HOW THE ONLINE SERVICE INFLUENCES CUSTOMER SATISFACTION WITHIN THE BANKING SECTOR IN UAE: A COMPARATIVE STUDY BETWEEN MANAGEMENT AND CUSTOMER PERSPECTIVE

By

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How the online service influences customer satisfaction within the banking sector in UAE: A comparative study between management and customer perspective

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'I declare that this Dissertation/Research Project, in its entirety, my own work, and that it has not previously been presented in whole or part, for any other award, or published in whole or in part elsewhere.'

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ABSTRACT

The technological advancements have led to conception of novel services for the benefit of customer, with internet banking being one of such services. The internet banking services have been introduced by banks to assist the customers in availing host of banking services comfortably, from any location and without any problems. However, the customer perceptions and attitudes with respect to the adoption of novel technologies determine their satisfaction levels. Besides the customer perceptions, the banks are also responsible for making the customers in getting acquainted with new services. Therefore, the present research was aimed at investigating the customer and managerial views regarding perception of satisfaction levels. The study was conducted among customers (N=130) of NBDEmirates and managers (N=3). The quantitative analysis of customer views, using the E-SERVQUAL model, unveiled the dimensions of success and failure of the internet banking services. The customers were found to have positive attitudes towards dimensions of reliability and security, whereas the satisfaction levels were impacted negatively by responsibility and efficiency. The customers found the website to be ineffective, and were not informed about the discrepancies in time. In terms of dimensions, while responsibility and efficiency was found to have negatively influence customer satisfaction, security and reliability was however contributing positively. The qualitative investigation of managerial views showed that managers were not completely aware of the customer attitudes and satisfaction levels with regard to the usage of internet banking services. They were however willing to improve the situation and gave insightful suggestive measures to promote the usage of internet banking services in customers. The obtained results showed that there is a need to make the customers aware of the advantages of internet banking services, and the gap between the managerial and customer views need to be bridged.

Keywords: Online banking, E-servqual, Customer satisfaction, management perspective
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DEDICATION

I dedicate this dissertation to my family members who put their maximum efforts to make remarkable progress in this research.
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This thesis forms the final part of my Master’s program. In this document I prove my knowledge and my competence to understand the Banking environment in a specific field called The Online Banking Service. I would like to thank the people who have helped me in several ways with this project. First of all I want to thank Dr. Abdulla Rashid Al Shamsi for his professional guidance during this project. Secondly I want to thank Dr. Abdelrahman Mohamed Alnaqbi for his support during the researching process of my thesis.

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Chapter: 1 INTRODUCTION

1.1 BACKGROUND OF THE STUDY

1.1.1 Role of Banking in UAE’s economy

In the UAE, the banking sector consists of national and international banks, wherein it assumes a vigorous part for improving the economic processes of the country by taking care of budgetary assets and in turn giving support to the financing of the national economy. The activity in this process requires investments by the banks. The banks also generate an employment opportunity, which helps increase the wellbeing of the nation and its citizens. This is helpful as not only does it check economic stability, but also generates business openings. UAE banks receive prescribed procedures in commercial administration to upgrade processes and produce higher rates of profitability, which then supports profitability along with fostering economic growth. The various corporate governance components help banks screen official decisions and increase accountability for their activities. This leads to securing the interests of shareholders, which continues the process of increasing investments. Financial administrations of the country have provided 10% of GDP (increased by 2%), and 13% non-oil sectors residential product with an aggregate estimation of around AED 133 billion, thus leading various segments in terms of growth of 9% (Schilirò 2013). The banking division is the center of financial movement in the United Arab Emirates and it works as per the tenets and regulation of the Central Bank of the UAE. The totaled assets are proportionate to almost 147% of GDP as per the estimates of 2010, which has led the country’s banking sector to be one of the largest in all of the Middle East countries. The total number of banks in 2010 was 51 in the region, where the share of private banks was 28, and that of national
banks was 23. The area is quite focused, as 10 banks of UAE represented around 75% of the total banking assets in 2010 while for the rest of the 44 banks the aggregate share was beneath 25% (Al et al. 2009). In 2009, UAE saw the merger of the National Bank of Dubai and the Emirates Bank, which was then known as the Emirates National Bank of Dubai (Emirates NBD). This bank became the largest one in Dubai and UAE in terms of assets. The total asset value of the banks was estimated to be around 78 Billion USD in 2010 (equaling 26% of UAE nominal GDP). The ownership of local banks falls principally into the hands of UAE nationals and foreign interest is restricted to 15%, and this includes the GCC nations as well. Additionally, foreign banks in UAE are supposed to deposit a 20% tax on the profits they make, something that the local banks are not required to do. As per the reports of 2010, the largest foreign banks in UAE are HSBC and Standard Chartered Bank, in terms of assets, which the banks have in 26 Billion USD and 21 billion USD respectively. Although foreign banks are far ahead of national banks, their share in the total assets of the banking sector was under 19% in 2010, somewhat beneath its highest level in 2007 (22.6%). Conversely, the share of state-claimed banks witnessed a consistent increment since 2007 achieving its top in 2010 at around 65% (Sayani & Miniaoui 2013).

1.1.2 Digitization of Banking Sector
Customers are the ones that are driving digitalization in every sphere of business, including banking. The customers, as consumers are retailers, have quickly caught on the fact that this technology is pioneering work in the business domain, and will be the face of business in the future. Thus, customers have started expecting a worldwide service that has a good multichannel encounter. The judgment of the customers occur mainly through three parameters, which are the dexterity with which organizations address the issues of the customers, the simplicity of the
processes that are provided, and the pleasantness of the services provided... the main fundamental difficulty for banks is, subsequently, regulating the service models they have to take care of customers’ expectations and cost-awareness. Digitalization hastens financial development creates jobs, and it also provides organization an opportunity to spare costs and produce revenue (Ernst & Young LLP 2011).

It is also a fact that digitizing information has helped in decreasing the time of process execution, and has aided cost saving by up to 90%. Software processes, moreover, have given these organizations a chance to gather more information in less time, which provides them comprehension skills to process performance, analyze cost drivers and dangers, and empowers managers to proactively address various issues. To profit by digitalization, however, organization must build up a clear technique that enhances procedures and costs, manages increasing data capacities, attaches data to the business and satisfies the developing number of administrative prerequisites. Thus, while applying a "computerized" plan of action – and when overhauling forms – it is basic for organization to build up a conclusion to end reaction that goes beyond disconnected variations in innovation or use case in the marketing division. The objective is nothing less than a pervasive cross-channel travel for the client, and in addition persistent engagement with employees, partners, customers, and investors (Forest & Donya 2015).

1.1.3 Banking Sector and Importance of Service Quality

The UAE’s banking segment was incepted with federal law 10, in 1980, setting up a framework within which financial organizations could be authorized and work. Federal law 10 is as yet the foundation for UAE banking enactment; in 1985, federal law 6 accommodated Islamic banking (Hashmi 2011). Albeit Islamic banking is a huge and growing type of banking/financing around
the world, at present, within the UAE, it remains a minor player within the financial administrations sector. Inside the UAE banking sector, there are a few players: the UAE Central Bank (CB); formed in 1980, local and foreign retail/business banks, and in addition other more specific financial institutions. Altogether, 46 banks have been authorized by the UAE Central Bank, (starting in 2007), representing 17 local/national banks, 3 Islamic banking organizations, and 26 foreign (Al et al. 2009). At first, the UAE banks were made as 'delegates for the unlimited oil-based abundance of the governing families, and wellsprings of capital venture within the nation'. As the number of ostracize workers inside the nation expanded, deposits from such labors have also grown. Progressively, commercial banks in UAE have paid careful consideration to their clients of retail business, distinguishing them similar to a steady and noteworthy wellspring of wealth deposits. Recently, a number of the main banks of its banking sector have created produces and administrations to better serve the retail client, while at the same time enhancing their infrastructure (e.g., branch development), innovation (e.g., intra-nets, Internet banking portals, ATM extension that came enclosed with offices for making installments for outside bank services), along with training of the employees. This can be seen from the example of the National Bank of Abu Dhabi, where the bank has commenced its own training institutes or "academies".

