



INVESTIGATIVE ASSESSMENT ON CUSTOMER SATISFACTION WITH E-BANKING SERVICE QUALITY IN NIGERIA AND BANGLADESH

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ABSTRACT

It was agreed that the e-banking growth of a country depends on plenty of factors, such as success of internet access, new online banking features, household growth of internet usage, dependable services to the customers for which they may be relatively satisfied than of manual system of banking. This study was aimed to investigate the customer satisfaction with e-banking service quality in Nigeria and Bangladesh. A descriptive cross-sectional type of study was conducted among the total of 98 samples which were selected purposively on the basis of availability. The data was collected directly from the respondents using online self-administered semi-structured questionnaire. Data was analyzed using Statistical Package for Social Sciences

(SPSS version 22.0). In the present study the mean age of the participants was 31.6 ± 5.62 years. Most of the respondents (79.6%) were male and the majority (67.3%) had university (postgraduate) level of education. Slightly above two-fifths (40.8%) of the respondents were students and civil servants (40.8%). Little above half (55.1%) of the respondents were Nigerian and the rest of the portion were Bangladeshi. Most of the respondents (27.6%) mentioned that the major challenges facing effective implementation of e-banking system in both countries (Nigeria and Bangladesh) was not safe and secured. The finding of this study reveals that close to nine-tenths of the participants were satisfied with e-banking service quality.

KEYWORDS: Customer, E-banking service, Satisfaction, Security, Technology

INTRODUCTION

The Internet is an extremely important new technology in the present time. Banks and financial institutions are important application area of the internet (Anuar et al., 2012). Currently, the development of information technology and offering Internet services, network management issues and providing optimal service quality are considered as important issues (Neghab et al., 2013). Sometimes ago, the internet was a curiosity presenting interesting questions about the future directions of service operations management. Since then service delivered via the internet has quickly emerged as an important class of service operations (Field et al., 2004). E-banking growth of a country depends on many factors, such as success of internet access, new online banking features, household growth of internet usage, dependable services to the customers for which they may be relatively satisfied than of manual system of banking (Nupur 2010). Many organisations have started venturing into multifaceted approaches to improve the quality of their service (Sureshchandar et al., 2001). E-Service quality evaluation results can be used as a basis for e-service quality improvement as well as the improvement of enterprise efficiency, competitiveness and attractiveness in the virtual market (Mekovec and Kero 2007).

The e-service quality dimensions were tangibility, reliability, empathy, customization, security and responsiveness. For e-services, the dimensions relating to reliability and security of the service deserve greatest attention (Van Riel et al., 2003). E-banking has become important phenomenon in the banking industry and it will continue as more progress and innovations are

made in information technology (Gbadeyan and Akinyosoye-Gbonda 2011). E-services can be described as all interactive services that are delivered on the internet using advanced telecommunication, information and multimedia technologies (Boyer et al., 2002). Customer satisfaction is defined as a result of a cognitive and affective evaluation, where some comparison standard is compared to the actually perceived performance. If the perceived is less than expected, customers will be dissatisfied. On the other hand, if the perceived performance exceeds expectations, customers will be satisfied (Lin 2003).

In line with this development, the Central Bank of Nigeria (CBN) in 2003 issued comprehensive guidelines for the operation of e-banking (Central Bank of Nigeria, 2003) while interoperability of shared ATMs/ POS was established in 2004 (Olasanmi, 2010). Also in 2006 the Federal government of Nigeria through the apex bank initiated a new payment system strategy 2020, which is part of the overall financial sector strategy 2020 (Federal Republic of Nigeria, 2006). These are meant to make the Nigerian payments system effective, efficient, technology-driven and in line with emerging global trends (Central Bank of Nigeria 2003). The banking sector in Bangladesh is clearly recognizing the importance of information technology to their continued success (Huda et al., 2004). In Bangladesh, banking industry is mature to a great extent than earlier period. It has developed superb image in their various activities including electronic banking. Now modern banking services have launched by some multinationals and new local private commercial banks. Electronic banking is one of the most demanded and latest technologies in banking sector (Shamsuddoha, 2008). The Governor of Bangladesh Bank argued that Bangladesh Bank has achieved a historic milestone in the trade and business arena, departing from conventional banking with the introduction of e-commerce recently; against stride towards digital Bangladesh (Rahman, 2010). This study was aimed to investigate the customer satisfaction with e-banking service quality in Nigeria and Bangladesh.

