Chapter 22

Impact of Internet Service Quality (IS–QUAL) on Client Satisfaction: Case from Indian Banking Services

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ABSTRACT

The present study empirically observes the impact of internet banking service quality dimensions on Client Satisfaction (CS). This study explores the potential dimensions of Internet Service Quality (IS-QUAL) dimensions and examines its impact on client satisfaction and client behavioral intentions in the banking context in India. This study is a cross-sectional survey that employed the use of pre-structured questionnaire to collect primary data from a sample of 120 respondents through personal contact, field survey and email. Collected data have been analyzed through SPSS 21 software by different statistical tools like Reliability test for judgment of internal consistency of collected data and simple regression analysis. The findings revealed impact of IS-QUAL dimensions are namely Trustworthiness, Awareness, Accessibility, Rigidity, Navigation, Communication and Web Customization/Personalization on client satisfaction.

INTRODUCTION

Service quality has become as one of the major factors of the client satisfaction. Client satisfaction is a serious issue for the success of any organization. Service quality is the main indicator to measure the client satisfaction. The relation between Service quality and client satisfaction are very important in business especially in service industry. In the modern environments, providing high service quality is the major key for a sustainable competitive advantage. Being in an industry catering to the millions, banks are constantly offering new products to satisfy their diverse client bases with varied tastes and preferences. In recent years, internet banking is one of the facilities are offering to their clients to ensure
client satisfaction along with improved business. The internet banking or online banking is a win-win solution for both the banks and their clients. The clients are advantaged because of the convenience, flexibility and literally 24-hour banking solutions in their hands and the banks get benefitted because of lower operating costs, wider geographical reach and reduced client pressure on their branches. Present status of Indian commercial banks demonstrates that maximum amount of branches are computerized and with CBS (Core Banking Solution). Commercial banks working in rural areas also providing most of internet banking services like mobile banking, NEFT, RTGS, ATM, credit cards, POS etc. Basically e-banking includes all non-traditional and electronic means of banking such as ATM, internet banking (IB), mobile banking, banking through credit cards and debit cards etc.

RESEARCH OBJECTIVES

This study can be ascertained by the following Research objectives:

1. To discuss the impact of internet service quality dimensions on client satisfaction.
2. To analyze ISQUAL dimensions on client satisfaction.

RESEARCH METHODOLOGY

Data for the study undertaken has been collected from the primary source, which is again collected through pre-structured questionnaire. The questionnaires include information on their name, sex, age, country and occupation. Based on the objectives, 20 questions were set up and to make the analysis more transparent the sample size was restricted to 120 respondents. This study is representative in nature so far as the banks are concerned and focuses on client satisfaction of internet banking services and not on a particular bank’s internet banking services.

Data Collection and Analysis

Primary data were collected using a predetermined personally administered questionnaire. The questionnaire was designed to capture sample characteristics and the objectives. It has a mix of quantitative and qualitative feedbacks. For the quantitative feedbacks, a five point Likert scale from 1 to 5 was used, where 1 was for the lowest satisfaction level and 5 was for the highest satisfaction level. Collected data has been analyzed by SPSS 21 using simple regression to identify the impact of internet banking service quality on client satisfaction.

REVIEW OF LITERATURE

Mohd Khalaf Ahmad, Hasan Ali (2011) research showed that adoption of e-banking (accessibility, convenience, security, privacy, content, design, speed, fees and charges) had a positive effect on Jordanian Commercial Bank customers’ satisfaction, loyalty, and positive WOM. Nuseir, M. T., Akroush, M. N. (2010) studied the relationship between the e-service quality dimensions and customer satisfaction of