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DISCUSSING THE EFFECTS OF INTERNET BANKING ON CUSTOMER SATISFACTION

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ABSTRACT

The present research is aimed at investigating the effect of internet banking on customer satisfaction in Melli bank branches of West Azerbaijan's southern cities. In terms of purpose, the present research is an applicable study and in terms of nature, it's regarded as a descriptive paper performed through a survey method. In this research, the entire users and customers of Internet banking services of Melli banks of southern cities of Western Azerbaijan province are considered and the criterion for this are customers who have activated their Melli card's internet services password. The entire customers of Melli bank internet services of southern cities of West Azerbaijan province count as 34250 individuals. According to the Morgan formula, the sample size was determined as 380 individuals. For the purpose of data collection, the questionnaire of Asif (2013) is implemented. Also for determining the validity of questionnaires, suggestions of some of Management professors were also incorporated. For determining the reliability of questionnaires, the Cronbach's alpha was used which was calculated as 0.86 and this, shows that the questionnaires were sufficiently and desirably reliable. For the purpose of data analyses, the t-test and variance analysis tests were used. For determining the relation between the effects of Internet banking on customer satisfaction, the Pearson's correlation coefficient is employed. Results of research indicated that there is a significant meaningful relation between Internet banking and customer satisfaction. Also the results of research indicated that there is a significant relation between demographic variables (age, career, educational degree and gender) and satisfaction from internet banking services.

Keywords: Banking, Internet Banking, Bank Customer

INTRODUCTION

With no doubt, we know that internet has led to a vast revolution in the world's entire communicational systems. Banking has also been benefiting from communications technology and is not an exception to this rule and has joined the era of global communications. By taking a glimpse at increasing numbers of growth rate and potential capacities of banks for an optimized application of Internet, we will be informed of the performance and effects of Internet banking. Customers' expectations and competitions between institutes as well as high costs have forced the banking system towards application of internet. Providing new banking services including internet banking provides the customers with the possibility of reduced costs and categorization of provided services. It is also expected that the emergence of internet banking is able to create and maintain a close relation between banks and their customers which can ultimately lead to customer satisfaction which itself provides the banks with numerous benefactions. Results of research conducted by Asif (2013) indicated that most of users who implement internet banking including youths, educated people, students and business traders have not been actively using internet banking services and that there is a significant relation between demographic variables and internet banking in a way that internet banking is safeguarding their accounts and information and has led to attraction of customer satisfaction and has also reduced the times of physical presence at banks. Results of research conducted by Sadeqi *et al.*, (2014) indicated that the quality of web pages (website) had no significant effect on comprehension of total user satisfaction and their trust and loyalty towards internet banking but also, the positive effect of a high quality website on the quality of comprehended services and trust and ultimately satisfaction of customers is felt. Results of research conducted by Taleqani *et al.*, (2013) revealed that banks can provide the contexts for customer satisfaction and improve the quality of their provided internet

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banking services through paying attention to their customers' needs and demands. They also concluded that customers are extremely sensitive towards employees' performance agility and a higher quality in services is accompanied by customer satisfaction and increased efficiency.

With respect to the pace of development of information technology and electronic trading as well as the role of internet throughout the globe and especially in Iran, we may conclude that paying attention to these issues and planning regarding them is an undeniable necessity. A sound and suitable planning is the one which is accompanied by precise recognition of problems and barriers on one hand and recognition and realization of sources and potentials on the other hand. In this regard, the context of identification of satisfaction in application of Internet banking services is worthy of investigation and consideration. With the existence of noteworthy importance of internet banking in performance of banks and customers' views, there have been only a few researches regarding the relation between two factors of internet banking and customer satisfaction. Therefore, with respect to the importance of subject matter, the present research was undertaken. Also the purpose of carrying out this research is to investigate and discuss the effects and impacts of Internet banking on satisfaction of customers of Melli bank branches located in southern cities of West Azerbaijan province.

MATERIALS AND METHODS

Methods

In terms of purpose the present research is an applicable study and in terms of nature, it's a descriptive research carried out under survey methods. In this research, the entire users and customers of Internet banking services of Melli banks of southern cities of Western Azerbaijan province are considered and the criterion for this are customers who have activated their Melli card's internet services password. The entire customers of Melli bank internet services of southern cities of West Azerbaijan province count as 34250 individuals.

