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THE PRAGMATIC SURVEY ON CUSTOMER CONTENTMENT IN RETAIL E-BANKING APPLICATIONS

ANSHU JAIN

ASSTT. PROFESSOR (COMMERCE)

D. A. V. (PG) COLLEGE

KARNAL, HARYANA, INDIA

ABSTRACT

It is an umbrella term for the process by which a customer may perform banking transactions electronically without visiting a brick-and-mortar institution. The following terms all refer to one form or another of electronic banking: personal computer (PC) banking, Internet banking, virtual banking, online banking, home banking, remote electronic banking, and phone banking. PC banking and Internet or online banking is the most frequently used designations. It should be



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VOLUME 3 ISSUE 2 March 2013

noted, however, that the terms used to describe the various types of electronic banking are often used interchangeably. This manuscript highlights the customer contentment in public and private sector net banking applications.

INTRODUCTION

Sometimes called online banking, is an outgrowth of PC banking. Internet banking uses the Internet as the delivery channel by which to conduct banking activity, for example, transferring funds, paying bills, viewing checking and savings account balances, paying mortgages, and purchasing financial instruments and certificates of deposit. An Internet banking customer accesses his or her accounts from browser- software that runs Internet banking programs resident on the bank's World Wide Web server, not on the user's PC. NetBanker defines a " true Internet bank" as one that provides account balances and some transactional capabilities to retail customers over the World Wide Web. Internet banks are also known as virtual, cyber, net, interactive, or web banks.

To date, more banks have established an advertising presence on the Internet- primarily in the form of informational or interactive web sites-than have created transactional web sites. However, a number of Banks that do not yet offer transactional Internet banking services have indicated on their web sites that they will offer such banking activities in the future.

Internet banks generally have lower operational and transactional costs than do traditional brick-and-mortar banks; they are often able to offer low-cost checking and high-yield Certificates of deposit. Internet banking is not limited to a physical site; some Internet banks exist without physical branches, for example, Telebank (Arlington, Virginia) and Banknet (UK). Further, in



<http://www.ijccr.com>

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VOLUME 3 ISSUE 2 March 2013

some cases, web banks are not restricted to conducting transactions within national borders and have the ability to make transactions involving large amounts of assets instantaneously. According to industry analysts, electronic banking provides a variety of attractive possibilities for remote account access, including:

- Availability of inquiry and transaction services around the clock;
- worldwide connectivity;
- Easy access to transaction data, both recent and historical; and
- "Direct customer control of international movement of funds without intermediation of financial institutions in customer's jurisdiction."

BENEFITS OF RETAIL E-BANKING

Online banking facilities offered by various financial institutions have many features and capabilities in common, but also have some that are application specific.

A bank customer can perform some non-transactional tasks through online banking, including

- viewing account balances
- viewing recent transactions
- downloading bank statements, for example in PDF format
- viewing images of paid cheques



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VOLUME 3 ISSUE 2 March 2013

- ordering cheque books
- download periodic account statements
- Downloading applications for M-banking, E-banking etc.
- Bank customers can transact banking tasks through online banking, including -
- Funds transfers between the customer's linked accounts
- Paying third parties, including bill payments (see, e.g., BPAY) and telegraphic/wire transfers
- Investment purchase or sale
- Loan applications and transactions, such as repayments of enrollments
- Register utility billers and make bill payments
- Financial institution administration
- Management of multiple users having varying levels of authority
- Transaction approval process
- the process of banking has become much faster

CUSTOMER SATISFACTION AND OUTCOMES OF SATISFACTION



<http://www.ijccr.com>

International Manuscript ID : ISSN2249054X-V3I2M4-032013

VOLUME 3 ISSUE 2 March 2013

In this section the research spotlights on the relevant literature on the concept of satisfaction, its consequences (loyalty and WOM).

1.1. Satisfaction:

Satisfaction has been considered as one of the most important theoretical as well as practical issues for most marketers and customer researchers (Jamal, 2004). Oliver (1981, p. 29) firstly defined it in the consumption context as “the summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the customer's prior feelings about the consumption experience”. In other words, we may say that satisfaction reflects a post-purchase evaluation of product quality given pre-purchase expectations (Kotler, 1991).