METHODS

A total of 98 samples were purposively chosen on the basis of availability. The research population consisted of all the customers who have an account in the selected commercial banks at the two countries. Therefore, all the banks customers were called and invited to participate in the present research.

The data was collected directly from the respondents using online self-administered semi-structured questionnaire. The questionnaire used for this study was divided broadly into sections, i.e. the socio-demographic section, customer satisfaction, safety section, electronic and the service quality section. The socio-demographic section consist of variables such as age, gender, marital status, educational level and country of the respondent etc. The researcher used the questionnaire because the population was mixed up with different categories of people. The researcher developed closed – ended questions because they are easy to fill, save time and keep the respondents focused on the subject. Data was analyzed using Statistical Package for Social Sciences (SPSS version 22.0). A chi-square test was conducted to explore the association between different variables. A p-value less than or equal to 0.05 was considered to be significant.

RESULTS

Socio-demographic characteristics of the participants

In this study about 61.2% of the respondents were in the age group of 25-35 years and the mean age of the participants was 31.6 years. Close to eight-tenths (79.6%) of the respondents were male and more than half (58.2%) of the respondents in the present study were unmarried and the rest of them were married. Above three-fifths (67.3%) of the respondents had university (postgraduate) level of education, followed by university/polytechnic (undergraduate) (29.6%), professional diploma/college (2%). The majority (40.8%) of the respondents were students and civil servants (40.8%). However about 17.3 percent of the participants were business holders and the rest does not work at all (1%). According to country distribution of the respondents, slightly above half (55.1 percent) of the respondents were Nigerian and the rest of the participants were Bangladeshi.

Table 1: Socio-demographic characteristics of the participants (n=98)

Variables	Frequency	Percentage
Age (years)		
18-24	15	15.3
25-35	60	61.2
36-44	17	17.3
45-54	6	6.1
Mean \pm SD	31.6 \pm 5.62 years	

Gender		
Male	20	20.4
Female	78	79.6
Marital status		
Married	40	41.8
Unmarried	58	58.2
Education		
Secondary school	1	1.0
Professional diploma/college	2	2.0
University/polytechnic (undergraduate)	29	29.6
University (post graduate)	66	67.3
Profession		
Business	17	17.3
Civil servant	40	40.8
Student	40	40.8
Does not work	1	1.0
Country of the respondents		
Bangladesh	44	44.9
Nigeria	54	55.1

Challenges facing effective implementation of electronic banking system in Nigeria and Bangladesh

From the **Table 2** it was observed that among the major challenges facing effective implementation of electronic banking system in Nigeria and Bangladesh, it was found that “Not safe & secured” is the major occurring challenges that occupies almost 27.6% of the respondents. “The idea of making an incorrect operation” was the second major occurring challenge with 26.5% of the respondents, the third most occurring challenge was “bank branch should be in front of me during the process” occupies almost 23.5% of the respondents. The fourth most occurring challenge was “not have sufficient knowledge about e-banking” occupies almost 19.4% of the respondents, while the last challenge was “The absence of the habit of using the internet” as they contribute only 3.0% to total sampled.

Table 2: The reasons for not using E-banking service (n=98)

Variables	Frequency	Percent
Bank Branch should be in front of me during the process	23	23.5
The idea of making an incorrect operation	26	26.5
Not have sufficient knowledge about e-banking	19	19.4

The absence of the habit of using the internet	3	3.1
Not safe & secured	27	27.6
Total	98	100.0

The impact of electronic banking on customers' service delivery

From the **Table 3** it was generally agreed that the impact of E-banking on customer's service delivery is to "provides E-banking quality services" it was observed that about 63.3% of respondents "agreed" with this technique in combating E-banking challenges among Nigerian and Bangladeshi customers. While 36.7% of the remaining respondents were either disagreed or undecided. About 65.3% of the respondents agreed that their bank "Is processing the transactions accurately and on time". Nevertheless the rest (34.7%) of the respondents were either undecided or disagreed. The third the impact of E-banking on customer's service delivery was that close to six-tenths (59.2%) the respondents agreed that "Is fair with its E-banking customers". The fourth impact of E-banking on customer's service delivery, was that about 40.8% of the respondents agreed that Bank "Will repay any money taken from my account through unauthorized transactions". And the last impact was that more than half (55.1%) of the respondents agreed that Bank "...is acting in my best interest". However the remaining (43.9%) respondents were either undecided or disagreed.

