



Online banking functionality and customer satisfaction: Empirical evidence from Northern Province Sri Lanka

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Abstract

In today's advance technological era, every Financial Organization is agreed to cover their wide range of transactions through online or internet environments. Mostly Banks are spent a vast amount of money on impressing their customers and capturing new customers. The present study undertakes how online banking functionalities are determining customer satisfaction. To reach that purpose, the present study involved a quantitative approach concerning the design of surveys and the population—Northern Province is selected as a research sample. The researcher used specifically and the SPSS software version 20.0 had been used for the data analysis purposes. Based on this main study finding is that Convenience, Ease of use, as well as Fee & Charge, privacy, security and speed significantly contributed to customer satisfaction and also Accessibility, Content and website layout and design are not much contributed significantly in customer satisfaction. Furthermore, final some recommendations are given by the author. It also gives more support and direction to future work.

Keywords: customer satisfaction, functionalities, Northern Province and online banking

Introduction

The banking sector in Sri Lanka has been started in 1939 and since then the banking sector has adopted many advances in computing (Perera & Priyanath, 2018). Presently banking environment is become as growing one due to advance technological innovations. They tend to introduce online banking as a tool for current customers who continuously use banking services and attract new customer base (Nimako, Gyamfi & Wandaogou 2013). Previously all banks are done their process via manual facilities. It is kind of a burden for bankers because it consumes a lot of money and costs. Later on, bankers found the manual system is not enough to handle massive customer's transaction & operations. Therefore, it was decided to change the manual process to an electronic one. Furthermore, now banks allow customers to get financial services through electronic delivery channels



because it will turn down the company and individual time and money.

Internet has played a fundamental role in transforming banking services into e-services (Wu, Tao & Yang, 2012). The ultimate aim of any industry is to improve the customer's satisfaction because customer satisfaction is the key to improving customer retention and firm profitability. This study attempted to explore the impact of online banking functionality on customer satisfaction in the Sri Lankan bank industry, with references from the Northern Province. Given that relevant research on customer satisfaction in the online banking functionality context is limited, this study investigates the impact of online banking functionality on customer satisfaction in Northern Province. In line with, this study is focused on answering the questions of “What extent online banking functionality impact customer satisfaction in the Northern Province online banking customers?” and “Is there any association between online banking functionality and customer satisfaction?”

Literature Review

According to Sritharan (2013), reliability, responsiveness, assurance, empathy, tangible, and communication contribute to service quality and have a positive relationship with customer satisfaction. Some scholars have shown that many international internet users demonstrate similar behaviors and preferences across nations (Quelch & Klein, 1996). Some studies have examined the issues on the evolution of e-banking (Sohail & Shanmugham, 2003). Some have investigated customer preferences of e-banking (Sohail & Shanmugham, 2003).

Methodology

This study found that the influence of online banking functionality on customer satisfaction—a particular Reference from Northern Province in Sri Lanka. Thus, the targeted population is a licensed commercial bank customer in the Northern Province. Mostly we have selected Bank of Ceylon, People's Bank, Commercial bank, Hatton National bank and Sampath bank at Northern Province in Sri Lanka. Author and questionnaires used the convenient sampling method also used to found user's perception. Totally 400 questionnaires issued to customers among that only 380 questionnaires was received and used for analysis purpose. The various analytical methods were also used by the author. Literature surveys are based on various published and unpublished research, journals, books, and newspaper articles.



Hypotheses of the study

- H₁: There is a significant relationship between Accessibility in online banking functionality and customer satisfaction.
- H₂: There is a significant relationship between Content & website layout in the online banking functionality and customer satisfaction.
- H₃: There is a significant relationship between Convenience in online banking functionality and customer satisfaction.
- H₄: There is a significant relationship between Design in online banking functionality and customer satisfaction.
- H₅: There is a significant relationship between Ease of use in online banking functionality and customer satisfaction.
- H₆: There is a significant relationship between Fee & Charge in online banking functionality and customer satisfaction.
- H₇: There is a significant relationship between Privacy in online banking functionality and customer satisfaction.
- H₈: There is a significant relationship between Security in online banking functionality and customer satisfaction.
- H₉: There is a significant relationship between Speed of delivery in online banking functionality and customer satisfaction.
- H₁₀: There is a significant impact on online banking functionality on customer satisfaction.

Discussions

This research's theoretical underpinning is based on literature from the e-banking relating to commercial banks within the banking industry. Service marketing scholars have long since recognized the crucial characteristics of service intangibility, inseparability, heterogeneity, fiduciary, and perishability, lack of transfer of title. The recognition of such characteristics has led researchers to recognize the key role of service marketers in improving service delivery and accessibility to shed light on the important role of marketing within service sectors, especially in banking services. The empirical conclusions drawn from this research are multifaceted and as a result, it is vitally vital that bank managers pay attention to the influences of customer satisfaction. Therefore, researchers are encouraged to place more focus on the impact influences stemming from the online banking or e-banking functionality and its impact on customer satisfaction, especially in Northern Province of Sri Lanka. This current research's ultimate scope focuses on the influence of online banking functionalities on online banking customer satisfaction. According to the study, customer satisfaction is contributed by online banking functionality significantly. In addition to that, Content &



website layout, Ease of use, as well as fee and charge, privacy, security and speed significantly contributed to customer satisfaction and also Accessibility; Convenience and design are not contributed significantly in customer satisfaction. Moreover, this work attempt to give an effective contribution to online banking functionalities on customer satisfaction in banks is located in Northern Province. The research also supports to understand the service marketing discipline area. The factors relating to convenience, ease of use, fee and charge, privacy, security and speed were found from this study to predict online banking functionality on customer satisfaction. Accessibility, Design, and Content and website layout are not much important functionality for adoption on online banking in Northern Province.

Conclusions

This research seeks to make an original contribution to knowledge by investigating the impact of e-banking factors on customer satisfaction outcomes in the Banking Sector in Northern Province and research contributes to the services marketing discipline in finding out the role of online banking in enhancing customer satisfaction and loyalty. Finally, this study found the online banking functionality influences customer satisfaction. This study also supported academics and management for their decision-making purpose. Especially in Sri Lanka context, the banking industry provides huge support for Sri Lankan economy because they are providing financial transaction facilities via online or offline, offering new employment opportunities for Sri Lankan younger people. Finally, they are involved with corporate social responsibility activities (CSR). So, this study provided huge support to bankers because after thirty years civil war, most banks are involved with a variety of online banking facilities for their customers. Online banking functionalities are fundamental to enhance the efficiency of online banking facilities. Based on this study, customers can also perform as a rational customers & bankers can perform as profitable ventures. Future research should also investigate whether the model could be used for a comparative study between the service sector and the industrial sector, testing the differences and effects of electronic functionality factors in both sectors.

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