According the Morgan formula, the sample size was determined as 380 individuals. For the purpose of data collection, the questionnaire of Asif (2013) is implemented. Also for determining the validity of questionnaires, suggestions of some of Management professors were also incorporated. For determining the reliability of questionnaires, the Cronbach's alpha was used which was calculated as 0.86 and this, shows that the questionnaires were sufficiently and desirably reliable. For the purpose of data analyses, the t-test and variance analysis tests were used. For determining the relation between the effects of Internet banking on customer satisfaction, the Pearson's correlation coefficient is employed.

RESULTS AND DISCUSSION

Results

First, for ensuring the normality of data distribution, the Kolmogorov-Smirnoff test was performed. Results of this test are shown in table 1. As we can see, the significance level which is calculated for each and every variable is more than 0.05 and therefore, it's not meaningful. With considering this fact, under a 95% confidence we can state that the variables feature a normal distribution and therefore, the parametric test of Pearson's correlation can be used.

Table 1: Results of Kolmogorov-Smirnoff test for normality of data distribution

Customer satisfaction	Internet banking	Variables resources
/906	1/14	Kolmogorov-Smirnoff test
/385	/148	Significance level

In this section, the data are inserted into SPSS software and next, through the application of Pearson's correlation coefficient test, the analysis would be performed. Results of analysis of hypotheses are shown in the following tables.

Hypothesis one: there is a significant relation between distributional justice and moral behavior.

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Table 2: Relation between internet banking and customer satisfaction

Authentic sample	Significance level	Customer satisfaction	Internet banking	Resources
120	/000	/380	1	Internet banking
	/000	1	/380	Pearson's correlation test Customer satisfaction

Inferential results of relation between these two variables are shown in table 2. As you can see the level of calculated significance level is equal to 0.000 which is significant at ($p=0.5$). With respect to this issue, under a 95 percent confidence we can say that there is a significant statistical relation between the variables of internet banking and customer satisfaction.

Table 3: Chi-square test for independent results of demographic variables

Two-way decision criterion	making	Freedom degree	F value	Demographic variables
/000		1	102/870	gender
/000		3	157/925	age
/000		1	14/360	Marriage status
/000		7	222/149	Educational status
/000		5	123/491	career

With respect to table 4-14, we can say that since the level of significance is less than 0.5, the second hypothesis which stresses out that there is a relation between customers' satisfaction by internet banking services and demographic variables. It's worth mentioning that in addition to the second hypothesis, all its related subsidiary hypotheses are also approved.

Hypothesis three: there is a significant difference between physical presence at banks before and after internet banking.

Table 4: measured physical presence at banks before and after familiarization with internet banking

Very high Percent age	high Percent age	average Percent age	low Percent age	Very low Percent age	Measure d physical presence at bank's branches
8/4	27	48/8	157	8/1	Before familiariz ation with internet abnking
2/2	7	13/4	43	9	After familiariz ation with internet abnking

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Table 5: Difference between the measured physical presence at banks before and after familiarization with internet banking

Two-way decision making criterion	Freedom degree	F statistic	T statistic	Mean standard error	Standard deviation	mean question	Test type
/000	321	.926	13/233	.06	1/078	2/73	12-11 One way t

With respect to table 4-16, and by considering the decision making criterion which is less than 0.5, we can conclude that there is a significant and meaningful difference between the measured levels of physical presence at banks before and after familiarization with banking services. In this regard, the third research hypothesis which implies a meaningful and significant relation between individual's physical presence at banks before and after familiarization with internet banking is approved.

Hypothesis four: there is a significant relation between customer satisfaction in internet banking and normal banking with customers' knowledge regarding internet banking, and momentum access to bank account.