Service quality has turned into an undeniably critical component for achievement and survival in the banking sector. This implies the arrangement of high quality service encourages the accomplishment of the fundamental targets identifying with consumer satisfaction and loyalty, market share, increasing new clients, efficiency, monetary performance and profitability (Al-Marri et al. 2007). In banking, quality means not simply meeting but rather surpassing customer expectations. Consequently, service quality is seen as an essential viewpoint in the banking sector. Customer satisfaction is exceedingly related with service quality as service quality enhances the
probability of consumer loyalty, this outcomes in commitment, expectation to stay, formation of a
commonly compensating relationship between the service provider and the customer, increased
client resistance for service failure and positive word-of-mouth promoting about the
association (Penang & Kheng 2010). The growth in internet based services has revolutionized the
channel through which customers and banks communication with each other. E-service can be
explained as an instinctual information service that gives a way to associations that can construct
its service offerings and build up a competitive advantage (Bauer et al. 2005). The fundamental
purpose for improvement of online services was the cost reduction and to delight users through
automation. Automated service quality is characterized as the client's general assessment of the
excellence of services provided through electronic systems, for example, the web, ATM, and
phone banking (Al-Hawari & Ward 2006). Customer assessment of automated service option and
their intention to utilize a specific option are directly influenced by their perception of the
characteristics related with that option (Wang et al. 2003).

1.2 Problem Statement
The challenging business conditions in UAE, especially related to the financial services market,
has resulted in more burden on these financial institutes to conceptualize and use different delivery
channels, with a vision of attracting larger number clients and enhancing perceptions of these
clients and empowering loyalty. UAE banks have started integrating Internet-based e-banking
frameworks into their banking conveyance portfolios, to a great extent trying to enhance the
effectiveness of their operations and to reduce costs. One of the central factors influencing the
banks in UAE is the changing needs and perceptions of the customers towards digital banking
services. Progressively, customers expect online services from their monetary institutions and
electronic delivery of services is turning into a need. Banks have invested intensely in introducing and making Internet banking service rich, with a target of enhancing consumer loyalty and satisfaction contributing positively to income and benefits. Internet based technologies offers an alternative route for monetary transaction and services to be overhauled and conveyed. However, this customer perception towards digitization of banking services has not been studied within UAE. Customer satisfaction and loyalty plays a significant role in the success of any service, as well as assist the organizations (banks in the present case) in maintaining market majority share. Consequently, UAE banks are in dire need of understanding the views of customers as well as the bank managers, in order to improve their digitization strategies and processes.

1.3 Aim and Objectives

The main aim of the research is to define factors that motivate and encourage the customers to use the online banking service in UAE, from the point of view of bank managers as well as customers.

The objectives of this research paper are:

1. To examine the key theories and concepts with the development of online banking
2. To determine the service quality parameters which contribute towards customer satisfaction with online banking
3. To evaluate challenges currently being faced by the management in ensuring customer satisfaction
1.4 Research Questions

- What are the challenges to customer satisfaction with respect to service quality in online banking and are managers aware of it?

1.5 Significance of the Study

The finance sector, which includes banking, of the United Arab Emirates, is a crucial component in propelling improvement of all areas and a feature of stability in the surroundings of UAE. This is because of national level systemic changes enhanced in the local as well as global environment, utilize the great innovation in the preparation of services and contact to a great state of maintaining satisfaction of the customer in banking services. This is done by utilizing internet which in turn helps display a facility in high caliber. Banks are on the lookout of more effective processes they can include to increase satisfaction decrease the overhead cost in accordance with the changes in the development of services through utilizing innovation. It will help to achieve the anticipated expectations of the customer as the use of electronic banking services are expanding in UAE, for example, ATM, SMS, internet banking, mobile banking and so on. The review is opportune and adds to information on online service and consumer satisfaction. Contribution and significance of this research is to give us an understanding of variables that will influence the consumer satisfaction. It is valuable for bank to recognize their customer needs and wants. Through this research, it can help the bank to find the best answer to solve the experience issue and give the best online services to satisfy clients' satisfaction.
1.6 Chapterization Plan

Chapter 1: This chapter gives an outline of the research background and clarify about the about the research problem in the problem statement. The objective of the research objective, questions related to the research problem, and the significance of the study have been discussed. Chapter 2: In this chapter, literature review of the research is carried out which discuss the factors influencing the online banking services. Specifically, focus has been given on the quality of service in the banking sector and various factors that influence customer loyalty and satisfaction. Chapter 3: This chapter is about research methodology and explains the methods used in the study which includes primary data collection and secondary data. Further the discussion about the philosophy of the research and the research design, sampling plan, collection of the data procedures has been analyzed. Chapter 4: The data collected through the primary and secondary research that were analyzed have been presented and discussed within this chapter. Chapter 5: It is the last chapter of the study proposal which is about discussion and conclusion based on the outcome and finding get from Chapter 4. Limitation are examined as well as providing recommendation to future researches in conducting research related with this study.
2.1 Introduction to Chapter

Service quality has taken precedence over a number of other processes in terms of product development and marketing, as the companies have come to realize that customer satisfaction plays a very vital role in increasing service adoption in the market (Ganjinia et al. 2013). Service quality creates opportunity of good adoption in the market as the customers are aware of the product quality and performance metric, and can provide an edge in the competition, as service quality has become important. Every process and its increased performance, as it helps keep in record the need to create a robust product or process that takes care of the needs of the customers (Ranjith 2013). Online banking and its services have been present nearly for a decade, but their evaluation through service quality has been limited. Thus, the present study provides an overview of this vertical of financial business, and tries to assess its performance in terms of quality of service. The measurement of service quality has been researched, but these researches have focused only on the process of meeting and exceeding the external customer’s expectations, along with understanding that service quality is a process through which organizations can provide services that matches up to the level desired by the consumer (Rod et al. 2009). Not only customers, the perspectives derived from these researches can also be equally implicated in the process that involves employees, so that the firm can identify and bridge major gaps of the service quality gaps model. The present section provides a theoretical perspective by providing insight on the main two models of service quality- SERVQUAL and KANO model, and discusses the relevance of the model in the present study. Also, the chapter discusses the various factors that help in the
establishment and adoption of services related to online banking in present scenario, with the benefits these online banking services provide. Additionally, the chapter also elucidates the challenges faced by these online banking services in the Arab world, particularly UAE. Empirical evidence of various researches provide an understanding of how online services are perceived to enhance customer satisfaction, and what research gaps are present which needs to be fulfilled by the present study.

2.2 Theoretical framework

2.2.1 SERVQUAL Model

The measurement of quality is an important aspect, as it provides insight on how managers can improve the performance of a said process or product, and can decrease the gap between expectations and satisfaction. In the world of fast paced business setting, there is a need to create a cost-effective way to manage service quality gaps, and to understand which gaps are on priority so that they can be tackled by the management team first(MCB University Press. 1991). There have been many efforts to understand the aspect of quality of service, and attempts to quantify it; however, there has been very few methodologies through which it can be measures. Most of the researches use SERVQUAL model as a model to measure quality of service. The SERVQUAL model has been developed by Parasuraman et al. (1988), and is a service quality assessment model; one which aims to understand and analyze the quality of any service and process. The model also aims to provide insight into any gap that might be present in the performance. The managers, by conducting this model for service quality, can demonstrate that their service quality of a process is customer centric, and the processes are being tailored according to the needs of the clients. This
model mainly measures the service quality of a product or a process to the expectations of the customers, and this is done before and after to understand their perceptions of the service they intend to receive, and the satisfaction after the service is actually rendered (Grönroos 1984; Reynoso & Moores 1995). The model discusses five main elements that can also be termed as dimensions or factors. The first is tangibles, which includes physical facilities, equipment and appearance, which affect the way customers react to a certain process or a product. The second factor is reliability, where this dimension includes the ability of the product to perform the promised service in a dependable and accurate manner. The third encompasses responsiveness, which is the willingness to become a responsible marketer to take care of the needs of the customers by providing prompt service. The fourth aspect includes assurance, which also includes competence, credibility and security, and provides knowledge and courtesy to the employees of the company so that they are able to create trust, loyalty and confidence among the customers(Brown et al. 1993). The last dimension is related to empathy, and this includes access to the product, inclusion of communication prospect and understanding the needs of the customers, which helps in providing an individualized service and customized solutions to customers’ problems. These five dimensions are further broken down into 22 individual factors that are applied to analyze the performance of these 5 dimensions (Saha& Theingi 2009). The model, thus, can be used to measure service quality, and if enough information is available to be analyzed, can provide valuable insight on the process of understanding customer’s expectations and compare it to the satisfaction provided after use of the said product or service.
2.2.2 The Kano Model

