship is not the only aspect that customers need to understand but, including issues related to the use of the system itself. Therefore, considering the above explanation, studies on the issues affecting customers' trust in the use of ATM services in Sokoto State, Nigeria is imperatives.

1.8 Definition of Concepts

1.8.1 Social trust: The concept of trust is a social phenomenon that is associated with actors social relationship at both a personal and system level (Searle, 1995). Social trust is considered to be the future of modern society that is associated with coordination and cooperation for mutual benefit (Putnam, 2007). Delhey and Newton (2003) defined social trust from two perspectives: individual and social system. At an individual level, social trust is concerned with individual characteristics, personality traits or individual social and demographic features such as class, education, income, age and gender. While at system level, social trust is concerned with human social interaction with the system. Social trust can also be viewed as the foundation of social cooperation which lead to the integration and stability of modern society or institution (Rothstein & Eek, 2009; Tao, Yang, Li, & Lu, 2014). Therefore, for this study, social trust is defined as confidence that leads to the willingness of a customer to accept and use different forms of banking products and services, especially the ATM in a social system such as the banking sector.

1.8.2 Customer: There are different views regarding the definition of customer. A customer is an individual or business entity that buys product and services by paying for it (Mageba, 2007). A customer is also someone who pays to receive some kind of products or services (Griffin, 1993). Customer (alternatively called a client, buyer or purchaser) could be defined as the recipient of a goods, services, products or ideas from a merchant or hawker for a monetary or other valuable consideration (Kendall, 2007; Reizenstein, 2004). In this study, a customer is an individual that utilizes the products and services (ATM) provided by an organization (banking sector).

1.8.3 Attitude towards behavior: Attitude towards behavior is defined as the positive or negative feeling that an individual has towards certain behavior or use of

electronic systems (Wu, Tao, & Yang, 2008). Attitude towards behaviour could also be defined as an evaluative statement of an individual's feeling and thought which could be favourable or unfavourable towards certain events in his environment (Robbins & Judge, 2012). For this study, attitude towards behavior refers to the bank customers' predisposition towards the ATM banking based on positive or negative feeling generated overtime.

1.8.4 Intention behavior: Intention behavior could be defined as indication of a person's readiness to perform a given behavior or transact on an electronic system (Ajzen, 2002). Han and Ryu (2006) argued that intention behavior is related to the likelihood of a customer to predispose his readiness to perform actions using electronic banking system. In this study, intention behavior refers to the bank customers' readiness to perform banking transaction on ATM.

1.8.5 Perceived usefulness: Perceived usefulness was defined as the degree in which the user believes that, using the information system can improve his work performance or save time (Wu et al., 2008). Al-Gahtani (2001) revealed that perceived usefulness is the degree to which an individual believes that using a particular system would enhance his/her both social and business activities. For this study, perceived usefulness refers to the feeling developed by the bank customers in relation to the usefulness of ATM services.

1.8.6 Perceived ease of use: Perceived ease of use was defined as the degree to which an individual believes it is easy to use a system (Wu et al., 2008). Perceived ease of use could also be defined as the degree to which a customer believes that using electronic system for banking transaction is easy (Davis et al., 1989). In this study, perceived ease of use refers to the degree in which bank customers believes ATM services are simple to learn and use.

1.8.7 Actual usage: Actual usage could be defined as the manifestation of the behavior in response to a given situation or target (Ajzen, 2002). In this study, actual usage refers to the bank customers' manifestation and predisposition of attitude towards ATM services.

1.8.8   Security: Security could be defined as an essential process through which the environment is secured for the running and success of a business organisation (Velmurugan, 2009). For this study, security refers to the extent to which bank customers feel secured while using ATM for banking transaction.

1.8.9   Privacy: Privacy could be defined as the ability of an organization to protect their identity and information during transaction processes (Takabi, Joshi, & Ahn, 2010). In this study, privacy refers to the degree to which bank customers feel it is safe to conduct banking transaction on ATM system.

1.9   Scope of the Study

The scope of the study is limited to the examination of customers' trust in the use of ATM services among selected banks in Sokoto State, Nigeria. This study covered five out of the 21 banks in Sokoto State, Nigeria. Secondly, the study focused only on the use of ATM services due to the lack of penetration of other forms of electronic banking, such as internet, mobile and telephone banking in Nigeria. Also, this study used only questionnaire in collecting primary data from customers of the banks and reviewed literatures as secondary data. Therefore, the objective of this study is to investigate the factors that affect customers' trust in the use of ATM services in Sokoto State, Nigeria.

