

IMPACT OF SERVICE QUALITY DIMENSIONS AND ITS INFLUENCE ON CUSTOMER SATISFACTION: A STUDY ON INTERNET BANKING SERVICES IN CHENNAI CITY

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ABSTRACT

This study examines the aspects of service quality dimensions in Internet Banking in Chennai city and investigates the effect of these dimensions on customer satisfaction. The service quality dimensions identified were speed of delivery, ease of use. Reliability, pleasure, control and privacy and security. The study makes use of mainly qualitative research approach although the quantitative research approaches was partially used for the study. Data for this study have been collected using a questionnaire and then analysed using statistical techniques. The collected primary data were analysed and interpreted accurately to find the result of the research work. By enhancing these aspects of service quality, banks may better market Internet banking to their clientele by implementing the study's managerial recommendations. According to the research, customers must have complete faith that their personal information is safe and secure on the bank's website and that their bank would not abuse it. The study highlights how important it is for banks to have a pool of extremely receptive bank workers who can properly and swiftly handle all of the needs and grievances of customers.

Keywords: Service quality, Internet banking, Customer satisfaction, public key infrastructure, Banking services

INTRODUCTION

The way businesses engage with their consumers has changed dramatically as a result of the widespread use of technology-based platforms. It is possible that the service sector underwent a massive transition to use technology-based methods to connect with its clientele. By creating a variety of alternative delivery channels, the banking sector in the service business may have made the most use of technology improvements in order to attract tech-savvy clients, raise customer expectations, and guarantee customer loyalty. E-banking emerged as a result of the banking industry's extensive use of technology.

"Internet portal, through which customers can use different kinds of banking services ranging from bill payment to making investments" is how internet banking is defined. One outcome of e-commerce in the banking industry is internet banking. An appealing website and affordable prices are not the only factors that determine an e-commerce business's success; electronic service quality is the primary determinant. Therefore, research researchers focused on service quality in terms of e-services, which resulted in the creation of many models that assisted in assessing e-service quality in the services industry.

The study draws on customer satisfaction using the service quality dimension or the SERVQUAL and SERVPERF models originated by Parasuraman et al., (1988), Cronin and Taylor (1992). The advent of electronic banking in general and internet banking in particular has led to the development of service quality (SERVQUAL) dimensions to measure the extent of customers' satisfaction. SERVQUAL developed by Zeithaml (1988) is one of the more widely used instruments for assessing customer satisfaction.

REVIEW OF LITERATURE

Sharma & Malviya (2014) This implied that customer pleasure is significantly and favourably influenced by service quality, which is an antecedent of it. The results also shown that, in relation to the calibre of E-Banking services, the four independent variables reliability, efficiency and simplicity of use, security and privacy, and responsiveness and communication had a major impact on client satisfaction in the Lebanese banking industry.

Nochai and Titida. Nochai (2013) used multinomial logistic regression analysis to assess the effects of seven online banking service quality characteristics on customer satisfaction. The findings indicated that customer satisfaction is significantly impacted by safety reliability, transaction efficiency, customer assistance, service security, ease of use, and performance.

Gupta and Bansal (2012) created a tool to gauge the quality of Internet banking services in India and examined how various aspects of service quality affected both customer happiness and overall service quality. They also created a 22-item scale to gauge the quality of the services. Five variables emerged from the exploratory factor analysis: responsiveness, security/privacy, reliability, efficiency, and site aesthetics. Through the use of confirmatory factor analysis, the model was further confirmed.

Gopalakrishnan et al. (2011) found that customers' intentions to stay with a business were directly positively impacted by service quality and customer satisfaction, with customer satisfaction being a better predictor of retention.

Kumbhar (2011) investigated the connection between customer happiness and service quality, as well as the relationship between consumer contentment and the online banking services offered by Indian public and private sector banks. The findings show that professionals, businesspeople, and employees are generally more satisfied with internet banking services. With the exception of responsiveness, the correlation test shows a substantial correlation between all variables and total customer satisfaction. Whitney-Mamann According to U Test results, private sector banks offer online banking services of a higher calibre than public sector banks.

OBJECTIVES OF THE STUDY

- To identify the various dimensions of internet banking service quality.
- To examine the relationship between the customer satisfaction and the various internet banking service quality dimensions.
- To study the impact of the internet banking service quality dimensions on the satisfaction of customers

RESEARCH METHODOLOGY

Sample Method: Although some quantitative research tools were included, the study mostly used qualitative research methods. Because of the foregoing methods, a significant amount of primary and secondary data sources was used. Since internet banking is still in its infancy, it was challenging to identify users; as a result, convenience sampling was employed to gather data.

