Management of Financial Technology and Its Impact on the Banking Services: Palestine

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Abstract

This paper seeks to investigate the impact Financial Technology would have on the financial service banking industry in Palestine, The results show that the financial institutions need to adapt to the digital trends as early as possible, understanding the unmet needs of a digital customer in a better way. The growing expectation from financial institutions is to shift from product-based models to customer-based models, equipping themselves to offer real-time, easy to use, personalized products and services to the digital customers through customer's preferred channel, Financial Technology is greatly innovating and enhancing the efficiency of the financial service industry thereby contributing to economic development. In Palestine, The researcher recommend the use of specialists in the field of electronic sites design in particular, because the site attractiveness needs experience sufficient experience in this area to support its attractiveness for customers, and to benefit from the experiences of the developed countries in the field of software technology control and protection of customer information, in order to strengthen current Software applied to those banks.

Keywords: financial tech, banking services, Palestine

1. Introduction

Financial Technology defines as a new wave of companies which change the way people pay, send money, borrow, lend and invest. Currently, London is the leading Financial Technology hub, followed by New York, Paris, Hong Kong and Singapore. The financial crisis, which decreased people's trust in banks, has prompted financial innovations. Financial Technology emerged to provide new financial services at lower costs through mobile platforms and applications. Specifically, Financial Technology companies offer trust, transparency and technology Amalia, F., (2016). Through innovations such as peer-to-peer lending and crowdfunding, Financial Technology provides people with easier access to loans and widens the opportunities for investment**.** Stats that financial technology has been developing at a tremendous rate all around the globe (Arner, Barberis, & Buckley, 2017).

FinTech is one of the emerging sectors in Industry 4.0. The scope of FinTech is very broad, it covers almost every aspect of the financial system. There are new capabilities and modes in insurance, money transaction, digital security, investment, data analysis, crowdfunding and etc. It offers various user-friendly products that provide a positive customer experience and at the same time reduce transaction costs. FinTech has existed for many years and there is an enormous gap from when our society started establishing the system. Sandel (2016) stated that the existing financial services organizations are making a considerable investment in FinTech, while also investing in and collaborating with promising strategies that can deliver additional value. Globally and Indonesia in particular has seen the growing usage in online trading and online banking that resulted in the expansion of e-commerce. It has changed many aspects of the way society is living now (Anshari, Almunawar, & Masri, 2020). Studded The use of technology in the delivery of banking services is becoming increasingly prevalent as its being employed to reduce costs and eliminate uncertainties (Joseph, McClure, & Joseph, 1999). The interaction between finance and technology in not novel. The abacus is a testament to the long – standing relationship between the two. But the 2008 global financial crises (GFC) represented a pivotal moment that separated prior phases of the development of financial technology (FinTech) and regulatory technology (RegTech) from the current paradigm. This study focuses on the importance of electronic banks, and the role of financial technology in improving customer services, Provide full banking services, reduce cost, and increased efficiency to raise awareness and improve customer satisfaction (Arner et al., 2017).

2. Literature Review

2.1 The Concept of Automated Teller Machine

Ali, (2016), Automated Teller Machine (ATM), also known as a automated banking machine (ABM) or Cash Machine and by several other names, is a computerized telecommunications device that provides the access to financial transactions in a public space without the need for a cashier, human clerk or bank teller. On most modern ATMs, the customer is identified by inserting a plastic ATM card with a magnetic stripe or a plastic smart card with a chip that contains a unique card number and some security information such as an expiration date or CVV. Authentication is provided by the customer entering a personal identification number (PIN). Using an ATM, customers can access their bank accounts in order to make cash withdrawals, credit card cash advances, and check their account balances.

Practical Implications: (Damayanti & Setyawardani, 2019). There are significant investment and operational costs associated with setting up and operating ATMs and of adding and managing additional ATMs. This is particularly so in an era when their use is on the decline owing to the increasing use of electronic banking .So it has to be importance on maximizing cost-efficiencies to keep bank fees low for customers.