Table 6: Abundance distribution and percentage of respondents regarding their views towards internet banking

Completely disagree	Disagree	Neutral	Agree	Completely agree	Indexes
%	%	%	%	%	
2/2	3/1	8/1	41/3	45/3	Comprehension of the concept of intenet banking
3/7	2/8	14	49/7	29/8	Direct relation between satisfaction from internet services and internet banking
.9	3/4	9	44/7	41/9	Obtaining customer satisfaction through internet banking
3/4	8/1	14/6	40/1	33/9	24/7 banking services support
1/6	1/6	8/7	47/2	41	Higher satisfaction of customers by internet services compared to normal banking
2/5	7/8	11/8	41/6	36/3	Prevention of direct contact between the customer and teller
1/9	17/7	10/9	40/1	29/5	Performance of all banking affairs through internet banking
1/6	2/5	9/6	49/1	37/3	Optimized control and monitoring through application of internet banking
.6	5	21/7	46/6	26/1	Numerosity of opportunities for development of internet banking services
7/5	4/3	27/6	38/2	22/4	Numerousity of problems regarding development of internet banking services

Table 7: Summary of regression model

Estimation standard deviation	Adjusted correlation coefficient	Determination coefficient	Correlation coefficient	Model
.294	.112	.115	.339	1

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Table 8: Analysis of regression variance (ANOVA)

Decision making criterion	F statistic	Average squares of error	Freedom degree	Sum of squares of error	Pattern
/000	41/430	3/576	1	3/576	regression remainders total
		.086	320	27/620	
			321	31/196	

Table 9: Regression coefficients

Decision making criterion	T statistic	Standardized coefficients Beta	Nonstandard coefficients		Pattern
			Std. Error	Nonstandard B weights	
/000	17/313	.339	.047	.822	constant
0/000	6/437		.008	.051	Internet banking

According to the table of summary of regression model, R is equal to 0.339 which is an indicator of a direct relation or a direct effect between customers' satisfaction by internet banking and normal banking through the application of comprehension of the concept of Internet banking, 24-7 support for banking services and optimized control and monitoring on customers' bank account by themselves. Also the value of F as 41.430 in decision making criterion proves this hypothesis and indicates that there is a significant relation between customers' satisfaction and 24-7 support for banking services and optimized control and monitoring on customers' bank account by themselves.

Discussion and Conclusion

The purpose of this research was to investigate and discuss the effect of Internet banking on customer satisfaction level (Case study: Melli bank branches located in southern cities of West Azerbaijan province). Results indicated that there is a significant relation between internet banking and customer satisfaction and this finding is also in accordance with the findings of other researchers (Sharma and Maloviya, 2014; Kervin, 2014; Nimaco *et al.*, 2013; Vasista, 2013; Asif, 2013; Sadeqi *et al.*, 2014; Taleqani *et al.*, 2013). Therefore managers and authorities of west Azerbaijan's Melli bank branches are recommended to work on facilitation of application of internet banking services and in this regard, they are able to achieve customer satisfaction. Also the results have shown that there is a significant and meaningful relation between demographic variables such as age, career and educational degree and satisfaction from internet banking services. Also the results of data analyses have shown that there is a significant difference between measured level of physical presence of customers at banks before and after familiarization with internet banking services. This fact has led to approval of significance of relation between these variables with a high mean difference and therefore, third research hypothesis is accepted. Results of this hypothesis are in compliance with results of research conducted by Asif (2013). There are several reasons for this fact among which, we can refer to the services which are provided for the customers by internet banking after the initiation of these services which includes almost all banking affairs except for a few and limited operations and also there is only few percentage of added wage for these internet banking services. These special features of internet banking have led to reduction of physical presence of customers at banks after their familiarization with banking services.

The results also indicated that there is a significant relation between customers' satisfaction by internet banking compared to normal banking with customers' knowledge regarding internet banking and possibility for momentum access and control to bank accounts by customers themselves. It means that there is a significant relation between customers' satisfaction and a 24-7 access possibility to bank accounts as well as the possibility of optimized control and monitoring on bank accounts. The results of this hypothesis were in accordance with the results of researches conducted by Sharma and Malviya (2014), Esfoor and Haddad (2014), Kervin (2014), Nochai and Nochai (2013), Vasista (2013), Sadeqi *et al.*

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al., (2014), Azizi *et al.*, (2014), Mahmoodi *et al.*, (2010). Also the results were in contrast with the result of research conducted by Poorzandi and Najafi (2013).

With respect to these results, we can state that there is a significant, positive and meaningful relationship between customers' satisfaction by internet banking compared to normal banking as a result of a possibility of 24-7 access to bank accounts and an optimized control and monitoring on bank account as well as recognition of internet banking. It means that by increase of these services and their optimization, customers' satisfaction by internet banking is increased compared to normal banking satisfaction.

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