

A Probe into the Role of Challenges, Satisfaction and Trust towards Loyalty in E-Banking Services

S.Preetha, S. Iswarya, G.Yuvarani

Abstract: Gaining customer loyalty is perplexing feature in ebanking services. The influencers of loyalty are identified as customer satisfaction, benefits, challenges and trust. Descriptive research design is followed Pearson's correlation and linear regressions are used for analysing the relationship between the variable. The finding of the study, benefits the customer faces results in customer satisfaction and enriches loyalty. On the other hand, challenges a customer faces affects the level of satisfaction and reduces loyalty. Trust of the customer is found to have no substantial impact on loyalty.

Keywords: Customer Satisfaction, Customer Loyalty, Customer Trust, Benefits and Challenges

I. INTRODUCTION

The electronic banking system is a product designed for online banking purposes that allows easy and secure access to your bank account. E-banking is a secure, fast, easy and efficient electronic service that allows customers to access bank accounts and perform online banking services 24 hours a day, 7 days a week. With this service, customers save time by making banking transactions anywhere, anytime, from home or from the office, all that is needed is Internet access.

Establishing loyalty in this competitive electronic banking is a big challenge. There has been several studies on e-loyalty, e-trust affecting the loyalty of the customer. The quality of facility, electronic satisfaction and trust have a direct impact towards loyalty in electronic systems. (Soheila Ghane, M. Fathian & M. R. Gholamian, 2011). The e-bankers measures the customer satisfaction and usability through customer loyalty and Word of mouth. Customer Loyalty and positive oral comments are the two traditional goals the management seeks. Also, the satisfaction with earlier interfaces with banking websites had an optimistic result on consumer retention. Usability of the site has a constructive effect on customer satisfaction, and loyalty is largely associated with positive word of mouth.

Online bankers should prioritize the ease of use of the website they are developing, recognize customer needs on the Internet and provide what they really need. Increasing the competitiveness of e-business increases the amount of research analysing loyalty to the Internet and the development of word of mouth.

There are no studies analysing two concepts related to electronic banking. For this reason, this effort is a fresh influence to electronic banking, which has gained considerable acceptance in recent years (Luis V. Casalo, Carlos Flavian and Miguel Guinaliu, 2008). An investigation model designed to inspect the relationship among service quality, customer satisfaction, customer trust, and loyalty to a Taiwan e-bank. E-banks should focus on quality of service in order to rise customer satisfaction and trust and increase their loyalty. (Chu, Po-Young, Lee, Gin-Yuan & Chao, Yu, 2012).

Rolph E. Anderson and Srinivasa S. Srinivasan, (2003) examined the impact of loyalty satisfaction on electronic commerce platform. Survey results show that, although e-loyalty affects e-satisfaction, there is a moderate relationship between each user level factor and company factor at the company level. The influence of electronic pricing on e-loyalty emphasized consumer price factors, the motivation for comfort and purchase size, but the result of electronic satisfaction on electronic loyalty through laziness is reduced. The company's trust and perceived value is developed in terms of corporate-wide factors that highlight the effect of electronic satisfaction on loyalty to electronic media.

Beh Yin Yee and T.M. Faziharudean (2010) have analysed that in recent years, electronic banking is widely used retail financial services in Malaysia. Despite its attractiveness, customer loyalty towards Internet banking in Malaysia was a problem due to intense competition among Malaysian banks. This research has generally developed models based on the use of information systems that affect customer loyalty in Internet banking. The outcomes show that trust, habits and reputation have a big impact on customer loyalty on Malaysia's online banking sites. Reputation has the greatest impact on self-confidence. Service quality and apparent value are not considerably related to customer loyalty. Quality of service is perceived as an important factor in technology awareness, but this does not have an important influence on customer loyalty.