The main aspect that the Kano model looks into is the needs that the customers have while considering to buy a product or a service. Thus, to meet the needs of the customers, the companies need to take care of providing services to the extent that is proportional to the satisfaction which comes with service being provided with full support (Shahin & Janatyan 2015). The Kano model was developed by Prof. Kano, and described three basic types of requirements for products and services to become a source of satisfaction for the customers. The first requirement that the model speaks of is to satisfy basic needs, which helps the company to establish itself in the market. The second requirement that needs to be fulfilled is the requirement need, which helps the company to create a niche to remain in the market, and the third requirement is the excitement need, which allows the company to create services to excite the customer, and become the top leader in the
market (Bandyopadhyay 2015). Here, in the first requirement, the company is taking care of the basic needs, which are also known as dissatisfiers. These are the features of a product or services that are essential and need to exist. These include basic functionality of a product, correct name, good packaging, etc. These needs are those for which the customers do not need to tell, and are the unspoken requirements for the product to be good. If these needs or requirements are not fulfilled by the company, then the customer may get extremely dissatisfied, and would rather switch company than continue using the product. The second requirement is taken care of by satisfiers, as they take care of the performance need of the company. These needs increase or decrease satisfaction, as the features provided are for increasing the performance, aesthetic value, and create a higher degree of comfort while using the product, such as adjusting price at a competitive level, increasing speed/versatility of the product/service or providing a bonus. These needs are mostly spoken, and customers get happy if these needs are ‘heard’ (Bandyopadhyay 2015). The third requirement comes under the delighters, and takes care of the excitement needs. These needs are ‘not thought of’, and provide extra credit to the company, as they provide features that are intended to impress customers, and earn their approval. The model tries to explain that the needs of the customers keep changing with time and the company needs to change their processes to manage and take care of their needs (Kodó & Hahn 2017). The satisfaction level of customers depends on the level of requirement fulfilled by the company. The more requirements that the company fulfills, the more satisfied the customer becomes. Thus, the Kano models helps in identifying unspoken of the customers, which needs prioritization after the company takes care of the spoken needs. The prioritization of customer needs helps the company achieve better success, and chart a better strategy at being ahead, and creates a process through which quality can be
maintained by realizing the gap between the customers’ expectations and the company’s performance.

2.2.3 Justification of model used in the study

The model used for this study will be SERVQUAL model, as this model takes care of the need of the customers through various dimensions, and comes up with a holistic view for service quality (Parasuraman et al. 1988). As customer service and satisfaction is based on all the dimensions attached with the SERVQUAL model, it is a right process through which satisfaction can be measures as a result of increased service quality. Moreover, SERVQUAL model has the option of constructing a valid questionnaire through which data can be collected, and provides a baseline against which the responses can be measures (Asubonteng et al. 1996), which is not what KANO model provides, which makes the SERVQUAL model of service quality a much more valid choice for conducting the present study.

2.3 Conceptualizing Online Banking

2.3.1 Factors influencing adoption of online banking services

The epoch of information technology (IT) has led various businesses to develop products and services in a way that they can be accessed by customers through e-route. The various electronic channels also provide processes that take care of electronic delivery of services, and create a way through which traditional methods can be easily surpassed. The advances in technology has led to an aggressive approach towards information technology led marketing, and this has become the
main reason for transformation of internet banking services (Rotchanakitumnuai & Speece 2003). The online services are proving to have a very significant part in the competitive phase of the economic industry. The service concept and the service environment has been completely been revamped by the recent developments in technology related to services and processes of any industry, including banking and has also altered the way of selling and buying and products and services. The main and fundamental change that the banking industry has always worked for is the transformation of fiscal transactions from traditional written format to more of a digitalized and automated format (Williams et al. 2009). Thus, e-banking services like telephone, internet, and mobile phones have become a very upcoming possibility in the banking sector for financial matters.

Online banking has become one of the most useful service offering in the finance domain due to the technological advancement in the digital world, and has provided many services which creates ease for the customers in terms of taking care of their finances. However, it is of no guarantee that customers might adopt these services, and how much acceptance is gained by the banks while initiating adoption of a new technological process in their strategy (Dominic et al. 2010). Thus, there is a need of understand properly the crucial factors that can both benefit and harm the adoption of online banking services by the customers. Through this, the company can determine the potential through which this new technology might penetrate the use in the lives of the customers. The various factors which affect adoption of products and services related to online banking are discusses as follows:

**Accessibility:** The internet revolution is not a very old one, as it has been just in the last decade that people actually began to use this invention in a widespread manner. The access to internet is still a debatable issue, as even though many parts of the world has the latest and the fastest version
of the world wide web with 4G and 5G accessibility, some areas have only 2G services (Fuchs 2012). There are also some places across many areas of the world where there is scarcity of general telephone lines, and the plan for broadband services may take time to implement. The accessibility of a good and speedy internet has also been noted to have an effect in the adoption of internet banking services. If the area has good internet connectivity, the users are much more inclined to use online banking services of their respective banks, and if the internet accessibility is poor, and the customers need to visit internet cafes, they in turn prefer not to use online banking services and instead visit the banks itself (Hanafizadeh et al. 2014).

**Convenience of use:** Convenience has been identified as a process that leads to adoption of new technology that provides ease of use to the customer. It has been noted that convenience is a positive effect for an organization to produce in a customer, as it provides the latter with time and efforts to purchase product, and it needs to convenient for them to buy the product. Other researchers have focused on the notion of convenience to various other activities that does not involve money at all. The online banking facility provides easy, at home internet access and worldwide services which saves time and is convenient to use. Convenience has become the most important variable for adoption of all online activities (Gerrard & Barton Cunningham 2003).

**Information related to online banking:** The financial sector related to the banks needs to focus on principles, attitudes and behaviors of customer, as this provides a very important insight into the expectations that these customers have related to the services required by them. Online banking is such a service which can be employed by banks to creatively and innovatively provide an option of transacting money without going to the bank, at their own convenience. This convenient use of online banking helps banks provide their services to the customers in a very personalized and convenient manner. The customers can conduct various transactions, such as online payment,
transfer to a third party account, and invest through online available tools (Aladwani 2001). Additionally, banking through the online services provides a vast variety of services to customers, along with helping banks conduct retail banking without additional use of manpower and resources. Thus, if these services are included and the information is provided to the client, it can increase the chances of clients using these services rather than going to a bank to get these tasks done.

**Prior knowledge of the internet:** Banking sector has changed from its old-fashioned way of conducting processes of banking to contemporary way of providing services. Technology has motivated banks to include many services in the internet banking domain. However, what really helps in adoption of these services is the level of internet knowledge the customers have. If the customers are well versed with the knowledge, the adoption is quick and smooth. If they are not, the transition does not occur, and people still prefer to go to banks to get their work done (Karjaluoto et al. 2002).

**Security perception:** Security issue has emerged to become a major with the customers when there is talk of taking personal and financial information online. The customers are concerned of any security risk that the information might encounter, and look for security certificates before moving ahead with the process (Mouakket 2009). If a customer believes that there is no or less security concern involved, then they do not hesitate to transition their activities online. However, if they perceive any security issues, either through computers or through the banks communication, they do not prefer to choose online banking services.

**Privacy:** The factor that is implicated most in creating barriers to effective adoption of online banking by customers is privacy. There is a perceived risk that customers believe in using banking
services online. There are many studies that show that customers are wary of using online banking services as they think it is risky to impart their credentials and they fear that their privacy will be compromised (Lassar et al. 2005). The customers then do not want to use something that is risking their privacy, and create a perception of risk with these services and this can negatively impact the use of online banking services of many banks.