Sample Size: A Sample of 93 respondents was chosen. The study was carried out in Chennai city by choosing the respondents who are using internet banking services.

DATA ANALYSIS

Table 1.1 Age of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 25 years	21	22.6	22.6	22.6
26 years - 35 years	33	35.5	35.5	58.1
36 years - 45 years	26	28.0	28.0	86.0
Above 45 years	13	14.0	14.0	100.0
Total	93	100.0	100.0	

Table 1.1 shows that 35.5% majority of the respondents are 26 years – 35 years age group. 28% of respondents are 36 years-45 years age group.

Table 1.2 Gender of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	52	55.9	55.9	55.9
Female	41	44.1	44.1	100.0
Total	93	100.0	100.0	

Table 1.2 shows that 55.9% majority of the respondents are male. 44.1% of respondents are female.

Table 1.3 Income of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than Rs.50,000	36	38.7	38.7	38.7
Rs.50,001 - Rs.1,00,000	24	25.8	25.8	64.5
Rs.1,00,001 - Rs.1,50,000	21	22.6	22.6	87.1
Above Rs.1,50,001	12	12.9	12.9	100.0
Total	93	100.0	100.0	

Table 1.3 shows that 38.7% majority of the respondent’s monthly income are less than Rs.50000.25.8% of the respondent’s income are Rs. 50,001-Rs.1,00,000.

Table 1.4 Occupation of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Business	34	36.6	36.6	36.6

Professional	29	31.2	31.2	67.7
Student	19	20.4	20.4	88.2
Others	11	11.8	11.8	100.0
Total	93	100.0	100.0	

Table 1.4 shows that 36.6% most of the respondents are business. 31.2% of the respondents are professional.

Table 1.5 Length of internet banking usage

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than a year	20	21.5	21.5	21.5
Between 1 - 3 years	36	38.7	38.7	60.2
Valid Between 4 - 6 years	24	25.8	25.8	86.0
Above 6 years	13	14.0	14.0	100.0
Total	93	100.0	100.0	

Table 1.5 shows that 38.7% majority of the respondent's length of internet banking usage are between 1 – 3 years.

Table 1.6 Frequency of internet banking transaction

	Frequency	Percent	Valid Percent	Cumulative Percent
Once per month	28	30.1	30.1	30.1
Twice per Month	27	29.0	29.0	59.1
Valid Thrice per month	24	25.8	25.8	84.9
More than 3 times per month	14	15.1	15.1	100.0
Total	93	100.0	100.0	

Table 1.6 shows that 30.1% majority of the respondent's frequency of internet banking transaction are once per month.

**Table 1.7 Comparison between Occupation and speed of delivery
Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	116.027 ^a	12	.000
Likelihood Ratio	133.431	12	.000
Linear-by-Linear Association	56.384	1	.000
N of Valid Cases	93		

a. 13 cells (65.0%) have expected count less than 5. The minimum expected count is .35.

INFERENCE:

This chi-square analysis on 5% equivalent regarding significance p-value is less than 0.05. So, Null hypothesis is accepted. Thus, is significant distinctive among Occupation of the respondent for Consideration into speed of delivery.

**Table 1.8 Comparison between Age and Ease of use
Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	174.879 ^a	12	.000
Likelihood Ratio	176.041	12	.000
Linear-by-Linear Association	76.667	1	.000
N of Valid Cases	93		

a. 12 cells (60.0%) have expected count less than 5. The minimum expected count is 1.40.

INFERENCE:

This chi-square analysis on 5% equivalent regarding significance p-value is less than 0.05. So, Null hypothesis is accepted. Thus, is significant distinctive among Age of the respondent for Consideration into Ease of use.

**Table 1.9 Comparison between Gender and Control
ANOVA**

Gender of the respondents

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	20.129	4	5.032	158.416	.000
Within Groups	2.795	88	.032		
Total	22.925	92			

INFERENCE:

The hugeness esteem is 0.000 which is under 0.05 in this way the model measurably Essentialness in anticipating comparison relationship between Gender and Control of the internet banking services. Since, F determined is more noteworthy than the F basic financial security and confidentiality value=158.416. Here displays effective general miniature act critical.

