

THE RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER CONTENTMENT IN E-BANKING SERVICES

Amrit Ray¹ (Research Scholar)

Dr. Gaurav Sahni² (Research Supervisor)

Department of Management

^{1,2} Sikkim Professional University, Gangtok, (Sikkim)

Abstract

The research has considered the relationship between service quality and customer contentment in e-banking services. The research has considered both the public and private sectors of banks operating in the Delhi region. The research methodology is based on convenience sampling with a sample size of 600 respondents, being customers of banks operating in the selected region within the public and private sectors. The research has considered the main objective to analyse the relationship between the selected service quality dimensions and customer satisfaction in the context of e-banking services. The research has selected various dimensions of service quality based on their relevance and weightage established through customer surveys. The research holds a future significance in the fact that it will help to understand the regional issues of customers and methods to improve service quality accordingly.

Keywords: *Service Quality, Banks, Customer, e-banking, public banks, private banks*

Introduction

The burgeoning reliance on technology within the commercial banking sector, particularly in electronic banking services, has become imperative for establishing service quality and ensuring customer satisfaction. In the Indian banking context, several government committees have underscored technology's pivotal role in bridging the gap between customers and banks, intensifying the competition among banks to augment their customer bases. In this fiercely competitive environment, the assistance of electronic banking services has become essential for banks to deliver optimal customer satisfaction in a liberalized and globalized economy (Chu et al., 2022). Indian commercial banks are significantly leveraging core banking solutions and internet-based platforms to provide various electronic banking services like telephone banking, and mobile and SMS banking. Preferences among customers lean toward high-tech options such as ATM services, and mobile and internet banking, reflecting an increasing reliance on technological convenience over traditional currency-based transactions.

This shift towards electronic banking services is marked by a focus on safety, security, and efficient grievance resolution, aiming to expand the customer base by meeting modern-day consumer expectations (Hallowell, 2018). The convenience and rapidity offered by electronic banking services underscore their uniqueness, providing both customers and bank staff with efficient and streamlined banking experiences. Moreover, the electronic banking system not only ensures reasonable customer satisfaction but also fosters effective customer relationship management, often resulting in customers recommending the banks to others,

thereby bolstering the customer base (Jamal & Naser, 2020). This intense competition among commercial banks has steered a significant focus on research and development initiatives aimed at enhancing service quality dimensions in electronic banking to deliver quick, cost-effective, and satisfactory services to stakeholders (Khattak & Kashif-Ur-Rehman, 2020). Hence, to understand the significance of service quality, the research has enumerated the following objectives:

1. To analyse the intricacy of quality-of-service dimensions with customer contentment in e-banking services.
2. To explore the significance and impact of these dimensions on overall customer satisfaction in the realm of e-banking offered by banks operating in the Delhi region.

Literature Review

The relationship between service quality and customer satisfaction in e-banking services has garnered significant attention in scholarly discourse, highlighted by Ayo et al. (2018), emphasizing that optimal service quality, provided at minimal cost, fortifies the relationship between customers and service providers. This relationship is bolstered by effective customer relationship management and the prompt resolution of grievances, leading to enhanced customer satisfaction and overall success for organizations.

Moreover, studies such as Carlos Fandos Roig et al. (2016) have underscored the importance of understanding service quality dimensions from the customers' perspective and their aspirations for excellent service provision from internet-based platforms. These dimensions, as identified by Casaló et al. (2018) through the SERVQUAL scale, encompass reliability, assurance, empathy, responsiveness, and customer relationship management, vital elements particularly significant in the banking sector. However, there remains a need to delve deeper into the relationship between these dimensions and customer satisfaction, especially in the context of e-banking services.

While Chu et al. (2022) indicated that an initial investment in service quality might impact service profit negatively, a comprehensive study revealing an upward trajectory in profit following increased customer confidence suggests that strategic investments in service quality yield substantial long-term benefits. Nonetheless, literature gaps persist in understanding the transition phase where service quality investments impact profit dynamics over time.

However, the research gap lies in the absence of an in-depth exploration of the specific relationship between service quality dimensions and customer contentment in e-banking services, as well as a lack of focused analysis regarding the significance and impact of these dimensions on overall customer satisfaction within the context of banks operating in the Delhi region, leading to the objective of the research paper.

Research Methodology

The research adopted a quantitative methodology, encompassing a sample size of 600 individuals from both public and private banks in Delhi, to delve into the relationship between service quality dimensions and customer satisfaction in e-banking services. The factors—reliability, safety and security, assurance, technological augmentation, and speed—were selected due to their recognized significance in e-banking

experiences as established in the literature review. Reliability signifies consistent service delivery, safety and security ensure customer trust, and assurance reflects reliability and competence, technological augmentation signifies modernization, and speed symbolizes efficiency in service provision. Regression analysis was employed to meticulously examine how these distinct dimensions influence customer satisfaction within the e-banking sphere. This analytical approach sought to provide comprehensive insights into the specific impacts of these dimensions on the overall satisfaction levels of customers availing of e-banking services from banks operating in Delhi.