2.3.2 Benefits of Online Banking

Online banking has proved to simplify transactions so that the customers do not need to attend the bank for simple jobs such as transfer of money, opening of accounts, creation of fixed deposits etc. These processes, and more, can now be easily dealt with at home. A simple internet connection solves many transaction problems and queries of the customer, providing them a host of services they can use, without any added service cost (Al-Somali et al. 2009). The added layer of service increases quality, and customers become more satisfied as online banking solves many financial purposes of customers. These financial purposes lead to many benefits attached with internet banking, which can be explained as follows:

The process of transacting online is a secure way to conduct financial transactions, as it can be done from any place, and still provides the individual the receipt which can validate the transaction at a bank (Aladwani 2001). The site, if having a valid security certificate, can be protected from phishing and cyber theft, and can provide an easy way to conduct personal and professional financial matters. Also, the online banking services provide access round the clock, and also on national and public holidays. Some transactions can also be carried out on weekly off days. This provides the individual flexibility to conduct transactions conveniently, and without the hassle of choosing an alternative by visiting a bank on working hours by skipping some other commitment (Pikkarainen et al. 2004). The customers can also access their bank account details, account
transactions and recent history related to the bank account, without visiting the bank, which gives a chance to monitor expenses, transactions and financial performance even from a distance. The advent of online banking has also simplified financial transactions for the business, and the individual or a company can manage financial affairs at ease in their homes/offices, and can have the option of saving additional resources, time and effort. Customers can also apply for loans, can monitor growth of funds, taking care of investments and reviewing interest rates of different accounts (Sathye 1999).

Apart from these, paying bills has also become easier with online banking. Almost all corporations have added themselves as billers in the billing section of paying bills, from which customers can add them to their accounts. Also, the customers also do not have to remember paying bills every month, as the online banking services also provide the option of auto-debit for bills related to electricity, water, mobile phones, landlines, as well as insurance plans, credit card, loans and product EMIs (Vatanasombut et al. 2008). This provides the customer flexibility to choose auto-debit when the customer knows that the billing cycle is monthly. This helps the customers in making the financial transactions easier, and relieves the need to go through the same process again and again. These features has helped online banking services to become more popular, and has created a ground for itself that the customers are more aware of the services being offered, and are more willing to try them.

Online banking provides every service that can make taking care of finances easier. The banks have also started to link accounts of different banks, which saves the customer the hassle of going to different banks, and creates a common platform for the customers- thus increasing satisfaction through increased service quality(Gerrard& Barton Cunningham 2003). Thus, online banking provides the customers increased level of services with enhances service quality, and creates a
sense of satisfaction and loyalty so that there may be more business generation for banks from the online banking sector.

2.3.3 Current challenges to adoption of Online banking in UAE

The banking sector of the United Arab Emirates is one of the most fast-paced and competitive sectors of the region. This can be seen through the immense increase in business of the banking sector, as the UAE boasts of 46 banks, out of which 21 banks are locally-incorporated while 25 banks are foreign banks. The banks provide their services to a population of about 4.3 million people (Hanafizadeh et al. 2014). The estimates for the Emirates Bank Association show that the number of banks that are present in the region, counting their branches, customer service units and even automated branches are 615 in total, out of which 496 are of the local banks, and 119 are of the foreign banks. It has also been noted that the United Arab Emirates has one of the highest number of users of the internet in the Arab world, and the percentage for the same is around 29.6% (Irvine 2008). The online services of these banks have also risen slowly and steadily in the past few years from the time it was first launched in 1996 by Emirates Bank International. The online servicing has since then gone up from one bank to 18 banks - which is from the 46 commercial banks that provide the services of online banking to their customers (Mouakket 2010). Out of 18, nine banks are national banks and the remaining seven banks are foreign, out of which five are headquartered in Dubai. The national banks of the UAE constitute about 62.5% of the total banking sector (Rusu & Shen 2011).

Banking sector has undergone major changes to become much more accessible to the customers, and this has been majorly done to take care of the increasing competition by the set-up of national
and international banks across the world. Banks in the Arab nations have also started the online banking processes, but the process has not been able to penetrate the customer base of the countries as much (Mouakket 2010). It has been noted that the banks do offer many services related to online banking, but these online banking services are limited in the Arab region when it is compared to the scenario present in USA or Europe. However, it has still managed to penetrate through some pioneers in the industry, particularly in the UAE. The Arab nations have prepared themselves to enter the World Trade Organization, thus the banks of this region will share competition from the international banks across the world. The Arab banks are concerned of the falling domestic market share from these international banks, which has pushed them to introduce online banking services to their clients (Rusu & Shen 2011). However, there are very less researches that show use of these services, and it has been noted that the use of online banking is not that widespread in the UAE as it is in the other parts of the world. There are many challenges that have become a hurdle to the adoption of internet banking services in the UAE, which are not present so much in countries like USA and UK. The constraints are mostly related to social and infrastructural issues, and they are the important ones that need to be taken into account to evaluate how best these challenges can be combated to increase the use of online banking services (Williams et al. 2009). Firstly, it has been noted that even through the banks may be technologically sound in terms of providing online banking services, but the country has relatively low penetration of good telecommunication services in every part of the region. Secondly, the low penetration of internet services in the region does not encourage investors to put in money to develop internet banking services for the country. Thirdly, there are many customers of the Arab banks that use these services for non-transactional uses, such as viewing and monitoring accounts and checking balance, while the managers want more customers to use the transactional process of the banking service (Liu & Arnett 2000).
2.4 Service quality of online banking and customer satisfaction and customer loyalty

Online banking has become one of the key features of the modern world today, and the technologies have led the banking system to conduct most of their businesses online. The online system enhances the efficiency of the banking processes, and thus helps in increasing the performance of the banking industry. The processes also help the customer reduce opportunity costs, increase convenience, and help save their time as well as the time of the bank employees.

The following empirical evidences provides a glimpse of how the internet processes have changes the perceptions of customers, and the consequences has led to increased satisfaction and loyalty.

Liu & Arnett (2000) conducted a study that aimed to understand the role of perceptions that a consumer has related to convenience in terms of the products offered and the information provided with the product, design of site, and financial security of the money deposited. The author thus assessed these factors to understand their role measuring satisfaction. The authors thus proposed to develop a model to quantify the satisfaction of consumers with e-retailing experiences. The research assessed four main factors, namely, convenience, merchandising, design of site, and financial security. The survey conducted measured the perceptions of customers for online stores in relation to offline stores and associated the expectations with the actual experience they have while using traditional methods. The collected data led to the analysis which found out that design of site, convenience, and financial security were the main factors that provided assessment related to consumer satisfaction. Thus, the study results established that both convenience and financial security had major roles in consumer satisfaction as compare to the other factors that were tested.

A study conducted by Szymanski & Hise (2000) aimed to understand the relationship of online banking services of different banks of Riyadh, and how these banks use different dimensions of
the SERVQUAL scale to help customers transition into the online banking processes. The banks that the researchers surveyed were National commercial bank, Al- Rajhi bank, and Riyadh bank of Riyadh. The researcher used the dimensions of SERVQUAL model- tangibles, reliability, responsiveness, and empathy- to assess the customer satisfaction related to online banking services. The authors conducted the survey on a sample size of 100 customers. The analysis of the data collected provided insight that reliability, responsiveness, tangibles, and empathy were substantial determinants of satisfaction of the customer that were surveyed. However, the study also contended that these determinants did have diverse significance levels. The findings concluded that reliability and tangibles were the most influential dimensions as compare to other dimensions in terms of enhancing customers’ overall satisfaction.

