

Service Quality on Online Banking

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Abstract- *This paper focuses on customer loyalty and customer satisfaction on internet banking. Customer satisfaction is more importance on internet banking in recent years. The factors determining the customer loyalty and satisfaction includes customer retention, virtual banking, Technology adaptation, Security, Personal service and Ease of use. These factors should lead to the customer satisfaction and customer loyalty.*

Keywords- customer loyalty, customer satisfaction, internet banking

I. INTRODUCTION

The financial institutes are implemented an e-banking (electronic banking) service is mid-1990s. Greatly expand the online banking based on the customer's perception. These banks are maintaining the web way to concentrate about customers and building loyalty as well as satisfaction. After coming the trailblazing companies such as American online, Amazon.com and eBay, to make the paying for items online widespread. The online banking is becoming increasingly due to convenience and flexibility to the customer. The bank service should be promoted by the online service of all over the world. The online banking system dimensions are privacy, security, convenience and time savings perceived positively by the customers. This paper includes the overview about the Internet banking, customer loyalty, customer satisfaction and service quality. Internet banking quality is important factor that influence adoption of internet banking and customers' loyalty. The internet banking users are satisfied with the online banking reliability, online banking usability, online banking quality.

II. LITERATURE REVIEW

(Thanh Nguyen, Mohini Singh, 2004), this study was discussed about the Internet banking issues both from the bank's point and from the customers' point. This paper was highlighting the relationship between Internet banking and customer satisfaction and loyalty.

(Ravi, Kiran and Ms. Navneet Kaur, 2014), study was Customer loyalty factors are namely, customer retention, Security, Virtual Banking and Technology invasion. Customer

Retention emerges is an important factor for influencing customer Loyalty with highest Eigen value, and then it explains the maximum variation. Customer loyalty is associated positively with Confidence, Technology Adoption, ethnical Expertise of staff, Personal Services, Account information, Channel Activity and Ease of Use from the construct of customer satisfaction.

(Eriksson, Mikael Schuster, Carolina, 2009), the study was I found that the impact factors of customer loyalty in online banking. The factors are namely, customer satisfaction, corporate image, brand reputation and generation.

(Erika Jansson Maria Letmark, 2005), this study explores that importance of Internet in banking increases as more people use Internet as their main channel in contacts with their bank. I found that many differences in attitudes and behavior among the customers depending on what communication channels they use, and the interviewed bank is also convinced that Internet should be used as a complementary channel to branch banking.

(Ibok, Nkanikpo Ibok, Itoro Moses Ikoh), this study was conducted in targeting corporate and individual customers on improved the service technology using participation, seminars and symposium on the adaptation of internet banking as well as they are facing different type of customers through desired customer satisfaction. The e-banking service quality and customer loyalty are covering changing dynamics of public, private and foreign banks' customers in India.

III. DEFINITION OF INTERNET BANKING

Internet Banking is defined as the usage of Internet and telecommunication networks to deliver banking services to customers (Daniel, E. 1999, Furst, K., Lang, W. W. & Nolle, D. E. 2000, Sathye, M. 1999). Customers have more inquires and carry out of most banking services namely, account balance inquiry, inter-account transfers, and bill-payment via the Internet. The term 'Internet banking' has been construed as the transactions relating to current and credit card accounts such as viewing balances, paying bills, and transferring funds. And then the Internet banking includes the services relating to financing, insurance, investment, and new

banking services [Furst, K., Lang, W. W. & Nolle, D. E. 2000, Singh, 2003].

CUSTOMER LOYALTY

According to Kotler and Armstrong (1997) defined that the loyalty comes from fulfilling the expectations or the expectations of consumers, while the expectation is derived from the experience of previous purchases by consumers, opinion from friends and relatives, and an appointment or information from a marketer or a competitor.

CUSTOMER SATISFACTION

Customer satisfaction is the degree of satisfaction provided by the goods or services of a company as measured by the number of repeat customer.

SERVICE QUALITY

The service quality is difference between the customer expectation and the customer perception. According to Philip kotler (1997) defined service as ‘an action or an activity which can be offered by a party to another party, which is basically intangible product’ on the otherhand.

TRUST

Trust is a firm belief in the reliability, truth, or ability of someone or something. (Morgan and Hunt, 1994) that the trust is the willingness or readiness to rely on colleagues who are believed to be involved in the exchange. In addition there are some other senses of trust, among others, as follows:

1. Trust is a set of beliefs related to integrity,
2. virtue
3. The capabilities of the other party (Doney and Cannon, 1997).

HABIT

Habit of behaving someone will emerge and continue to run efficiently, without going through a tough business, and run without the awareness from the people (Aarts, 1998). Such behavior can be viewed from two aspects, namely the frequency or intensity of habitual behavior that a person, as well as the tendency is the tendency of a person to perform certain acts. Moreover, the habit can predict the behavior of someone in the future (Bamberg, 2003).

REPUTATION

Herbig and Milewicz (1993) define reputation as attention to the attributes of a company, such as relations with shareholders. Additionally reputation can be seen from a broader perspective, associated with the level of credibility of the company. In this case, reputation can be interpreted as a consequence of the comparison between the promises - jani given company with things that actually happened. Another notion of reputation is the overall quality or character that can be seen or assessed by the general public (Malaga, 2001).

IV. FACTORS INFLUENCING INTERNET ADOPTION

The internet adoption is identified for four characteristics are,

1. Ease of use
2. Usefulness
3. Cost saving

1. Ease of use

The term of ease of use is related to easy to remember URL address, well structured, well organized, catalogue, site navigability, concise, understandable, content, terms and conditions.

2. Usefulness

“These non- attitudes, or baseless options, can drag the data away from a position of reliability or usefulness”.

3. Cost saving

The amount of money saved as a result of changes to plans or policies that reduce the expense associated with business activities. Cost saving may also refer to changes that generated the savings recorded. Identifying the cost saving opportunities can help a business to increase profit, by reducing outflows.

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