On one hand, within literature on services marketing, satisfaction has traditionally been defined as a cognitive-based phenomenon (Westbrook, 1987). Cognition has been studied mainly in terms of the expectations/disconfirmation paradigm; also known as the confirmation/disconfirmation paradigm, which states that expectations originate from the customer's beliefs about the level of performance that a product/service would provide (Oliver, 1980). Many marketing scholars (Tse and Wilton, 1988 Anderson and Sullivan, 1993; Patterson et al, 1997), indicate that customer satisfaction is related to the size and direction of disconfirmation, which is defined as the difference between the post-purchase and post-usage evaluation of the performance of the product/service and the expectations held prior to the purchase (Sharma and Ojha, 2004).

On the other hand, other studies (Dube-Rioux, 1990; Homburg et al, 2006) have recognized that the affect experienced during the acquisition and consumption of the product or service can also have a significant influence on satisfaction judgments (Homburg et al, 2006). Dube-



<http://www.ijccr.com>

International Manuscript ID : ISSN2249054X-V3I2M4-032013

VOLUME 3 ISSUE 2 March 2013

Rioux (1990) points out that a consumer affective response can be used to predict satisfaction more accurately than cognitive evaluation. Therefore, it is hypothesized that customer satisfaction has positive impact on customer loyalty.

1.2. Loyalty:

Oliver (1999, p. 34) defines loyalty as “a deeply held commitment to re-buy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior”. Broadly, loyalty development has been an objective traditionally aimed at by managers (Andreassen, 1999) since it enables higher future purchase intention. In particular, loyalty may be defined as a customer's intention or predisposition to purchase from the same organization again (Edvardsson et al, 2000), that result from the conviction that the value received from one seller is greater than the value available from other alternatives (Hallowell, 1996). As a consequence, loyalty has been considered to be a key factor in order to achieve company success and sustainability over time (Flavián et al, 2006; Keating et al, 2003), and several authors have proposed that loyalty also favors higher intensity in positive WOM (Hallowell, 1996), lower price sensibility (Lynch and Ariely, 2000) and more stable and bigger incomes (Knox and Denison, 2000). Therefore, it is hypothesized that loyalty has positive impact on WOM.

1.3. WOM:



<http://www.ijccr.com>

International Manuscript ID : ISSN2249054X-V3I2M4-032013

VOLUME 3 ISSUE 2 March 2013

Word-of-mouth (WOM) is an informal mode of communication between private parties concerning the evaluation of goods and services (Singh, 1988). Marketing literature has consistently shown its powerful role in influencing consumers' attitudes. For example, WOM is found to have more influence on product judgments than less vivid printed information (Herr et al, 1991).

In general, WOM may be defined as an informal type of communication between private parties concerning the evaluation of goods and services and it has been considered to be one of the most powerful forces in the market place (Bansal and Voyer, 2000).

To be precise, the importance of WOM resides in the fact that consumer choice is usually influenced by WOM, especially when the purchase is important. This is explained due to the fact that consumers prefer to rely on informal and personal communication sources in making purchase decisions instead of on formal and organizational sources such as advertising campaigns (Bansal and Voyer, 2000).

The specific references only partially covered the e-banking and outcomes of satisfaction. Therefore, the present research attempts to fill a gap in the subject of e-banking in Jordanian commercial banks. The study addressed some of the shortcomings in the literature such as looking at the e-banking functionality factors from the point of view of accessibility, convenience, security, privacy, content, design, speed, fees and charges, to investigating the influences of e-banking on outcomes of satisfaction in the Jordanian commercial banks. It was established that no previous research had been conducted at Jordanian commercial banks, which investigated the relationship between the e-banking and the outcomes of satisfaction namely loyalty and positive WOM in the Jordanian commercial banks.



<http://www.ijccr.com>

International Manuscript ID : ISSN2249054X-V3I2M4-032013

VOLUME 3 ISSUE 2 March 2013

FACTORS OF ADOPTING E-BANKING

Accessibility:

Joseph et al (1999) considered banking service quality with respect to technology use, such as ATMs, telephone, and the internet and identified six dimensions. They were convenience/accuracy; feedback/complaint management; efficiency; queue management; accessibility; and customization. Therefore, it is hypothesized that accessibility has positive effect on customer satisfaction.