The study conducted by Parasuraman et al. (2005) was aimed to understand the consequences of service quality on the satisfaction levels of the customers. For that, the research investigated four dimensions that were hypothesized to increase satisfaction, namely fulfillment, efficiency, availability of system, and privacy. The researchers used two scales for measuring the satisfaction which were E-S-QUAL and E-RecS-QUAL. While former consisted of 22-item scale, the latter focused on taking care of service problems and inquiries through an 11 items in the dimensions related to compensation, responsiveness, and contact. Both models were used to measure quality of service of the web sites, and did not consider testing aspects such as fun and pleasure. The results found out that efficiency, fulfillment, and system availability were the main critical factors that contributed majorly in driving the customers’ perceptions related to the quality and increased loyalty intentions. The research also uncovered that compensation, responsiveness, and contact are less critical factors for service quality.
Another study conducted by Rod et al. (2009) aimed to understand the interactions between three dimensions of service quality to draw parallel relating service quality of internet banking with customer satisfaction in the banking sector. The study was conducted in a bank of New Zealand, and the customers were surveyed through a self-administered questionnaire and were analyzed through the methodology of SEM-based partial least squares (PLS). Analysis of the data showed that there was a noteworthy relationship between online customer service quality, having factors relating to online information system quality, overall internet banking service quality, banking service product quality, and customer satisfaction. The authors thus concluded that there was a need to expand research efforts to understand these dimensions of service quality in relation to overall internet banking service quality and customer satisfaction.

A study conducted by Ahmed (2011) examined how online banking is able to provide customers reliable services relating to their expectations, and how these services can create a positive impact of satisfaction among them. The researcher hypothesized that online banking service has a comparative advantage to the traditional approaches and can also help in improving the relationships with the customers. Thus, the study aimed to understand the same using the E-SERVQUAL model. The bank chosen was Bank Islam Malaysia Brhd (BIMB), and the researcher analyzed five different dimensions of quality, that is, responsiveness, tangibles, assurance, reliability, and empathy. The variable were tested to understand how online service quality is related to customer satisfaction. The respondents were given a questionnaire, and the sample size was 21. The findings of the study showed that there is a positive relationship between online service and satisfaction of the customers. The study also came to the conclusion that empathy, reliability, and responsiveness had larger contribution in terms of satisfying the customers of Bank Islam through online banking services. Thus, this study shows that there is a positive association
between the increased service quality related to empathy and responsiveness along with reliability of internet banking services, and these can create a good impact with the customers, leading to increased level of satisfaction.

A study conducted by Kassim & Asih Abdullah (2010) investigated the relationship of perceived quality of service customer satisfaction, trust, and customer loyalty with each other, by assessing e-commerce settings of Malaysia and Qatar. The research employed an approach where a questionnaire was used to understand the various dimensions of the perceived service quality. The dimensions of the questionnaire were analyzed through oblique rotation and varimax rotation. Also, the research used structural equations modeling (SEM) and general linear model of univariate analysis of variance as a tool to understand data collected to answer the research questions. The study found out that the perceived service quality had a significant impact on customer satisfaction. Also, satisfaction of the customers was found be very significant in terms of initiating the process of trust. Apart from this, there is another benefit as customer satisfaction and trust have a positive and significant effect on loyalty. Positive word of mouth has become an antecedent of revisit to the banks, leading to repetitive purchase intentions. Also, it is interesting to note that trust does not directly influence loyalty. The research concluded that the analysis showed that only effect of satisfaction is positive on trust, and otherwise the researchers did not find any significant variance between perceived service quality effects and satisfaction, or of satisfaction on loyalty, or of trust on loyalty.

Another study conducted by Ganjinia et al. (2013) aimed to understand the impact of online service quality on customer satisfaction in banks of Guilan. The study employed the standard model, which looked into the six factors for understanding the customer satisfaction levels, and these included the dimensions- reliability, responsiveness, and competence, ease of use, security and
Product portfolio. These dimensions were identified by the researcher as being important for increasing and maintaining the quality of online services. The study then used multiple and linear regression analysis to understand the trend that the collected data was showing. The analysis was meant to understand and assess the impact of online service quality on satisfaction. The researchers found out that the 6 factors that were studied for online service quality had a positive effect on customer satisfaction when assessed for the public banks of Guilan. Thus, the conclusion was drawn that convenience, ease of use, and security were very important to establish the trust of the customers, and when the trust was established, the customers used internet services and were satisfied by the services provided.

Another study conducted by Kaur & Kaur (2014) intended to assess the validation of the measurement scale to create a parallel for establishing the relative significance of the five dimensions of internet banking service quality scale. The study aimed to regulate the usage of internet among the customers, as seen through bank-wise comparison. This was done by using one-way ANOVA test, to evaluate consequent impact of the Internet Banking Service Quality on the Customer Satisfaction, by applying Multiple-Regression statistical techniques. The analysis was done to understand how significant use of internet banking was in making customers satisfied. The results of ANOVA provided the insight that showed no significant difference in facilities that were provided by public and private banks, which did not do much to change customer satisfaction measures. The study also concluded that responsiveness, security, privacy and aesthetic beauty of the sites are very influential in having an impact on satisfaction. Also, reliability and efficiency do not have much significant impact on satisfaction of the customers using online services of the bank. Thus, the researchers concluded that service quality related to internet banking was
responsible for enhancing the efficiency of the banks through customer satisfaction and increased productivity of the employees.

Another study conducted by Yi (2014) was aimed to understand the relationship between the dimensions related to quality service and the customer satisfaction of the customers of internet banking of a Chinese bank. The service quality measures of internet banking took into account responsiveness, reliability, service security, assurance, transaction efficiency, customer support, ease of use, and performance to understand how these variables measure against customer satisfaction. To conduct this study, the researcher chose a sample of 400 respondents whose questionnaires were analyzed through descriptive analysis and Pearson’s correlation coefficient. The analysis was done to test the hypotheses and analyze the data collected. The results of the analysis led to the conclusion and revelation that factors such as assurance, transaction efficiency and service security were the ones that had a very significant and strong relationship with customers’ satisfaction related to the internet services of banking domain. The factors such as reliability, responsiveness, ease of use, customer support and performance were the ones that had moderate significant effect on the relationship between service quality and satisfaction. Thus, the researchers were able to conclude that satisfaction does not depend on responsiveness and ease of use, but is more related to security, assurance and efficiency.

Another study conducted by Farooqi (2017) aimed to create a bridge between the existing knowledge gap in the electronic banking field. The authors aimed to help the banks and financial institutions by creating a better understanding of the services related to internet banking, and how this contributes to customer satisfaction. The author used the exploratory survey method, along with the Likert based questionnaire to conduct the data collection process. The sample was taken from New Delhi’s banks and judgmental and convenience sampling was done to collect data from
194 internet banking customers. The data was then analyzed to understand the implications of quality in the internet banking domain and its subsequent impact on customer satisfaction. The dimensions such as efficiency, system availability, fulfillment, privacy, contact, responsiveness and contact were tested and it was found out that these factors contribute 70% individually to the overall customer satisfaction in internet banking. Thus, the study concluded that the quality of banking service and the dimensions are a significant factor that is used to satisfy the customers as these all have been related positively to customer satisfaction.

Thus, these studies show that perceived quality has a very positive effect on increasing the customer satisfaction and customer loyalty, and this trend does not change in online services of different verticals, and thus it has been observed to be the same even in the banking sector.

2.5 Research gap in the study

Online banking services are the dominating service sector in the financial world, especially in the banking sector as there are many banks that are seeing success in the e-platforms that they have developed (Ranjith 2013). However, its adoption in many instances is not what the banks would want it to be. The major gaps that are present is that the service quality of banking processes have little or no knowledge of the reservations customers have in transitioning to online services. Also, there have been many researches that have studied the adoption of these services in the developed world, but there have been very little studies that have studied how customers adopt internet and online banking services in the developing world, especially in the Arab world (Jun & Cai 2001; Szymanski & Hise 2000; Farooqi 2017). There is little research on whether improving service quality will help in increasing customer satisfaction or not, and how this might lead to betterment
of services for the future. This gap is present around the world, but it is quite evident in the research conducted on banks of the United Arab Emirates. The main reason that can be attributed to lack of empirical evidences around this topic in the Arab world is that there is a lag in the adoption of internet itself, which further slows down the adoption of the online banking services (Ahmed 2011). Also, there is relatively low penetration of electronic goods in the region, and the administration is much concerned with adoption of the electronic technology by the employees for work purposes, rather than by the customers for their personal use (Kamal & Ahmed 2009). Thus, there is a significant gap relating to research as to the adoption of online banking services, and which factors can be exploited to increase service quality for increasing satisfaction and loyalty of internet banking service customers of various banks in the country.