Efficiency, availability, Fulfilment, Privacy, Responsiveness and contact on customer satisfaction and loyalty intention is inspected among the undergraduate students (Adekannbi Jo and Aje Mo (2018)). Among the measurements of Electronic Service quality dimensions, the findings inferred are efficiency and responsiveness have influence on customer satisfaction, while the fulfilment dimension of service quality in electronic service lead to Loyalty among the undergraduate students of Nigeria.

Trust is the important and not to ignore variable in financial transaction. Hence this becomes an essential variable to measure in a financial service provider in online.

Revised Manuscript Received on November 15, 2019

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The determinants those influence trust are identified as provided information (quality, reliability, transparency), risk perception, services provided, bank characteristics like reputation, Goodwill of employees, customer experience and the general economic situation of the country. Building trust is a very challenging factor in online. (Viktorija Skvarciany and Daiva Jureviciene (2017)). An online satisfied customer can be retained by enhancing customer satisfaction. Loyalty is positively influenced by confidence, technology adaption, technical expertise of staffs, personal service, account information, channelling the activities and ease of you. The above mentioned constructs leads to satisfaction leading to Loyalty. (Navneet Kaur and Ravi Kiran (2014)).

The ebanking system and the Websites are the most influencing factor for building customer trust in ebanking services among the other variables Bank and Information. (Viktorija SKvarciany, et al (2018)). The ebanking system comprises of the factors like perceived benefits clients internal motivation, satisfaction with the system and fairness. The website variables comprises of security, Ease of use and privacy. Bank variable includes competence, goodwill, Reputation, integrity, shared value and image. Information comprises of reliability, Transparency and Quality. Assurance fulfilment, efficiency- system availability, privacy, contact responsiveness and website aesthetics are the service quality contributing for ebanking satisfaction (Mohd Shoki Md Ariff, Leong Ooi Yun, Norhayati Zakuan & Khalid Ismail (2013)). The adoption of ebanking is influenced by a customer with the features like accessibilty, convenience, security, privacy, content, speed, design, charges and fee laid. (Dr. Ala Eddin Mohd Khalaf Ahmad and Dr. Hasan Ali AlZubi (2011)). This adoption is followed by positive satisfaction and loyalty of the customer is gained. All positive WOM was achieved.

Key elements of Customer retention are quality of service, value of observation, bank confidence, and reputation. Trust, habits and reputation have a significant influence on customer loyalty. The quality of service, is an significant factor in the introduction of customer retention skill, does not have a real impact. (Fakhraddin Maroofi (2013)). Pr.ivity and trust factors of ebanking service is often affected by social engineering atteks. The psychological traits of the person are used to steal their financial information. (S.Iswarya and Dr.S.Preetha (2018)). The effect of service quality is studied under the dimensions of stability, consistency, efficiency and design.The stability, consistency, efficiency and design of the site had an optimistic result on customer satisfaction. (YI HSU and THI MAI NGUYEN(2016). Joaquin Aldas-Manzanao, Carla Ruiz-Mafeb,Silvia Sanz-Blasb and Carlos Lassala-Navarreb (2011) examine the role of satisfaction, reliability, frequency of use and perceived risk as a backdrop to customer loyalty to a bank's website.. The results are equally reliable and more positively related to perceived high risk, but even if Internet banking is used less frequently.(Sulieman ibraheem shelash al-hawary ahlam jebreen ahmed hussien(2017)). The most important components affecting customer loyalty to electronic banking are identified as Quality of service, trust, reputation, habits, satisfaction. (Shahrzad Shahriari (2014))

The electronic banking loyalty is much influenced by satisfaction leading to EWOM. But the essence which leads

to e- satisfaction is the service quality or the benefits which a customer acquires while transacting. There is a very high emphases on online banking, hence the challenges and the benefits a customer gains to attain the satisfaction factor has to be studied.

II. OBJECTIVES

1. To identify the Benefits and challenges faced by the customers in e-banking which influence the customer satisfaction.
2. To analyse the influence of customers trust and satisfaction on loyalty towards e-banking services.
3. To analyse if the trust of the customer hold any influence on customer satisfaction leading to customer loyalty in ebanking service.