Social implications: (Damayanti & Setyawardani, 2019). The social implications of ATM banking refer to the reduced administration fees customers pay as banks incur cost savings from collaborating on infrastructure and services. The availability of ATMs from specific banks could be replaced by one joint ATM machine that is situated in a specific area where electronic banking is not available. Banks' customers tend to move to other banking services, and this means banks could lose a lot of their existing customers unless they can come up with unique services that are both accessible and user-friendly.

2.2 Mobile Banking (MB): The Concept of Mobile Banking: (El Talla, Al Shobaki, & Abu-Naser, 2019)

The services offered by mobile phone are: Account balance inquiry, Query the last (10) transactions on the account, Transfer from account to internal account, Account statement request, Request a check book, Summary of account balances, Change the PIN , Stop Visa Electron card, Paying the bills, Exchange Rates and Interest rates on dinars and foreign currencies (Pirzadeh & kekicheff, 2019). Embodiments of the invention are directed to an architecture or system design for the functional elements residing in a mobile device that may be used to conduct a payment transaction. The inventive architecture may be implemented as a set of functional modules resident in a secure element that is embedded or otherwise incorporated into the mobile device. Consumer payment devices are used by millions of people worldwide to facilitate various types of commercial transactions. In a typical transaction involving the purchase of a product or service at a merchant location, the payment device is presented at a point of sale terminal ("POS terminal") located at a merchant's place of business. The POS terminal may be a card reader or similar device that is capable of accessing data stored on the payment device, where this data may include identification or authentication data, for example. Data read from the payment device is provided to the merchant's transaction processing system and then to the acquirer, which is typically a bank or other institution that manages the merchant's account. The data provided to the acquirer may then be provided to a payment processing network that is in communication with data processors that process the transaction data to determine if the transaction should be authorized by the network, and assist in the clearance and account settlement functions for the transaction. The authorization decision and clearance and settlement portions of the transaction may also involve communication and/or data transfer between the payment processing network and the bank or institution that issued the payment device to the consumer**. Prediction of the future of mobile banking operation:** The banks believe in changing. It is told that only change is the constant. In the business world mobile banking is very much new, the banks still have not got the true and specific shape of mobile banking. That's why some customers want the banks to add more and more services for this banking system. However it is a matter of great hope that maximum of the customers are satisfied. That is creating better future for mobile banking as well as overall banking business.

2.3 Smart Card (SM): The concept of Smart Card

Pirzadeh, & Kekicheff, (2019). A smart card is generally defined as a pocket-sized card (or other portable payment device) that is embedded with a microprocessor and one or more memory chips, or is embedded with one or more memory chips with non-programmable logic.

Pushkar, & Gupta, (2019). By the help of E-Banking the customers do not need to visit in a bank and with the help of internet, customers can easily transact their accounts from anywhere. the service quality and strengthens the banking sector because of the electronic payment there is increase in customer satisfaction level, increased productivity, reduction in cost of banking operations, settlement.

2.4 Point of Sale System (POS): The concept of Point of Sale System

Abraham (2018). Self-service point-of-sale (POS) systems have become increasingly popular in many retail business establishments. Each year, a larger percentage of customers opt for self-service POS systems in lieu of using staffed, or full-service, POS systems. At each self-service POS system, customers typically scan items selected for purchase one-by-one as part of a transaction. The transaction generally ends upon successful payment by the customer.

PMA (2020). Launching this system will encourage the banks to issue more debit and prepaid cards and will also encourage the distribution of the point of sale machines. PMA will also clear and settle the transactions on the systems hosted in the PMA using the PMA RTGS system (Buraq), and also the inclusion of new payment services. The implementation of the switch will increase access to banking services, especially in rural areas which will improve banking services and comply with PMA's financial inclusion strategy. The National Switch is considered a cornerstone for the Electronic Retail Payments in Palestine. The implementation of the National Switch is part of PMA's strategy in electronic retail payments and the reduction of the use of cash and cheques in order to minimize the risk of the use of cash and other paper based payment instruments.