### 2.6 Conceptual Framework and hypotheses proposed

![Conceptual Framework of the study](image)

**Figure 2.2: Conceptual Framework of the study**
**H01**: The customer and managerial views regarding service quality are similar.

**H11**: The customer and managerial views regarding service quality are contrasting in nature.

**H02**: Customers are satisfied with the present state of affairs, regarding digitization of banking services.

**H12**: Customers are not satisfied with the present state of affairs, regarding digitization of banking services.

**H03**: Managers are aware of the current issues and the associated implications.

**H13**: Managers are unaware of the current problems and implications attached.
Chapter: 3 RESEARCH METHODOLOGY

3.1 Introduction to the Chapter

In this chapter, details on the methodologies and strategy used to collect data, analysis of the research and validity and reliability of the data have been discussed. Research methodology helps researchers to organize the efforts towards collection, analyzation and generation of information (Ranjit 2014). In this chapter, the methodology used to extract information from customers and senior management officials of EmiratesNBD Bank in UAE has been discussed.

3.2 Research Design Strategy

Research design is a modular framework or the strategy of the complete research analysis that has to be done (Cross 2013). This research study was done to understand the factors that influence the satisfaction of customers towards online banking services offered by EmiratesNBD, along with the challenges faced by bank management in implementing such services. There are three types of research purpose - exploratory, descriptive, and explanatory. In this study exploratory and descriptive type of approach has been adopted (Blaikie 2009). Descriptive type of research purpose was applied to understand the extent of satisfaction customers had towards the online banking services provided by Emirates NBD, while the exploratory type of purpose was adopted to determine the challenges faced by bank management in ensuring efficient online bank services.

With regard to research approaches, two types of research approaches are considered, inductive and deductive and Qualitative and Quantitative, depending upon the application of theory and the
type of data to be collected (Blaikie 2009). In this study, both qualitative and quantitative mode of data extraction was adopted, so a mixed method approach was adopted to conduct the research study. Qualitative analysis result helped to develop a theory on the basis of the data collected. Quantitative analysis helped in addressing the hypotheses and relates the data findings to the objectives of the research. In addition, deductive approach for research was chosen, for the purpose of establishing the importance of customer needs and perceptions as a determinant of customer satisfaction of banking services in the case study bank.

In case of research strategy, different types such as survey, interview, archival, ethnography, grounded theory, case studies, action/participatory research can be done (Saunders 2003). Survey was conducted among the customers of EmiratesNBD bank in UAE, to understand their perspectives on satisfaction towards the online banking services provided to them. Further, interview strategy was also adopted, to study in-depth the challenges that bank officials face in providing such services to customers.

3.3 Area of Study

The chosen area of study for this research analysis was UAE. UAE covers an area of 32,300 sq miles with a population of 8,264,070 according to national census conducted by UAE on 2010. Its capital is Abu Dhabi and in accordance to the study, has approximately 26 registered public banks. However, in this study, the chosen case study bank, EmiratesNBD bank, is a renowned and leading bank in UAE, which has been chosen to study the influential factors of customer satisfaction towards online services.
3.4 Target Population

To conduct the study, two sets of population were chosen with respect to the case study bank, customers and senior management of EmiratesNBD. According to EmiratesNBD, (2016) annual reports, there are approximately 160,000 employees in UAE, off which, over 100 are senior management officials. In case of customers, no statistics are available for this bank.

3.5 Sample Size and Sampling method

A Random Probability sampling was done where all the customers were chosen from certain main branches of EmiratesNBD bank in UAE. Further, Purpose Non-Probability sampling technique was adopted to select a sample of senior officials of the case study bank. Those officials were selected, who had experience in the area of online banking and had a history of implementing at least one project in that area. Thus, only three senior officials were eligible for the interview, as they were well versed with information technology and had significant information regarding bank’s challenges.

The population of customers for the survey at the EmiratesNBD bank was hypothetically estimated and confidence interval of 8.6 was calculated and then the sample size of 130 customers was evaluated by providing questionnaires to them, whereas qualitative analysis was conducted among only 3 senior officials from the EmiratesNBD bank headquarters.

3.6 Data Collection Procedure

There were two set of questionnaires designed for this study; for the survey and interview, respectively. The close-ended structured survey questionnaire consisted of questions on
demographic information of the customers, information regarding the general trends of customer usage of online services and their perceptions, and the statements related to the dimensions of E-SERVQUAL model. Further, the interview questionnaire, an open-ended structured questionnaire, consisted of questions exploring the themes of challenges faced by the banks and subsequent strategies adopted, in the implementation of efficient and customer-friendly online banking services, and important factors of service quality from the managerial perspective.

For conducting interviews and survey, appropriate permissions of the head officials of the EmiratesNBD bank headquarters were taken. Customers of 8 major bank branches were approached with the questionnaires, where survey forms were distributed and completed responses collected within 15 minutes. In case of interviews, prior intimation was given to the selected officials, and interviews conducted on-site. The interviews lasted on an average of 30 minutes, and at the convenience of the senior bank officials.

3.7 Data Analysis Procedures

Quantitative data from 130 customers from the EmiratesNBD bank branches were analyzed using the statistical tool, SPSS (v21.0) software. Demographic analysis included frequencies test, mean variance and standard deviation, while, inferential analysis included reliability, regression, correlation and ANOVA. Qualitative analysis was done by content analysis where the data collected from the interview was used to categorize, classify, summarize and represent thematically to understand and answer the research questions.
3.8 Ethical Considerations

In this research study, prior permission of the bank authorities and the customers were taken along with prior confidentiality agreement was approved. Confidentiality agreement was also signed by the researcher that there will be no exposure of the names, neither customers nor the senior officials who gave interview.

3.9 Validity and Reliability

Validity can be defined as the measure which adequately covers all the methodology and concepts, and can be measured in three ways as follows- content validity, construct validity, and criterion validity (Oluwatayo 2012). Reliability means consistency in a concept measured again and again (Noble & Smith 2015). Before the actual application of the research study the Content validity of the questionnaire was checked by giving the questionnaire to 2 bank experts to find the accuracy and correctness of the same (Babbie 2007). Then it was discussed with the guide professors, colleagues and other survey specialists and corrections were made and then instructions of the seniors were followed to conduct the final survey. In case of internal reliability of the collected data, the Cronbach alpha test was conducted, the results of which have been presented in the next chapter.
4.1 Introduction

The problem defined in the previous chapter required an in depth redressal of customer’s perceptions of the online banking services as provided by banks in UAE. The customer perceptions were accompanied with the managerial views toward the state of e-banking as provided by their respective organizations. The customer perceptions were evaluated with the aid of E-SERVQUAL tool developed as per the standardized questionnaire proposed by Zeithaml et al. (2002). The data collected by the means of E-SERVQUAL model was subjected to statistical analysis, where the descriptive and inferential analyses were performed. The descriptive analysis involved the summarized representation of the collected data, wherein the frequency statistics for the different demographic variables, and the general background were obtained. The inferential analysis involved the data being analyzed through advanced tools of statistics involving correlation and regression.

This helped in ascertaining the nature and strength of relationship between customer perception and different dimensions of E-SERVQUAL. Such an evaluation led the researcher in formulating meaningful inference with regard to the customer’s views, which could form the basis of recommendations for improving the digitized banking services. The information pertaining to the managerial view was collected through well structure interview questionnaire, and the responses obtained were subjected to content analysis. This aided the researcher in getting an insight into the managerial perspectives of the e-banking services provided by their banks. This also helped in
establishing a link between the customer and managerial views, ascertaining the degree of harmony between the outlooks of receiver and provider of the service.

4.2 Reliability Analysis

For the purpose of assessment of problem at hand by the means of collected data it was necessary to ensure that the data was reliable, and was internally consistent. The internal consistency ensured that all the factors involved in the test measured the same situational construct and the items were related to each other (Tavakol & Dennick 2011). The consistency was tested with the help of Cronbach’s alpha, and all the items pertaining to particular dimensions of E-SERVQUAL model showed consistency as seen by the values reported in table 4-1.