1.10   Theoretical Framework

Sociological perspectives are used to provide explanations and understanding of human relationship at micro or macro level on a given phenomenon. The

interaction could be at an individual or group level with institutions or its products and services. Therefore, studies on sociological theories of organization, its products and services provide realistic and positive interpretation of human relationship with organization, its products and services. Besides that, sociologists such as Giddens (1990) and Simmel (1950) employ the concept of trust as a concrete phenomenon in understanding contemporary institutions such as the banking sector, its products and services (ATM). Thus, these sociological perspectives on the concept of trust provide a background through which human business-interaction with the banking sector; its products and services (ATM) can be explained.

There are three reasons for using Giddens' and Simmel's theory on trust in this study. First, they agreed that, trust is important in the study of social and business relationships in modern institutions. Secondly, they both agreed that business relationships could be determined at both a personal and an impersonal level. Giddens labeled a personal business relationships as facework commitment and impersonal business relationship as faceless commitment (Giddens, 1990) while Simmel argued that business relationships are transacted at a personal and impersonal levels (Simmel, 1950). Thirdly, they both argued that trust is important when there is a lack of knowledge about the operating nature of a system or an institution which people interact with. If an individual has full knowledge of a system then the concept of trust becomes irrelevant, since there is no need to trust any institution whose operating nature is well known by the individual (Giddens, 1990; Simmel, 1950).

The theoretical frameworks of Giddens and Simmel on trust in an organization, its products and services was thus used to test if variables such as: security, privacy, attitude towards behavior, intention behavior, actual usage,

perceived usefulness and ease of use will affect bank customers' trust in using ATMs in Sokoto State, Nigeria.

1.10.1 Giddens: Trust as a Commitment

Giddens' (1990) perspective on trust comes from modernization of society and the problems surrounding it. The modernization of society has increased individuals opportunity in the world (in terms of social, education, political and economic opportunities) (Greenberg & Elliott, 2009). These opportunities at the same time come with challenges which are associated with the changing nature of the modern institutions. Beck (1992) argued that in modern societies (institutions), risk might be increased due to the development of technology, science and industrialism (Jarvis, 2007). Hence, the concept of trust is imperative in relation to the risk accompanying the modernization of institutions in the society. Therefore, discussion on trust has to do with the fact that an individual's life has become more complex, and this increases social risks (Beck, 1992).

The concept of trust is associated with social risk existing in the complex nature of an individual's life in modern institutions. Giddens (1990) argued that there would be no need to trust any system or institution whose nature of operation were wholly known and understood. Besides that, if everything is known in a social or business relationship with an institution, there is no need for customers to develop trust on the interaction (Levin, Cross, Abrams, & Lesser, 2002). Therefore, the concept of trust exists when there is discrepancy between what is known and unknown in a social or business interaction. Taking this into consideration, Giddens (1990) posited that there are two kinds of commitments in the modern world (i.e. facework and faceless commitment). These commitments have strong connection with the need and development of trust in both social and institutional level.

Facework commitments are concerned with the relationships which are maintained and expressed by individuals at an interpersonal level (Giddens, 1990). Customers tend to interact with the banking sector and its officials at interpersonal level based on the ethics of a formal organization. In contemporary society that is characterized by complexity and changing environment, people tend to interact with others in the institution even though they lack in-depth knowledge about them (Barber, 1983; Lewis & Weigert, 1985; Luhmann, 1988). Granovetter (1973) revealed that interacting with an institution through interpersonal trust is about creating weak social ties which are valuable in obtaining access to otherwise unavailable resources. However, placing trust in staff of an institution means that the employees are expected to comply with customers' expectation and at the same time being reasonable while dealing with them (Akbas, 2012; Solomon & Flores, 2001).

Uzzi (1997) argued that facework commitment or interpersonal trust is fully recognized in some small firms as seen in women fashion industry that mainly focused more on close relationship with their customers rather than formal interaction. Other than that, focus on customers in a more intimate interaction will create more trust than formal interaction. Gambetta (1988) posited that before interacting with somebody in an organization, customers tend to analyze the gain and benefit they would drive from it. The above arguments attest that trust is imperative to the growth and development of an institution, its products and services due to the fact that both the customer and staff of an organization have a set of goal to achieve (Khodyakov, 2007). Therefore, at this level the percentage of the risk and danger an individual is exposed to while using the organization products and services is small since the interaction with the institution on issues related to its products and services is navigated at interpersonal level.