Convenience:

E-banking provides higher degree of convenience that enables customers to access internet bank at all times and places. Apart from that, the ease of access of computers is perceived as a measure of relative advantage (Daniel, 1999, Black et al, 2001; Polatoglu and Ekin, 2001; Gerrard and Cunningham, 2003). Johnston (1995) revealed that there are some service quality determinants that are predominantly satisfiers and others that are predominantly dissatisfiers with the main sources of satisfaction being attentiveness, responsiveness, care and friendliness. The main sources of dissatisfaction are integrity, reliability, responsiveness, availability and functionality.

Privacy:

Privacy is an important dimension that may affect users' intention to adopt e-based transaction systems. Encryption technology is the most common feature at all bank sites to secure information privacy, supplemented by a combination of different unique



<http://www.ijccr.com>

International Manuscript ID : ISSN2249054X-V3I2M4-032013

VOLUME 3 ISSUE 2 March 2013

identifiers, for instance, a password, mother's maiden name, a memorable date, or a few minutes of inactivity automatically logs users off the account. Besides, the Secure Socket Layer, a widely-used protocol use for online credit card payment, is designed to provide a private and reliable channel between two communicating entities; the use of Java Applet that runs within the user's browser; the use of a Personal Identification Number, as well as an integrated digital signature and digital certificate associated with a smart card system (Hutchinson and Warren, 2003).

Security:

Assurance about security relates to the extent to which the web site guarantees the safety of customers` financial and personal information, an area which has witnessed a proliferation of research interest (Kimery and McCord, 2002; Miyazaki and Krishnamurthy, 2002). Security can be assured by providing a privacy statement and information about the security of the shopping mechanisms and by displaying the logos of trusted third parties. For example, displaying trusted third party logo guarantees a certain level of security protection and has been shown to significantly influence how consumers regard the trustworthiness of e vendors (Jiang et al, 2008).

Design:

The goal of aesthetic design is to make a web site visually attractive and enjoyable. Proctor et al (2002, 2003) discussed content preparation in a broad sense and identified its four aspects: knowledge elicitation, information organization and structure, information retrieval, and information presentation.

Content:



<http://www.ijccr.com>

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VOLUME 3 ISSUE 2 March 2013

Jayawardhena and Foley (2000) and Pikkarainen et al (2004) claim that content on online banking on the web site is one of the factors influencing online-banking acceptance. On the other hand, quality designs, graphics or colors and the propensity to portray good image of the bank would enhance efficient use of navigation.

Speed:

Hoffman and Novak (1996) find that there is a significant correlation between download speed and user satisfaction. Speed of download depends on the nature of the site downloaded content, the computing hardware and method of connection used to download information (Jayawardhena and Foley, 2000).

Fees and Charges:

Service quality attributes in e-banking industry are important since human-internet interaction is the main service delivery and communication channel. Offering high quality services to satisfy consumers' needs, at lower costs, are potential competitive advantage of e-banking. Some studies show that e-banking has successfully reduced operating and administrative costs (Devlin, 1995; Siriluck and Speece, 2003). Cost savings have helped e-based banks offer lower or no service fees, and offer higher interest rates on interest-bearing accounts than traditional banks (Gerlach, 2000; Jun and Cai, 2001). Therefore, it is hypothesized that fees and charges have positive impact on customer satisfaction.

Result and Discussion:



<http://www.ijccr.com>

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VOLUME 3 ISSUE 2 March 2013

The results of the multiple regression analysis signal that there is variation in the effect of e-banking functionality factors on satisfaction and empirical evidence in this research suggests that e-banking factors have a significant degree of influence on satisfaction and outcomes of satisfaction. This empirical evidence has provided significant support for the e-banking literature, which substantively advocates that e-banking functionality factors have an impact on outcome of satisfaction.