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Cronbach's Alpha</th>
<th>No. of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>5</td>
<td>0.830</td>
</tr>
<tr>
<td>Reliability</td>
<td>6</td>
<td>0.897</td>
</tr>
<tr>
<td>Responsibility</td>
<td>5</td>
<td>0.954</td>
</tr>
<tr>
<td>Assurance</td>
<td>4</td>
<td>0.909</td>
</tr>
<tr>
<td>Security</td>
<td>4</td>
<td>0.888</td>
</tr>
</tbody>
</table>

Table 4.1: Reliability Test Statistics for five dimensions of E-SERVQUAL model
4.3 Quantitative Analysis

The quantitative analysis involves the analysis of the quantified data, using statistical tools, so as to corroborate the description of the data with the meaningful conclusive results, to obtain meaningful insights.

4.3.1 Descriptive Analysis

The descriptive analysis was carried using the frequency statistics for the demographic profile and general background of the questionnaire. The descriptive analysis also helped in summarizing the dataset for the individual dimensions of the service quality.

4.3.1.1 Demographic Profile

The information regarding the demographic profile for all the participants was collected and presented the following statistics. The respondent population using the e-banking services was dominated by males, 62.3% whereas only 37.7% of the users were females as seen in Figure 4-1, also identified by other researchers (Mansumitchai & Chiu 2012). The highest percentage of users of internet services belonged to 18-29 years of age representing 42.3% of the respondent population, whereas those belonging to age group of 50 and above constituted only 13.8% of the respondent population, as seen in Figure 4-2. This indicated that the younger strata of population was more inclined towards the use of internet banking services (A.T Kearney 2013). With respect to the educational background, the maximum respondents held graduate degree, with 41.53% of the population, followed by 34.61% of master degree holders, and only 23.84% of diploma holders constituted the respondent population, as seen in Figure 4-3.
This indicated that the graduates were highly aware of the e-banking services, and they were rigorously adopted by them. The researcher also recorded the number of years of experience of using the e-banking services, and it was found that 44.6% of the respondent population had experience between 2-3 years, followed by 33.1% of population having experience of less than 1 year. On the other hand only 10.8% of the respondents had experience of more than 5 years in
using the e-banking services, as seen in Figure 4.1. This indicated the low level of awareness among the people regarding the ease and convenience of internet banking services over the traditional methods.

Figure 4.2: Proportion of respondents with respect to education

Figure 4.3: Proportion of respondents with respect to their experience with internet banking facilities
4.3.1.2 General background

The respondents were administered question statements related to general background to gain insight into their general attitudes and behaviors regarding the e-banking services. The researcher predicted the patterns and usage tendencies of the e-banking services of the customers. The respondents were asked to report the frequency of using the online banking services, and it was found that 34.61% of the customers availed banking services once a month, whereas only 20% of the customers used e-banking services every day. It was closely followed by 16.15% of the customers availing the service twice a week, whereas on the other hand 24.6% of the customers used the services once a week, as seen in Figure 4-5. With respect to their skill level of using the e-banking services only 15.38% of the customers ranked their user skills as advanced, and a high percentage of users with 36.9% ranked themselves as basic, as seen in Figure 4-6.

![Frequency of using the internet banking service](image)

Figure 4.4: Proportion of respondents with respect to frequency of using the internet banking services
Also, the customers were found to opt to the internet banking portals usually for balance query, as adopted by 59.2% of the respondents, which was followed by practices of cash management, 55.7%. It was found that customers did not prefer the internet services for performing investment related activities and processing loan applications, preferring the traditional routes, as shown by non-adopter proportions of 66.2% and 61.5% respectively, for the mentioned services in Figure 4-7.
The overall internet banking experience was rated upon by the customers, pertaining to the statements of advantages, simplification of everyday life activities, time spent on banking services, and convenience of online banking. As seen in Figure 4-8 lower percentage of users agreed to all the four measures of ease as provided by the internet portals of banking services, as compared to those who were in disagreement. The rationale behind the high degree of disagreement was further explored through the different statements of service quality relevant to the five dimensions of E-SERVQUAL model, and the mean results obtained. The highest degree of disagreement was recorded with respect to the facts that online banking services simplify the daily life activities and also that they save time. Such views could be influenced by higher inclination of customers
towards the traditional methods of banking, and their relative unawareness towards the manner of usage of the internet services. Other factors also followed these two closely in terms of disagreement, which reflects the inherent incapacity of the management to portray their service product in an efficient manner.

![Opinion regarding overall banking services]

The customers were asked to rate their overall satisfaction levels, and the results showed that 26.92% of the customers did not agree with the overall quality of service as provided by the internet banking portals, and only 19.20% of the customers were in strong agreement with the level of service.
4.3.2 Inferential analysis

The inferential analysis of the collected data was done to draw meaningful inferences about the degree and nature of relationship between the different variables of E-SERVQUAL model. This was done so as to understand the dynamics of interplay, between the different variables, in influencing the overall customer satisfaction levels. The statistical analysis for observing the relationship between the different variables involved performing the correlation and regression tests. The inferential analysis led to formation of conclusive results and resultant testing of hypothesis, from which the generalized conclusions could be drawn.

The results of correlation tests performed between overall satisfaction and dimensions of E-SERVQUAL model were obtained as shown in Table 4.4. The analysis showed that not all the dimensions influenced the overall satisfaction positively, wherein the dimensions of efficiency and responsibility were found to be strongly negatively correlated with customer satisfaction. This showed that both the dimensions of internet banking were negatively affecting the satisfaction levels, and had an inverse relationship with customer satisfaction. The dimensions of reliability, assurance and security showed strong positive correlations with the satisfaction levels.
Table 4.2: Correlation results of effects of mean dimensions of E-SERVQUAL model on customer satisfaction

The model constructed for assessing the effect of predictor variables (dimensions of E-SERVQUAL model) on the dependent variable, that is, customer satisfaction, was tested for goodness of fit. The results of model summary and ANOVA test statistics reflected fitness of model, as observed from Table 4-5. The adjusted R square value was found to be 0.860 with a high F value of 152.283 with p = .000. This indicated the ability of the model to explain large variability when utilized for testing the service quality of e-banking services.

Table 4.3: Model summary and ANOVA statistics for dimensions of service quality
The regression analysis was performed to ascertain the relationship between the variables and customer satisfaction, as to which of the predictors impact the customer satisfaction and the degree of certainty. The results of the regression analysis were obtained as shown in Table 4-6, and it was observed that assurance dimension, which shared a positive correlation with customer satisfaction, did not significantly impact the perceived satisfaction levels as seen from the Significance value of 0.254. This reflected that customers were not aware of the significance of the assurance statements in defining their satisfaction levels of the services provided. Also, efficiency and responsibility shared negative regression coefficient values with the dependent variable. This showed that the customer satisfaction will decrease if these dimension continued to increase towards the negative trend. The dimensions of reliability and security had Beta values of .361 and .292 with p values .000 and .007 respectively. This indicated that these dimensions positively affected the customer satisfaction levels, and an increment of one unit in these factors would lead to a consequent increment in the satisfaction. Such familiarity with the field of reliability and security has also been reported by other researchers (Singh et al. 2016; Doost & Ashrafi 2014).

<table>
<thead>
<tr>
<th></th>
<th>Standardized Coefficients (Beta)</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td>5.782</td>
<td>.000</td>
</tr>
<tr>
<td>Mean Efficiency</td>
<td>-.266</td>
<td>-4.540</td>
<td>.000</td>
</tr>
<tr>
<td>Mean Reliability</td>
<td>.361</td>
<td>2.304</td>
<td>.023</td>
</tr>
<tr>
<td>Mean Responsibility</td>
<td>-.192</td>
<td>-3.555</td>
<td>.001</td>
</tr>
<tr>
<td>Mean Assurance</td>
<td>-.104</td>
<td>-1.147</td>
<td>.254</td>
</tr>
<tr>
<td>Mean Security</td>
<td>.292</td>
<td>2.730</td>
<td>.007</td>
</tr>
</tbody>
</table>
Table 4.4: Results of regression analysis of predictor dimensions with customer satisfaction

The results of quantitative analysis thereby lead the researcher in accepting the hypothesis that customers are not satisfied with the present state of affairs, with online banking, thus we accept the alternative hypothesis and reject the null hypothesis.