III. RESEARCH METHODOLOGY

A descriptive research design was carried out, and data was collected using survey questionnaire method from the ebanking customers. 110 samples were collected over a period of four months. The data sampling adopted is non-probability sampling used is “judgemental sampling technique”. Questionnaire items were constructed from the literature. Linear Regression, ANOVA and T-test are the statistical tools employed for the analysis. SPSS version 21 was used for the analysis.

A. DEMOGRAPHIC DATA

Sample Characteristic	Category	Frequenc y	Percentag e
Age	18-25yrs	28	25.5
	26-35yrs	37	33.6
	36-55yrs	30	27.3
	above 55 yrs	15	13.6
Gender	Male	56	50.9
	Female	54	49.1
Qualification	10/12th	8	7.3
	Graduates	65	59.1
	Post graduates	37	33.6
Occupation	Professionals	62	56.4
	Business man	35	31.8
	Homemakers	5	4.5
	Senior citizens	8	7.3
House Hold Income	120k-360k	61	55.5
	372k- 720k	40	36.4

	732k-1080k	7	6.4
	more than 1080k	2	1.8

Our sample age group and distributed equally between 18 years to 55 years. This age group are the most users of financial banking transaction in their daily life. 50.9 percentage of our respondents are male and 49.1 percentage are female. 59 percentage of our respondents' qualification was inclined to graduates, followed by 34 percentage post graduates. Our major sample respondents are professionals (56.4%) and business man (32%). The monthly household income are between 120k -360k (55%) and 372k- 720k (36%).

IV. ANALYSIS AND FINDINGS

A. REGRESSION ANALYSIS:

H₀₁ : Customer satisfaction and customer trust together influence the Customer loyalty in ebanking services.

Model	R	R Square	Adjusted R square	S.E
1	0.317	0.1	0.083	0.3552

Model	Sum of Square	df	Mean square	F	Sig.
1 Regression	1.505	2	0.752	5.961	0.004
Residual	13.505	107	0.126		
Total	15.01	109			

a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), Customer Trust, Customer Satisfaction

Model		Unstd Coefficients		Std coefficient	t	Sig
		B	S.E	Beta		
1	(Constant)	3.08	0.45		5.8	0
	Customer Satisfaction	0.31	0.09	0.30	3.34	0.00

	Customer Trust	-0.06	0.05	-0.09	-1.06	0.29
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a. Dependent Variable - Customer Loyalty

$$\text{Customer Loyalty} = 3.018 + 0.312(\text{Customer Satisfaction}) - 0.058(\text{Customer Trust})$$

In e-banking service, customer loyalty is influenced by both satisfaction of the customer and their trust attributes. The model is found to be significant at 0.004 level, wherein the customer trust seems to be insignificant and bears a negative coefficient. Approximately, 10% of ebanking customer's loyalty is explained by satisfaction and trust of the customer on the ebanking service. Trust of customers in ebanking services doesn't contribute to the loyalty to the ebanking services.

H₀₂. Benefits and challenges of ebanking services influence the Customer Satisfaction.

Model	R	R Square	Adj. R.Square	S.E
1	0.338	0.114	0.097	0.34684

Predictors: (Constant), Challenges, Benefits

Model	Sum of Sq	df	Mean Sq	F	Sig.,	
1	Regression	1.655	2	0.828	6.88	0.002
	Residual	12.87	107	0.12		
	Total	14.52	109			

DV: Customer Satisfaction

Coefficients

Model		Unstandardized Coefficients		Standardized coefficient	t	Sig
		B	S.E	Beta		
1	Constant	2.725	0.4		6.81	0
	Benefits	0.312	0.087	0.325	3.57	0.00
	Challenge	0.104	0.097	0.098	1.07	0.28

Dependent variable: Customer Satisfaction

$$\text{Customer Satisfaction} = 2.725 + (0.312) \text{Benefits} + (0.104) \text{Challenges}$$

The satisfaction of an ebanking customer is influenced by the benefits and challenges faced by the customer. The p value is significant with a value of 0.002. Also, the predictors' benefits and challenges influence the



customer satisfaction by 11.4%.