2.5 Digital Currency (DC): The Concept of Digital Currency

A. H. Zhou, T. T. Zhou, & Xing, (2018). Provided is a method for digital currency transfers via a mobile and wearable device. The method may include receiving a transfer request with a transfer amount in digital currency and user identification data associated with the user, retrieving payment data of the user associated with the identification data, generating an optical code encoding the payment data and the transfer amount. The method may continue with providing the optical code on a screen of the mobile and wearable device. On scanning of the optical code, a transfer receiving request is created. The method may continue with receiving a transfer receiving request to perform a payment transaction associated with the user, accessing a user account maintained by a currency issuance unit, and transferring the transfer amount in the digital currency from the user account to a recipient account associated with the recipient identification data (Laremenko & Moshe, 2019). A mobile wallet for storing a digital asset, the mobile wallet may include a communication unit; a programmable logic device (PLD), a main controller, a secure element, and an anti-tamper unit that comprises one or more anti-tamper sensors. The secure element may be configured to store the digital asset. The communication unit may be configured to receive ingress traffic from outside the mobile wallet and to output egress traffic not blocked by the PLD. The PLD may be configured to monitor ingress traffic and egress traffic, and to determine whether to pass or block ingress messages of the ingress traffic and egress messages of the egress traffic. At least one of the main controller and the anti-tamper unit may be configured to detect a tamper attempt based on outputs of the one or more anti-tamper sensors. The main controller may be configured to assist in responding to a detected tamper attempt.

2.6 SWIFT: The Concept of SWIFT

Qiu, Zhang, & Gao, (2019). SWIFT stands for Society of Worldwide Interbank Financial Telecommunication. SWIFT, as a network for secure cross border financial transactions or money remittance. SWIFT system uses predefined code to pass on transaction details through the SWIFT network. Each transaction is described by a series of SWIFT code. The code consists of several key identifier components, such as institution code, country code, location code and branch code to indicate the sender and receiver.

Raymaekers, (2018, pp. 207-212). The international payments landscape is undergoing significant change. Banks are experiencing increased pressure from both corporate customers who are demanding faster, more transparent cross-border payments, as well as from new, innovative technologies and payment alternatives that are challenging the status quo. SWIFT global payments innovation (gpi) is a collaborative industry solution developed to create a more efficient international payment ecosystem. Through gpi, SWIFT is relieving the pain points and challenges associated with international payments, and is rapidly addressing the needs of banks and their corporate customers. The traditional SWIFT system is facing new comers like Ripple system which is based on the block chain distributed ledger technology with its own crypto tokens.

Qiu, Zhang, & Gao, (2019). In short-term, SWIFT will still take the lead in the remittance market due to the economy of scale. However, in long-term, emerging technology like Ripple will eventually revolutionize the remittance industry or even other financial systems. The impact on bank performance of the adoption of SWIFT, a network-based technological infrastructure and set of standards for worldwide interbank telecommunication. The results suggest that the adoption of SWIFT (i) has large effects on profitability in the long-term; (ii) these profitability effects are greater for small than for large banks; and (iii) exhibits significant network effects on performance.

3. Previous Researches and Studies

Suleiman, Abedelkarim, & Ramallah, (2019). Studied the correlation between electronic banking services in Palestine and customer satisfaction .The main question is: "What is the impact of the electronic banking strategies on customers' satisfaction within the banking sector in Palestine?" The methodology used to tackle this question is based on two major components: a) survey design targeting 347 banks' customers in 8 banks in Palestine, b) Direct interviews with the Top management of two major banks in Palestine (Arab Bank and Bank of Palestine) on the bank's future strategies towards Electronic banking .With the introduction of the Third generation of wireless internet (3G) service in Palestine, the internet has become readily available and accessible, at any time. Along with the availability of traditional wireless network in the bank itself, the banking systems in Palestine are moving quickly toward digitalization. This study finds several interesting findings, one of these findings is the significant positive correlation between electronic banking strategies and customer satisfaction using these services. Thus, the study null hypothesis was rejected and the alternative hypothesis was accepted.