**Table 1.10 Comparison between Income and Privacy and security
ANOVA**

Income of the respondents

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	89.112	4	22.278	130.554	.000
Within Groups	15.017	88	.171		
Total	104.129	92			

INFERENCE:

The hugeness esteem is 0.000 which is under 0.05 in this way the model measurably Essentialness in anticipating comparison relationship between Income and Privacy and security of internet banking services. Since, F determined is more noteworthy than the F basic financial security and confidentiality value=130.554. Here displays effective general miniature act critical.

Table 1.11 Correlations

		Speed of delivery	Ease of use	Reliability	Pleasure	Control	Privacy and security	Overall Satisfaction
Spearman's rho	Speed of delivery	1.000	.921**	.936**	.933**	.904**	.939**	.950**
	Correlation Coefficient							
	Sig. (2-tailed)	.	.000	.000	.000	.000	.000	.000
	N	93	93	93	93	93	93	93
	Ease of use	.921**	1.000	.925**	.914**	.920**	.950**	.908**
	Correlation Coefficient							
	Sig. (2-tailed)	.000	.	.000	.000	.000	.000	.000
	N	93	93	93	93	93	93	93
	Reliability	.936**	.925**	1.000	.940**	.907**	.915**	.935**
	Correlation Coefficient							
	Sig. (2-tailed)	.000	.000	.	.000	.000	.000	.000
	N	93	93	93	93	93	93	93
	Pleasure	.933**	.914**	.940**	1.000	.868**	.924**	.942**
	Correlation Coefficient							
	Sig. (2-tailed)	.000	.000	.000	.	.000	.000	.000
	N	93	93	93	93	93	93	93
	Control	.904**	.920**	.907**	.868**	1.000	.913**	.914**
	Correlation Coefficient							
Sig. (2-tailed)	.000	.000	.000	.000	.	.000	.000	
N	93	93	93	93	93	93	93	
Privacy and security	.939**	.950**	.915**	.924**	.913**	1.000	.935**	
Correlation Coefficient								
Sig. (2-tailed)	.000	.000	.000	.000	.000	.	.000	

	N	93	93	93	93	93	93	93
Overall	Correlation Coefficient	.950**	.908**	.935**	.942**	.914**	.935**	1.000
Satisfaction	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.
	N	93	93	93	93	93	93	93

** . Correlation is significant at the 0.01 level (2-tailed).

INFERENCE

Analysis of correlation matrix shows that the correlation between Speed of delivery, Ease of use, Reliability, Pleasure, Control, Privacy and Security and customer satisfaction is estimated to be (0.950, 0.908, 0.935, 0.942, 0.914, 0.935, 1.000). This value indicates that there is a very significant and positive correlation.

Table 1.12 Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.972 ^a	.946	.942	.254

a. Predictors: (Constant), Privacy and security, Control, Pleasure, Reliability, Ease of use, Speed of delivery

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.053	.151		-.348	.728
	Speed of delivery	.189	.093	.193	2.033	.045
	Ease of use	-.178	.077	-.217	-2.313	.023
	Reliability	.130	.080	.146	1.629	.107
	Pleasure	.461	.091	.448	5.056	.000
	Control	.233	.077	.214	3.031	.003
	Privacy and security	.188	.077	.214	2.449	.016

a. Dependent Variable: Customer Satisfaction

INFERENCE

The values of the coefficients in the above Table 1.12 reveal the dimensions which have the most and the least impact on the customer satisfaction through the p value that exists for each of them. The analyses reveal that pleasure, Control have the highest impact on customer satisfaction as the value of p is less than 0.05 for all the three dimensions. Hence, it's concluded that these dimensions namely, that pleasure, control contribute most highly towards customer satisfaction.

CONCLUSION

This research paper aims to make an original contribution to the existing knowledge by investigating the impact of service quality dimensions and its influence on customer satisfaction: a study on internet banking services in Chennai city. The various dimensions of the internet banking service quality that were taken into consideration while making the study were: Speed of delivery, Ease of use, Reliability, Pleasure, Control, Privacy and Security. The study revealed that Pleasure, Control are the major integral determinants of internet banking services quality. The empirical findings demonstrate that customer satisfaction in the banking sector is directly correlated with aspects of internet banking service quality. Understanding the elements identified by the study enables bank managers and policymakers to allocate resources and efforts in the most effective and efficient ways possible to grow bank business over the long term, attract new customers, and keep hold of current ones through online banking.

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