Table 3: Distribution of the respondents according to opinion on "I believe that my bank..."

Item		Agree	Not certain	Disagree	Total
...provides E-banking quality services	n	62	11	25	98
	%	63.3	11.2	25.5	100
...is processing my transactions accurately and on time	n	64	11	23	98
	%	65.3	11.2	23.5	100
...is fair with its E-banking customers	n	58	15	25	98
	%	59.2	15.3	25.5	100
...Will repay any money taken from my account through unauthorized transactions	n	40	30	28	98
	%	40.8	30.6	28.6	100
...is acting in my best interest	n	55	17	26	98
	%	56.1	17.3	26.5	100

Possible solutions to E-banking challenges in Nigeria and Bangladesh

From the **Table 4** it was observed that most of the respondents (60.2%) agreed that the possible solutions to E-banking challenges in Nigeria and Bangladesh is to “Confirm the identity before disclosing account information” this technique can help in combating E-banking challenges among Nigerian and Bangladeshis customers. The rest of the respondents (39.8%) were either undecided or disagreed about the above mentioned strategy. Another technique employed for possible combating this E-banking challenges was that “confirm customer’s identity before processing transaction” as agreed by little above six-tenths (61.2%) of the respondents. About 60.2% respondents agreed that another possible solution to E-banking challenges in Nigeria and Bangladesh was “the system will not allow unauthorized changes to a transaction “. The fourth possible solution to E-banking challenges in Nigeria and Bangladesh was that the “the system stop any unauthorized changes to a transaction” as stated by about 59.2% respondents and the last possible solution to E-banking challenges was to “Provide a secure environment in which to bank “ as mentioned by about 13.3% respondents. While 86.7% of the remaining respondents were either undecided or disagreed.

Table 4: While using E-banking, I believe that E-banking system

Item		Agree	Not certain	Disagree	Total
Will confirm my identity before disclosing account information	n	59	11	28	98
	%	60.2	11.2	28.6	100
Will confirm my identity before processing transactions	n	60	13	25	98
	%	61.2	13.3	25.5	100
Does not allow unauthorized changes to a transaction	n	59	8	31	98
	%	60.2	8.2	31.6	100
Stop any unauthorized changes to a transaction	n	58	13	27	98
	%	59.2	13.3	27.6	100
Provides a secure environment in which to bank	n	31	13	54	98
	%	13.3	31.6	55.1	100

Customer satisfaction on E-banking quality service in Nigeria and Bangladesh commercial Bank

Most of the target customers (88.8%) were satisfied with E-banking quality services in Nigeria and Bangladesh commercial banks, only little above one-tenths (11.2%) were not satisfied with the quality of E-banking services in Nigeria and Bangladesh (Figure 1).