Guliyev, A. (2018). "Determining the impact of financial technologies on various subjects of the financial market to identify prospects for development financial market in particular market". The bank with international experience and huge capital base fells itself more comfortable endorsing and stimulating the fintech development in the markets where present, innovative and technological startups in financial market can reach a global level and steal traditional banks' revenue by providing customers with more convenient and fast products and services.

Guild, J. (2017). the sustainable economic growth is strongly linked with financial inclusion. The successful adoption of Fintech to increase financial inclusion is highly dependent on competent regulatory oversight. examining varying degrees of success in the adoption of Fintech services in Kenya, India and China this paper argues that adopting a responsive regulatory approach, rather than an overly interventionist one, is the most suitable framework for boosting financial inclusion through technological innovation.

Chen, Z., Li, Y., Wu, Y., & Luo, J. (2017). A comparative case study method to contrast and analyze the Industrial and Commercial Bank of China (ICBC) and Citibank. It analyzes the strategies, organizations, HR systems, and product innovations adopted by these two banks in response to the impact of FinTech. "Technology power" will become the core competitive concept for the financial institutions of the future. FinTech is expected to overturn the traditional banking business model, forcing banks to upgrade and transform.

Li, Y., Spigt, R., & Swinkels, L. (2017). clarify the role of FinTech digital banking start-ups in the financial industry, and examine the impact of the funding of such start-ups on the stock returns, the funding of digital banking start-ups is more likely to have a positive effect on the incumbents' stock returns than a negative effect. This suggests complementarity between FinTech and traditional banking, rather than substitution and disruptive innovation. However, our results are weaker for the level of funding, or if we investigate the banking industry returns.

Bultum, A. G. (2014). Investigating the factors that affect adoption of E-banking in the Ethiopian banking industry .The study was conducted based on the data gathered from four banks in Ethiopia; three private banks (Dashen bank, Zemen bank and Wegagen bank) and one state owned bank (commercial bank of Ethiopia). Result of the study shows that security risk and lack of trust on the use of technological adoption are other major barriers for the system Ethiopian government should establish a clear set of legal frame work on the use of technology in banking industry and recommend to the understanding of the barriers to banking adoption help to identify the best course of actions to promote its development.

4. Research Methodology

4.1 Procedure

This study is quantitative in nature based on secondary data that was mainly collected from Report of Palestine Monetary Authority (PMA), Palestine Capital Market Authority (PCMA) Palestinian Central Bureau of Statistics (PCBS) Reports on trend and progress of banking in Palestine, Newspapers, Research Articles, Research Journals, E-Journals, Books and Magazines. Various websites were also used like PMA, PCMA and PCBS. The period under consideration for the study is years from 2017-2018.

4.2 Research Question

From the problem statement and in consideration of core objectives of study what is the impact of Financial Technology on the traditional banking industry in term of following sub problem? The following research questions have been formulated:

1). What is the impact of Financial Technology on the banking industry in term of the diversity of banking service?

2). What is the impact of Financial Technology on the banking industry in term of the proliferation of banking services?