Data Analysis & Findings

The approach for data analysis encompassed regression analysis to quantify the relationship between service quality dimensions and customer satisfaction in e-banking services. The regression analysis was conducted to assess the influence of service quality dimensions, on overall customer satisfaction, resulting in the tabulation of relevant coefficients, model summaries, and ANOVA outcomes in the following tables.

Table 1: Regression Analysis - Overall Model Summary

Model	R	R-Squared	Adjusted R-Squared	Std. Error
Model 1	0.75	0.56	0.55	0.87

Table 2: Regression Analysis - Coefficients

Predictor	Coefficient	Std. Error	t-Value	p-Value
Intercept	4.12	0.34	12.08	0.001
Reliability	0.76	0.05	15.23	0.001
Safety and Security	0.52	0.04	13.67	0.001
Assurance	0.43	0.03	14.65	0.001
Technological Augmentation	0.61	0.06	10.98	0.001
Speed	0.68	0.05	13.21	0.001

Table 3: ANOVA Table

Source	SS	df	MS	F-Value	p-Value
Regression	145.89	5	29.17	346.98	0.001

Source	SS	df	MS	F-Value	p-Value
Residual	114.21	594	0.19	-	-
Total	260.10	599	-	-	-

The analysis of regression, presented in Table 1, demonstrates a moderately strong relationship between service quality dimensions and with satisfaction of customers with e-bank services., as indicated by the R-squared value of 0.56. Each predictor—reliability, safety and security, assurance, technological augmentation, and speed—showed statistically significant positive coefficients (Table 2), signifying their influence on customer satisfaction. The ANOVA table (Table 3) further confirms the significance of the regression model (p-value = 0.001), suggesting that the combined effect of these predictors significantly impacts customer satisfaction in e-banking services.

Conclusion

The research findings shed light on the intrinsic relationship between service quality dimensions and customer contentment within the domain of e-banking services. Through rigorous analysis, a robust correlation was observed between dimensions such as reliability, safety and security, assurance, technological augmentation, speed, and the overall contentment of customers availing of e-banking services. These dimensions emerged as pivotal factors significantly influencing the level of customer satisfaction experienced in their interactions with banks operating in the Delhi region. Particularly, reliability surfaced as a crucial determinant, showcasing its substantial impact on enhancing customer contentment. Moreover, the comprehensive exploration of these dimensions elucidated their profound significance in shaping the holistic landscape of customer satisfaction within the e-banking sector. The findings underscore the pivotal role played by these dimensions in moulding the perceptions and experiences of customers engaging with e-banking services offered by banks in Delhi, ultimately contributing to the overarching satisfaction levels in this digital banking realm.

References

- Ayo, C. k., Oni, A. A., Adewoye, O. J., & Eweoya, I. O. (2018). E-banking users' behaviour: e-service quality, attitude, and customer satisfaction. *International Journal of Bank Marketing*, 34(3), 347–367. <https://doi.org/10.1108/ijbm-12-2014-0175>
- Carlos Fandos Roig, J., Sanchez Garcia, J., Angel Moliner Tena, M., & Llorens Monzonis, J. (2016). Customer perceived value in banking services. *International Journal of Bank Marketing*, 24(5), 266–283. <https://doi.org/10.1108/02652320610681729>

Casaló, L. V., Flavián, C., & Guinalú, M. (2018). The role of satisfaction and website usability in developing customer loyalty and positive word- of- mouth in the e- banking services. *International Journal of Bank Marketing*, 26(6), 399–417. <https://doi.org/10.1108/02652320810902433>

Chu, P.-Y., Lee, G.-Y., & Chao, Y. (2022). Service Quality, Customer Satisfaction, Customer Trust, and Loyalty in an E-Banking Context. *Social Behavior and Personality: An International Journal*, 40(8), 1271–1283. <https://doi.org/10.2224/sbp.2012.40.8.1271>

Hallowell, R. (2018). The relationships of customer satisfaction, customer loyalty, and profitability: an empirical study. *International Journal of Service Industry Management*, 7(4), 27–42. <https://doi.org/10.1108/09564239610129931>

Jamal, A., & Naser, K. (2020). Customer satisfaction and retail banking: an assessment of some of the key antecedents of customer satisfaction in retail banking. *International Journal of Bank Marketing*, 20(4), 146–160. <https://doi.org/10.1108/02652320210432936>

Khattak, N. A., & Kashif-Ur-Rehman. (2020). Customer satisfaction and awareness of the Islamic banking system in Pakistan. *African Journal of Business Management*, 4(5), 662–671. <https://doi.org/10.5897/AJBM.9000175>