H₀₃ : Customer Trust is associated with Customer Satisfaction, Loyalty, Benefits and Challenges faced in ebanking

Correlation	Customer satisfaction	Customer Loyalty	Benefits	Challenges	Customer Trust
Customer Satisfaction	1				
Customer Loyalty	S	1			
Benefits	S	S	1		
Challenges	NS	NS	NS	1	
Customer Trust	NS	NS	NS	NS	1

S- Significant (p value <0.05), NS – Not Significant (p value> 0.05)

The correlation analysis table infers that Customer trust is not significant with Benefits, Challenges, Customer satisfaction and Loyalty in ebanking service. Customer trust is not associated with benefits, challenges, satisfaction and loyalty.

Loyalty of the customer is found to be significant with Benefits enjoyed by the customer and with the satisfied customer of e banking service. Benefits a customer enjoys, is associated to satisfaction in online financial service and this satisfaction is promoted to loyalty towards the service of the bank.

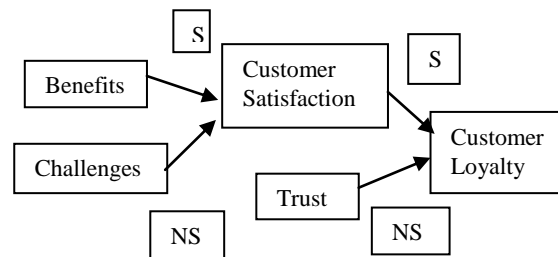
Challenges are found to be not significant with customer satisfaction, Customer Loyalty and trust. Challenges faced by the customers in ebanking services has resulted in dissatisfaction and ultimately customer loyalty and customer trust towards the bank is affected.

V. DISCUSSION

Ebanking services are vital for both organizations and individuals. Banking services has undergone several revolutions and now the financial transactions are at the touch & clicks of the customer. Customer Loyalty is the key or impacting variable in ebanking services. The factors influencing the Loyalty of a customer in ebanking services are identified as Benefits, Challenges, Customer Trust and Customer Satisfaction.

Customer trust in ebanking services is inclined with their believes that the service would provide them to keep up their commitments, perform better in their business transactions, fulfil their promises given by the banker, privacy and security, easy to use & navigate and would act in best of the customers interest.

Customer Loyalty is measured by the expectation met, recommendations of the ebanking service to others, appearance of the website, opinion of family and friends, intention to take more business transaction with the same banker, existence of the customer with the bank and to encourage others to do internet banking. Customer satisfaction is attained with the speed of the transaction, understanding the needs of the customer, simple language and navigation, server efficiency, help manual with understanding instructions and guidelines, and their ability to avail the day to day information.



Ebanking services involves various Challenges and benefits. The challenges of ebanking services identified are the Inability to operate the account, Transaction failed but amount is deducted, Connection problems due to server issues, Social engineering, Lengthy procedure to complete transaction, Inadequate customer support from bank employee and missing transaction details. Besides all these challenges, the customer enjoy the benefits which involve them in ebanking service are transactions are quick in banks website, Time saving, transaction can be done any time at any place, cost saving and physical security.

Benefits and Customer satisfaction in the ebanking service results in building loyal customers, wherein the challenges faced by the customer results in dissatisfaction and the Customer Trust doesn't lead to customer satisfaction and customer loyalty

VI. CONCLUSION

E-banking services are used by almost all the banking customers across the globe. Due to the several problems faced by customers in relation to the services offered by banks it is imperative to understand the challenges faced by customers. An attempt is made in this study to address the challenges faced and its impact on trust and loyalty.

Future research can focus on specific challenges such as personal information linkage, Transaction failures (operational issue), and inadequate customer support, which reduces the satisfaction and delve in-depth to gain more insights.

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