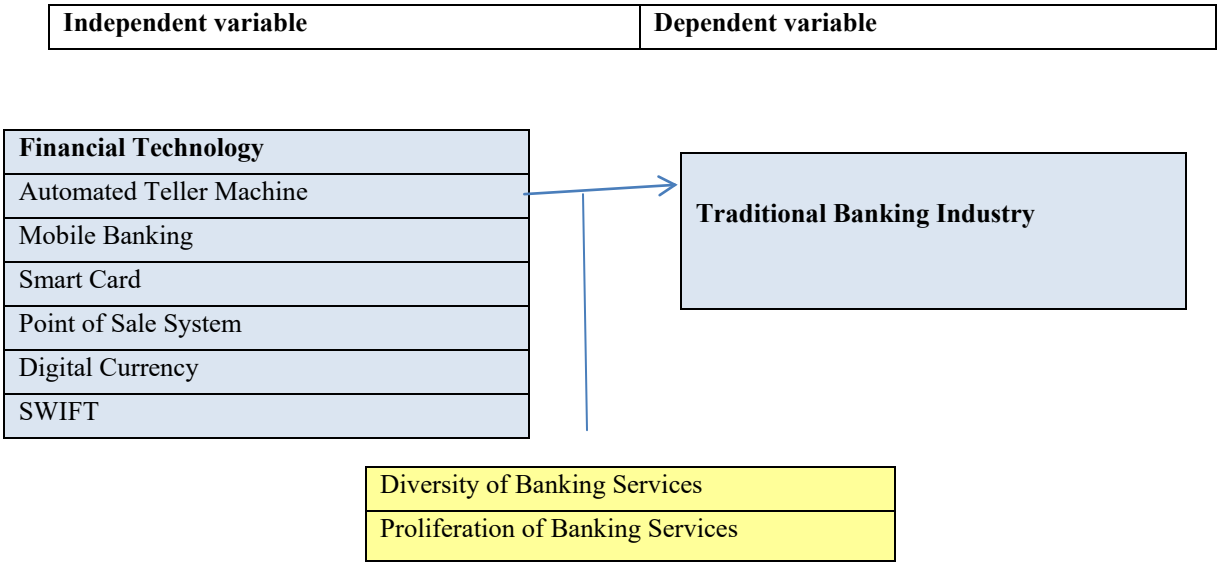
4.3 Research Objectives

The objective of this research to identify various uses of financial technology in improving and facilitating financial procedures through technological solutions and its impact on the future of traditional banking industry.

4.4 Research Importance

There are many studies and researches that have examined the electronic banking services and its impact on banking sectors in many countries worldwide. Either in the developing or in the developed countries, the indicator that uses in this research the impact of these on future of traditional banking industry in term of: Diversity of banking services, proliferation of banking services and Information security. This is an indicator of the importance of this issue, especially with the adoption of Electronic Banking services are increasing with time worldwide.

4.5 Conceptual Model



5. Data Analysis

E-banking affects the daily activities of individuals and institutions. For organizations, information is crucial and they cannot operate efficiently without it. Perhaps the best example of the application of IT by organizations is e-banking, which can help organizations achieve their objectives exploiting the various advantages e-banking provides, organizations can enhance opportunities for growth and it seems clear that IT can contribute to increasing profits There are several factors that play a role in e-banking future, among which some central pillars are: 1.Diversity of banking service.2.Proliferation of banking services 3. Information security and privacy. AlHaliq, H. A., & AlMuhirat, A. A. (2016).

5.1 What is the impact of Financial Technology on the traditional banking industry in term of the diversity of banking service?

One of the most important issues at any organization is achieving the customer satisfaction, If the banks cannot serve what customer expect from them, customer will be disappointed, Where the organizations create a specific section called service department it work to provide effective services to all customers, because it helps to support long term business growth, Highly satisfied customers are very important for the business to grow in the long term. Tasnuva, A. (2020).