The e-banking functionality factors has a positive significant influence on customer satisfaction:

Empirically, the model assumed that e-banking functionality factors positively influence customer satisfaction in the Jordanian commercial banks. In addition, it predicted that the influence of such factors on customer satisfaction would differ according to the personal variable that is gender, age, marital status, educational level, computer literacy, and internet accessibility. The results of the multiple regression analysis signal that there is variation in the effect of e-banking factors on customer satisfaction and empirical evidence in this research suggests that adoption of e-banking factors have a significant degree of influence on customer satisfaction. This empirical evidence has provided significant support for the electronic banking literature, which substantively advocates that e-banking factors have an influence on customer satisfaction.

Accessibility has a positive significant influence on customer satisfaction:



<http://www.ijccr.com>

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VOLUME 3 ISSUE 2 March 2013

As a consequence, we are able to substantiate that accessibility has a significant influence on customer satisfaction. These findings are also consistent with other research findings (for example, Godwin-Jones 2001; Hackett and Parmanto, 2009).

Convenience has a positive significant influence on customer satisfaction:

Convenience is also considered to be one of the influential factors on the satisfaction of Jordanian commercial banks. Prior research has empirically found positive relationship between convenience and satisfaction as critical factors on the use of e-banking (Venkatesh and Davis, 1996; Johnson and Marakas, 2000; Hong et al, 2001; Chau, 2001; Wang et al, 2003; Pikkarainen et al, 2004).

Privacy has a positive significant influence on customer satisfaction:

Examining data appears that a pre-requisite for survival and growth is that both the banks and its customers have an interest in their joint relationship – leading to a win-win effect. Factors such as confidential information is delivered safely from banks to customers; trust the bank's privacy protection to the users should help to build effective relationships and increase the customer satisfaction in the long run.

Security has a positive significant influence on customer satisfaction:



<http://www.ijccr.com>

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VOLUME 3 ISSUE 2 March 2013

Security is an influential factor on customer satisfaction in Jordanian commercial banks. The results therefore, substantiate that security has a positive bearing on customer satisfaction. These findings are also consistent with other research findings. For example, (Daniel, 1999, Black et al, 2001; Polatoglu and Ekin, 2001; Suganthi et al, 2001; Gerrard and Cunningham, 2003) found that e-banking provides higher degree of security that enables customers to trust internet banking at all times and places.

Design has a positive significant influence on customer satisfaction:

Design is also considered to be one of the influential factors on the satisfaction of Jordanian commercial banks customers. Prior research has empirically found positive relationship between banks web design and customer satisfaction as critical factors on the use of e-banking (Fang and Salvendy, 2003; Lazar and Sears.

Content has a positive significant influence on customer satisfaction:

Content is important dimension that may affect users' intention to adopt e-banking systems. Other researchers have empirically found positive relationship between bank web content and customer satisfaction as critical factors on the use of e-banking (Friedman et al, 2000; Hutchinson and Warren, 2003; Wang et al, 2003).

Speed has a positive significant influence on customer satisfaction:



<http://www.ijccr.com>

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VOLUME 3 ISSUE 2 March 2013

Speed having a statistically significant positive effect on customer satisfaction. This finding is similar to the work of Hoffman and Novak (1996) that identified speed as a major factor influencing customer satisfaction. Other researchers have empirically found positive relationship between e-banking speed and customer satisfaction as critical factors on the use of this service (Hoffman and Novak, 1996; Jayawardhena and Foley, 2000).

Fees have a positive significant influence on customer satisfaction:

Fees are also considered to be one of the influential factors on the customer satisfaction of Jordanian commercial banks customers. Prior research has empirically found positive relationship between e-banking fees and customer satisfaction as critical factors on the use of e banking (Devlin, 1995; Gerlach, 2000; Jun and Cai, 2001; Siriluck and Speece, 2003).

Conclusion

This research seeks to make an original contribution to knowledge by investigating the impact of e-banking factors on outcomes of customer satisfaction in the commercial banks industry in India. This research contributes to the services marketing discipline in finding out the role of the e-banking in enhancing customer satisfaction and loyalty. Factors pertaining to accessibility, convenience, security, privacy, content, design, speed, fees and charges were a focus of this study as they have an influence on customer satisfaction. In fact, the banking services industry is an important and vibrant sector in India and banks are considered as an important segment of the financial services provider where customers can receive a wide range of financial services.



<http://www.ijccr.com>

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VOLUME 3 ISSUE 2 March 2013

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