Faceless commitments are product of the complexity of social life in a modernized society (Greenberg & Elliott, 2009). The core of these commitments is the belief in an expert system (Barber, 1983; Giddens, 1990; Luhmann, 1988). Belief in an expert system has to do with the issue of interaction with institution, its products and services which may presuppose lack of contact with individual or groups who are responsible for the customers (Ekberg, 2007; Giddens, 1990). However, the creation of faceless commitment to trust is as a result of modern organizations being more impersonal in nature. Therefore, customers find it difficult to trust some abstract principles or ambiguous products and services which they lack knowledge of its nature of operation (Khodyakov, 2007).

Giddens (1990) argued that faceless commitment in an organization could be found in doctor-patient relationship. The relationship between doctor and patient is complex in nature since the later lacks the knowledge about the operation of the hospital as an institution or a system. A patient develops confidence on doctors who they perceived as the access point of the interaction. During the process of interaction between the doctor and the patient, doctors actions may strengthen the patient's confidence in the system or alternatively awake suspicions about the quality of the products and services they rendered (Jalava, 2006). For example, a good treatment would strengthen the patient's confidence, but a bad treatment would strengthen mistrust and suspicions. The present study corresponds with the literature above that, the banking sector ability to address issues associated with security, privacy, attitude towards behaviour, intention behaviour, actual usage, perceived usefulness and ease of use in the use of ATM services will increase trust while failure to do that may lead to mistrust and affect customers' usage of the system.

The argument of Giddens on faceless commitment in an organization corresponds Levi (1998) study on citizen's trust in the state which is characterised as a modern social institution. Levi's study revealed that citizens developed open trust with the state since they lack knowledge about the operation of the entity. Other than that, the results proved that citizens have no trust on the state but, have the belief that on normal grounds, agents of the state who serve as the access point would prove to be trustworthy. Parry (1976) argued that regardless of the theoretical approach, the concept of open trust in an institution is often more important than interpersonal trust in a modern society. This has to do with the fact that institutions have more resources and capacity to serve the interest of their esteemed customers.

Given this, Giddens (1990) argued that the character of the modern world is oriented by the future. Customers felt that experts do not only foretell the future, but they create it (Beck, Giddens, & Lash, 1994). Moreover, the character of experts in an organization is global in nature and no customer can opt out of its clutches. Hence, most of the time, people trust an abstract system to deliver what they bargained for at the end of the interaction (Giddens, 1990). Therefore, individuals must have confidence in an abstract system in this modern world since they cannot get rid of them. In addition, modernization of societies has made the use of systems difficult to avoid, for example, considering the fact that majority of workers received their salary through their bank account, hence they are 'forced' to use the system to access their money even if they do not trust the system. Giddens (1990) posited that trust in abstract systems takes the form of faceless commitments in which faith is sustained in the workings knowledge of which the lay person is largely ignorant. Although, Giddens (1990) noted that, in a modern society confidence might be more

important than interpersonal trust; but, he did not completely reject the connection between them.

Even though people trust abstract systems to perform their duty, the major contradictions of the modern society are the tension between trust and mistrust (Fu, 2004). Individuals' increasing dependence on trust in expert systems as a strategy for managing and reducing risk and insecurity in an organization such as the banking sector, its products and services (ATM) has produced some doubts. Customers' lack of knowledge in the operating nature of the banking sector tends to make them develop trust in the expert who serves as the access point in which the business relation is measure. Therefore, Giddens (1990) concluded that we are depended on faceless commitment to trust or have confidence in expert and what they developed since it is global and we cannot get rid of it.

Giddens' (1990) theory on trust has been criticized for its failure to identify independent variables in explaining the concept of trust in an organization. Giddens focused on two types of relationships that customers has towards an organization: facework and faceless commitment. These concepts were used to explain the kind of trust relationship that exists between customers and the organization. There has been much disagreement on whether trust should be used as independent or a dependent variable in the process of conducting a research. In many empirical studies, social scientists argued that the concept of trust should either be used as a dependent or independent variable (Coleman, 1990; Levi, 1998; Messick & Kramer, 2001; Ouchi, 1981; Yamagishi, 2001). The above argument provides a ground through which trust was used as a dependent variable in this study. Therefore, this study tends to measure some important variables such as security, privacy, attitude towards behavior,

intention behavior, actual usage, perceived usefulness and ease of use on customers'
trust in the use of ATM services in Sokoto State, Nigeria.