In present days customer wants fast, convenient and efficient services from the banks, so banks need to improve process and use appropriate technology to achieve customer diversified services that changes overtime and delivering which has been promised with a distinguished quality level. This figure shows the values that the customer aspires to find in electronic services (Diversity, Quality, and Sustainability)

Table 1. Bank usage of Electronic Banking

Bank Name	Electronic Services Provided By Banks
Arab Bank	ATM ,ITM (Interactive Teller Machine) , Arabi Online , Arabi Mobile ,Customer Care Center ,SMS Express ,Customer Biometric Recognition , Direct Sales , Arabi Connect and Corporate Business Center.
Cairo Amman Bank	ATM Service ,Internet Banking, Mobile Application and SMS Banking
Bank Of Jordan	Internet Banking (retail) ,Internet Banking (corporate), BOJ mobile, ATMs ,Mobile cash, Cards Debit MasterCard / ATM card and World MasterCard and Visa Platinum Credit Card and Visa Gold and Classic Credit Cards and contactless payment ,Prepaid , Points Program ,Discount Program , Pre-Paid 3D Secure Service Aqsati Program , Points and Discounts application ,Instant Point Redemption , Junior Visa Credit Card ,OTP service and Special offers with the wPay smart bracelet
Jordan Commercial Bank	Tejari mobile, Tejari connect, ATM services, MS services, E-statement and E-FAWATEER com.
Housing Bank	ATM machine and ISKAN online
Jordan Ahli Bank	Online banking, Automated Bill Payment ,Money Transfers and E-statement
Egyption Arab Land Bank	Online Banking, Al-aqari mobile, MS services, ATMs services, ATMs cards and Credit cards.
Bank Of Palestine	Direct Debit, SMS Banking, Online Banking, Mobile Banking, Email Notifications, Phone banking, Accept instructions by fax, Possibility of foreign currency exchange by phone for customer and companies, Point of Sale (POS), SWIFT, Cards: cash card, visa classic debit card, visa platinum debit card, visa and master card credit cards, visa signature, amyali card, and MoneyGram.
The National Banks	SWIFT ,Western Union, SMS services, TNB Online Personal Banking , Online Banking, TNB digital services center and CARDLESS services
Quds Bank	ATMs Cards, ATMS services, SMS services, SMS services upon request (SMS Pull) and Online banking.
Palestine Islamic Bank	Islami Online, Electronic Payment Services, Islami Mobile, Islami Auto, SMS services, ATM services and Cash deposits.
Palestine Investement Bank	Mobile banking, TNB Digital Services Center, Cradles Services Online Banking, Electronic wallet: Cash Cap, POS, Western Union, And SWIFT, Credit Cards: Golden VISA Card, Silver VISA Card, ATM Card.
Arab Islamic Bank	Internet Banking, ATMs services, SMS services, Cards and Western Union.
Safa Bank	Smart banking service, ATM Service, Cash Deposit Service and SMS Banking.

It show different electronic services provided by banking operating in the West Bank and Gaza strip. Arab bank is considered a big bank, seeking to be the leading bank in financial technology .Bank of Palestine is also offering wide E- Banking services for the customer. These services are improving the overall services level for the bank toward their customer by saving their time and effort and making services easier and available.

PMA has many projects together in advancing the E-banking services for the customers, PMA launched the National Switch 194 Project that connected all Banks ATMs together in one local network and a way that increase the efficiency of use of these ATM and reduces the cost on all banks customers. Now, the bank and PMA is working with a similar project but of Point of Sales (POS). Cooperation of all primary stakeholders (PMA, the banks, and the Palestinian government) in leading the E-banking services and integrating them with government services, will be improving the customer experience and increase their satisfaction. There are directions from some banks in Palestine to expand their E-Banking services horizontally by adding more E-banking channels similar to mobile banking and internet banking. Also by increasing the banking services in each channel such as payments, transfers, account management …etc., to

make more and more banking services available for the customers away from the physical branches. Suleiman, M . S., Abedelkarim, N., & Ramallah, P. (2019).