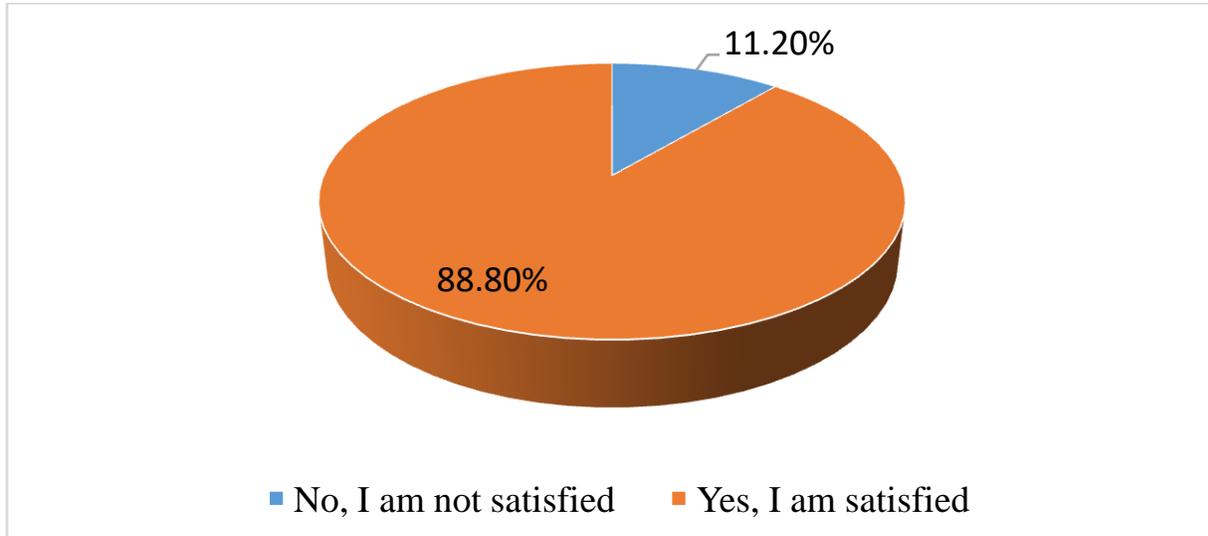


Table 1: Customer Satisfaction on E-banking quality services (n=98)

Pearson Chi-Square Tests

A person chi-square test was conducted to find out the possible association between some variables. It has been observed that type of banking channel use, frequency of using e-banking, educational status and profession was found to be associated with using e-banking (Table 5).

Table 5: Pearson Chi-Square Tests

Variables	Do you use E-banking service	
	Type of banking channel use	Chi-square
	Df	5
	Sig.	0.000
Frequency of using E-banking	Chi-square	35.470
	Df	3
	Sig.	0.000
Educational Status	Chi-square	17.168
	Df	3
	Sig.	0.001
Profession	Chi-square	8.165
	Df	3
	Sig.	0.043

DISCUSSIONS

In this study it was reported that among the major challenges facing effective implementation of electronic banking system in Nigeria and Bangladesh, it was found that “Not safe & secured” was the major occurring challenges that occupies almost 27.6% of the respondents. A similar study reported that security had a significant influence on customer satisfaction (Ahmad and Al-Zu’bi, 2011). Every customer is hoping to have a bank that can protect his financial and personal information more especially regarding the e-banking transactions. Another study also reported that the privacy had a strong influence on customer satisfaction (Zhao and Saha, 2005). It was generally agreed that the impact of E-banking on customer’s service delivery was to “Provides E-banking quality services” it was observed that about 63.3% of respondents “agreed” with this technique in combating E-banking challenges among Nigerian and Bangladeshis customers. Customer satisfaction is described as the result of a comparison of the customers’ expectations and their upcoming perceived performance of service quality (Herington & Weaven, 2009).

About 65.3% of the respondents agreed that their bank “Is processing the transactions accurately and on time”. Nevertheless the rest (34.7%) of the respondents were either undecided or disagreed. This might be due to currently most of the banks use internet banking as it is one of the cheapest delivery channels for banking products (Pikkarainen et al, 2004). Most of the respondents (60.2%) agreed that the possible solutions to E-banking challenges in Nigeria and Bangladesh was to “Confirm the identity before disclosing account information” this technique can help in combating E-banking challenges among Nigerian and Bangladeshis customers. Security and privacy are related items that affect the confidence to adopt e-banking services (Wolfenbarger and Gilly, 2003).

Most of our targeted customers were satisfied with E-banking quality services in Nigeria and Bangladesh commercial banks, only little above one-tenths (11.2%) were not satisfied. Normally the customer get satisfied if the performance exceeds expectations, the customer is highly satisfied and delighted (Rahman, 2014). It has also been observed that type of banking channel use, frequency of using e-banking, educational status and profession was found to be associated with using e-banking service. Perceptions of service, product quality, prices, personal and

situational factors, are also factors that may influence or affect the customer satisfaction (Zeithaml and Bitner, 2003; Zeithaml et al., 2006).

CONCLUSIONS

The finding of this study reveals that the major challenge facing effective implementation of electronic banking system in Nigeria and Bangladesh was found to be “Not safe & secured”. However it also reveals that close to nine-tenths of the participants were satisfied with e-banking service quality.

RECOMMENDATION

- The network provider should be reliable and of high integrity so as not to compromise the security of the system as well as to provide with strong service mechanism to grab cyber issues and challenges.
- Customers should be warned about the dangers of sharing any account information to anyone. Government of both countries should provide adequate regulatory framework that will ensure customer protection, and security of transaction. That way, bank customers’ confidence in electronic banking would be safe and secured.
- Awareness to customers should be created when new products are introduced the services to be offered and the prices to be charged for each service offered. This will ensure customers appreciate the preferential rates offered without complaining of hidden charges.

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CONFLICT OF INTEREST

The authors declare that they have no competing interests.

ETHICAL CONSIDERATIONS

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