1.10.2 Simmel: The Nature of Trust

Simmel (1990) developed sociology of trust in order to analyze people's
relationship with an organization. This development provided a theoretical
framework for analyzing personal and impersonal trust relationship that exist
between customers and the organization (Delhey, Newton, & Welzel, 2011). Simmel
argued that trust is one of the most important synthetic forces within a society
(Paxton, 2007; Simmel, 1950), and without the general trust that people have in each
other or in a relationship with an organization (its products and services), society
itself would disintegrate (Simmel, 1990). Further, trust is a force that works for and
through individuals and at the same time works for and through the human
association. Secrecy attract curiosity in the mind of people, thereby despite the fact
that individuals lack full information about others, they tends to establish some kind
of confidence in them (Mollering, 2001).

Social and business interaction would be impossible without trust since
absolute transparency would make the interaction impossible (Simmel, 1990). Trust
is also an important notion in Simmel's theory because where there is lack of
knowledge, people become desperate and call for trust to communicate the unknown
knowledge (Noro, 1991). This is relates to Giddens' (1990) proposition that lack of
knowledge on the operating nature of the system forced customers to developed trust
while interacting with an organization. Trust also contributes to the growth and
development of economic institutions by ensuring cooperation between customers
and organizations (Delhey & Newton, 2003). Therefore, it is important to know that
trust is not something that can be demanded at will, but something that can be earned

(Luhmann, 1979). This however depends on some positive circumstances created by an organization to motivate their customers towards their products and services.

Simmel (1990) argued that the concept of trust is both personal and impersonal in nature. Similarly, social scientists view the concept of trust as fundamental to both personal and impersonal interactions (Delhey & Newton, 2003; Möllering & Lee, 2004; Norris, 2007). At the personal level, trust is concerned with confidence developed on other people based on mutual or interpersonal relationships (Delhey et al., 2011; Giddens, 1990). It also generates a good understanding between people who are engaged in an interpersonal relationship (Six, Nooteboom, & Hoogendoorn, 2010); encourages sociability and participation with others in various forms of associations (Sztompka, 1997); and improves spread of communication and spontaneous collective action (Fukuyama, 1995).

Personal interactions with individuals (e.g. at social and business level) eliminate the feeling of anxiety, suspicion, watchfulness and allow for increased spontaneity and openness among the parties involved. Hence, the concept of trust is associated with positive opportunities for both the givers and the recipients. Other than that, trust operates in a reciprocal manner, thereby both parties involved tend to enjoy the positive aspect of it (Gambetta, 1988). Almond and Verba (1965) posited that interpersonal (personal) trust is important and serves as the basis for building institutional trust (impersonal trust). Simmel (1990) argued that personal trust play a significant role in reducing the danger involved in interacting with an organization which customers lack in-depth knowledge about their operation. Therefore, when individuals have somebody of whom they develop personal business relationship with in an institution, it tends to reduce tension and anxiety they feel when using the organizational products and services.

Simmel (1990) posited that impersonal trust is concerned with the relationship built based on confidence towards a particular institution. Skarlatidou, Haklay, and Cheng (2011) argued that trust does not only operate within the paradigm of human relationship. It could also be found in customers' relationship with organization (bank), its product and services (ATM). Fukuyama (1995) argued that the concept of trust strongly relates with impersonal interaction when it comes to business relationship between customers and the organization. Customers' impersonal interaction with an organization depends largely on the future contingent outcomes of institutions which may be favourable to them (Mouritsen, 2003). This type of impersonal business relationship could be found in the banking sector. Majority of the bank customers lack in-depth knowledge about the operating nature of the banking institution. In addition, not all customers know how their bank works to provide ATM services for patronage.

Impersonal trust is imperatives in the study of human interaction in contemporary societies or institutions (Beck, 2009). Customers engage in business interactions with strangers they never met, and bet on impersonal trust as the only common ground between the two parties involved. Simmel (1990) argued that the growth of modern societies and institutions leads to increase in the significance of trust to address risks and uncertainties associated with this modern system. Hence, the concept of trust is imperative to the study of human interaction with social systems (Šalaj, 2006). Customers tend to use impersonal form of trust to engage in a business relationship with an organization in which they have less or no in-depth information about their operation. Therefore, customers presume the other party will deliver base on the trust vested on them.