The future of diversity of banking service: the more you make accessing the E-banking service is easier by the customers the more they have, The PMA and the banks need to work on an awareness campaign on the E-banking includes how to get, How to use, what are the available services? E-Banking services became essential channels for all banks to survive and compete in Palestine. The previous developments in the banking sector, whether in the legal and regulatory area, or in the field of systems and development projects, or in the field of banking proliferation contributed significantly to the development of the size and quality of financial services provided to the public, as the number of automated teller machines increased significantly and electronic points of sale also developed as they contribute In encouraging electronic payment processes and reducing the use of cash in commercial transactions, which raised the value of the transactions implemented through direct debit cards to the increased trend towards the use of electronic payment tools, which contributes to the rapid circulation of money and activation The wheel of growth in the economy, which enhances the degree of financial stability in general.

5.2 What Is the Impact of Financial Technology on the Traditional Banking Industry in Term of the Proliferation of Banking Services?

Both ATMs and Branches numbers are increased over the years in Palestine, this increase is a positive sign of the spread of banks in wide geographical areas, thus reaching more customer base.

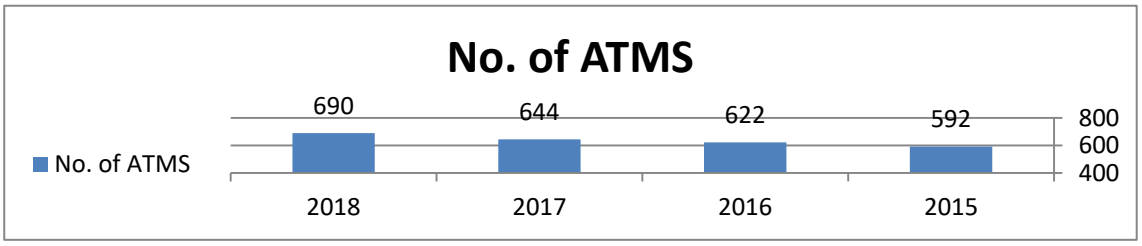


Figure 1. Palestine Banks ATMs, PMA annual reports (2018)

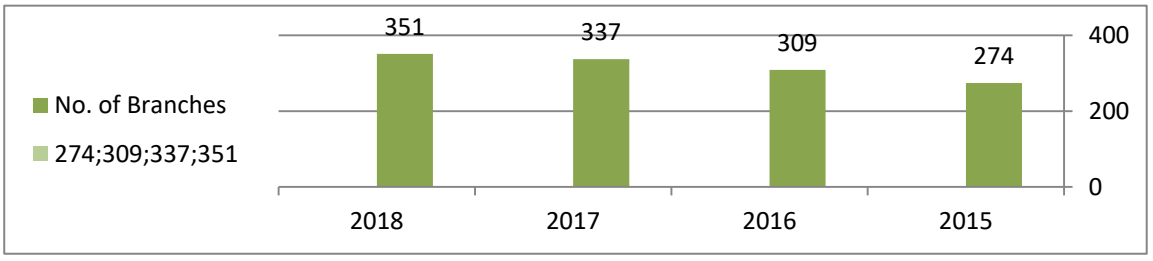


Figure 2. Palestine Banks branches, PMA annual reports (2018)

Table 2. Financial inclusion indicators, 2014-2018

Items	**2014**	**2015**	**2016**	**2017**	**2018**
Branches & Offices (number)	258	274	309	337	351
Deposit accounts (number)	2,766,635	2,940,575	3,072,923	3,208,783	3,471,849
Customer deposits (USD million)	8,935.3	9,654.6	10,604.7	11,982.5	12,227.3
Items	**2014**	**2015**	**2016**	**2017**	**2018**
Personals	6,468.9	6,805.9	7,341.0	8,316.1	9,065.4
Corporates	1,681.2	2,192.8	2,590.1	2,536.6	2,556.2

Public sector	785.2	655.8	673.5	736.2	605.7
Credit Portfolios (USD million)	4,895.1	5,824.7	6,871.9	8,026.0	8,432.3
Personals*	2,052.0	2,539.5	2,731.6	3,206.2	3,345.7
Corporates**	1,603.3	1,829.1	2,721.5	3,343.7	3,769.8
Public sector	1,239.8	1,456.1	1,418.8	1,476.0	1,316.8
ATM's machines (number)	549	592	622	644	690
Point of sales (number)	5,579	5,987	6253	5,579	5,660
Credit cards (number)	70,029	82,830	118,076	98,041	103,057
Debit cards (number	419,676	466,789	547,019	695,120	816,329
ATM withdrawal cards (number)	163,074	189,414	165,763	132,772	114,966

* Includes credit cards and non-residents. ** includes non-profits institutions and inactive overdrafts. Source: PMA annual reports (2018).

This table shown the increases the number of branches and its effect positively on customer deposit account and electronic banking , this is because The delivery of banking service to all Palestinian regions, in order to facilitate the commercial and economic activities of citizens and facilitate the completion of their various financial transactions, as the branch policy resulted in an increase in the number of bank branches and offices spread in the Palestinian areas to 351 branches at the end of 2018 and the Monetary Authority seeks from behind the branch policy to reduce The ratio of population density to the number of branches, in order to increase the efficiency of the services provided to clients on the one hand and to be in line with the internationally accepted rates.

The future of proliferation of banking services: Banking is no longer bound to time or place, Clients with an Internet connection are able to carry out most of their banking services via the Internet. Banks are no longer the only players in the financial service sector, new technologies create new markets, channels and opportunities. It makes available to Customers a full range of services including some services not offered at branches. The interaction between the adoption and marketing of electronic delivery channel by the banks and the changing customer segments is creating new environments for distribution channels convenience,increased choice of delivery channel have an positive impact on customer satisfaction. **The future of Information security and Privacy:** 1. the future of electronic banking will be a system where users are more able to interact with their banking accounts as well as make financial transactions, more awareness of safety and privacy issues. 2. Banks "worry-free" and banks are operated under one common standard, banking environment more security and accessibility. 3. The PMA is responsible for ensuring "the soundness of banking operations maintaining monetary stability and encouraging economic growth in Palestine and it aims to establish a comprehensive legal infrastructure to regulate and control payment systems. This law represents an important step towards the use of electronic payment tools, as it provides the possibility of electronic settlement of bank accounts and financial transactions resulting from its transactions in a final way, and the possibility of introducing electronic clearing systems between banks by adopting the scanning method, and migrating net operations to the automatic clearing system to settle values electronically between Banks are easy and safe, depending on accepting the electronic signature within specific conditions. As well as linking all banks and their branches to an integrated electronic communication system to reduce the percentage of risks in payment systems, and enable the Monetary Authority to monitor services and accounts effectively.

6. Conclusion

In this FinTech era, the financial institutions need to adapt to the digital trends as early as possible, understanding the unmet needs of a digital customer in a better way. The growing expectation from financial institutions is to shift from product-based models to customer-based models, equipping themselves to offer "real-time", "easy to use", "personalised products and services" to the digital customers through "customer's preferred channel". By finding the right blend of acquisitions, partnerships and investments, traditional banks have a leverage to come up with innovative solutions to address the evolving needs of their customers in this tech-first era of financial services. This will also open doors for the banks to get exclusive rights to the advanced technology which could provide a competitive edge over others, rapid expansion into new markets, and even a new customer base.

7. Recommendation

Based on the study analysis, the researcher recommend banking sector in Palestine: (1) Periodical control of the ATMs and provide it with cash, and update the software on a regular basis in order to avoid interruption of service and distribute the ATMs to an expanded geographic areas; (2) Decision makers have to pay attention to the cost of providing electronic banking services, by reducing commissions on financial transactions paid by customer; (3) Design website in a simple and easy of use to understand and display the icons and providing website services in a clear and concise; (4) Provide electronic services of the banks in several languages in order to attract a larger segment of customers; (5) Banks have to design perfect and safe system to be the biggest website reliability for customers.

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