4.4 Qualitative Analysis

The qualitative analysis involved evaluating the responses of managers to open ended questionnaire statements. This was done so as to compare the customer and organizational perspectives with respect to the internet banking services. The qualitative questionnaire was administered to 3 managers belonging to the senior management of EmiratesNBD bank headquarters.

4.4.1 Demographic Analysis

The demographic profile of the three managers was recorded as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Gender</th>
<th>Level of education</th>
<th>Age (years)</th>
<th>Experience with current bank (years)</th>
<th>Experience in online service department (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent A</td>
<td>Male</td>
<td>Graduate</td>
<td>41-50</td>
<td>3</td>
<td>2-3</td>
</tr>
<tr>
<td>Respondent B</td>
<td>Female</td>
<td>Masters</td>
<td>30-40</td>
<td>4</td>
<td>2-3</td>
</tr>
</tbody>
</table>
4.4.2 Customer’s perception and satisfaction

The service of internet banking is yet to achieve its potential, as it continues to be adopted by the customers, over traditional routes of banking. The tendency of the customers to adopt or reject the internet services is influenced by their trust levels, attitudes, intention to opt novel methods, perceived degree of usefulness and ease of the service being provided, and the usual norms (Sankari et al. 2015). The managers were asked about the factors which they feel tend to influence customer tendencies toward adoption of internet banking services in their bank. Respondent A commented on the same by stating the fact that, “The bank has established itself as a trusted brand name, and has always kept their customer’s concerns as priority. Hence, the perceived sense of security and importance is what influences the customers to resort to the internet services as provided by them.” Also, prior knowledge on internet usage and information regarding online banking is equally crucial, for a customer to access their accounts online and perform other banking related activities (Shaikh et al. 2014). Respondent B commented upon the same as, “To enhance the adoption of banking services, the bank staff that is in direct contact with the customer, makes the customer aware about the degree of ease and convenience of resorting to the online banking services. The positive attitude of the customers towards the bank makes increases their perceived sense of security and they readily attempt to avail such services.” The brand reputation has been found to influence the customer choices, as mentioned by the two respondents (Wafa et al. 2009).

<table>
<thead>
<tr>
<th>Respondent C</th>
<th>Male</th>
<th>Graduate</th>
<th>41-50</th>
<th>More than 5</th>
<th>3-4</th>
</tr>
</thead>
</table>

Table 4.5: Demographic profile of the managers
The quantitative analysis showed that customer’s were not aware of the implications of assurance dimensions upon their satisfaction levels, which opposes the views of the managers.

The managers were questioned to assess their perception of customer satisfaction levels, with respect to the internet banking services. Respondent C replied, “In the online banking services evaluating customer satisfaction becomes a challenge, as it is an electronic service without human touch. However, the constant monitoring of customer feedbacks and queries has indeed over the time showed that customers are satisfied with all the dimensions pertaining to the quality of e-banking services.” It has been found by the researchers that high quality internet services, accompanied with positive perception of value by customers, results in high loyalty and satisfaction (Chang et al. 2009). Respondent B viewed the situation differently and opined, “The customer satisfaction levels continue to be average but not reached the desired level. To raise the internet service satisfaction levels, the website needs to highly efficient, with minimal time intervals in transmission of information and customers need to be made aware of the services which can improve their user experience.” Another Respondent A reported that, “The customers are indeed satisfied with the level of internet banking services provided to them. The website is regularly updated, with additional security monitoring, and the interface is kept simple and easy to understand.” The managerial views regarding the satisfaction of customers were not found to be in alignment with the results obtained from quantitative analysis of customer views. The quantitative analysis had showed that although the customers were satisfied with the dimensions of reliability and security, they were not satisfied with the level of efficiency and responsibility, besides relative unawareness regarding assurance, which is yet to be identified by managers. The lack of awareness on the behalf of managers was found to be particularly associated with the EmiratesNBD.
4.4.3 Challenges to services

The managers were asked about the different challenges encountered by their bank in adoption of online banking services, as the banking services underwent transition from traditional ways to an online model of operations. As the bank strives to manage the dependencies between the traditional business model and internet services model, the commercial and infrastructural changes have to be managed carefully, to deliver quality services to both existing and new customers (A.T Kearney 2013). While highlighting the different challenges encountered by the management in the transition process, Respondent A commented, “The process of going online was indeed full of challenges, as the management had to strike a balance between the existing customer segments purely on the basis of technology without human contact. For the same a comprehensive migration plan had to be formulated, which has to be constantly update and maintained to suit changing customer perceptions. The balance is crucial for maintaining the bank’s performance and brand value.” The researchers have also supported the fact that the online customers miss the facility of personal touch and relationship with the bank officials, and some of the problems might not be solved easily, which could lead to feelings of incompatibility, and ultimately lead to non-adoption (Obeidat & Saxena 2015; Mansumitrchai & Chiu 2012). The customers also face issues related to services, such as investment related advice, insurance policies, or guarantees regarding bank signatures, which are dealt easily with in traditional settings rather than pure online dealing (Obeidat & Saxena 2015).

Respondent B highlighted the challenges faced by the organization due to customer behaviors, by commenting as, “The internet banking services are indeed the most hassle free and convenient form of availing various banking solutions, but the behavioral and mental blocks of the customers
often pose as a challenge in expansion and propagation of such services. The lack of confidence and trust with respect to security is still prevalent among many customers, especially those who have been practicing the traditional routes for a very long time.” Many researchers have explained the behavioral patterns of the customers, as reluctance in resorting to new services of internet banking, through the means of different theoretical concepts. The behavior pertaining to usage of IT tools for carrying out sensitive transactions have been explained through the means of Theory of Reasoned action (TRA) and Theory of planned behavior (TPB).

The Technology Acceptance Model (TAM) has been tailored on the lines of the above mentioned theoretical concept of TRA. The model identifies the perceptions of users as classified into Perceived Usefulness (PU) and Perceived ease of use (PEOU), which influence the behavior of acceptance of the users as shown in Figure 4.8. The degree of perceived ease of use determines the attitude of the customer towards the technology, and ultimately defines the behavior of intention to utilize the service. Such a challenge could be overcome by making the customers aware of the benefits of availing such services, and enhance their confidence level.

![Figure 4.8: Technology acceptance model](Davis 1989)
The organizational challenges as perceived by Respondent C, with the process of implementation of internet banking services, were expressed by commenting, “The management of infrastructural components with respect to IT architecture has been managed very efficiently by the organization, although it can be improved to provide the customers with better navigation abilities and simple user interface.” Such challenges could be improved by implementing clear visions for IT architecture and dedicating a team completely to the upkeep of digital interface, and maintain efficient execution (A.T Kearney 2013). The respondent C identified the challenge associated with the dimension of efficiency of internet portal for banking services, but failed to identify the other dimension, which proved to be challenging for the customers. The respondents A and B although identified certain issues correctly, but failed to identify the critical issues which could help in enhancing customer experience. Thus, with respect to the challenges, the managerial views were not in complete harmony with those of customers, which can lead to partial improvement of the situation, rather than an improvement as whole.

4.4.4 Future recommendations

The managers were asked to comment upon the strategies which in their view should be adopted by the bank to ensure customer satisfaction. Respondent A was of the opinion, “The bank could improve the customer satisfaction levels, by bringing in ways to continuously check the customer satisfaction levels pertaining to the use of technology. The absence of human touch should be fulfilled by maintaining interaction with customers, and obtaining data regarding their user experience and any other suggestive measures.” Respondent B stated that, “The young customer base is used to the usage of latest technology. However, the customer belonging to the senior strata do not receive digitization of services assuredly, thus the bank could bring in measures to help the
senior customers to get accustomed to the usage of e-portals, by helping them through in-house demonstrations during their usual visits to the bank.” Respondent C maintained his stance by stating that, “The customer satisfaction is of great significance in maintaining customer loyalty, the infusion of technology in banking operations is a significant move and the banks can ensure customer satisfaction by conducting efficient virtual assistance to the customers in navigating through the website features.”

The researches in the related topic have shown that the customers adopt the use of technology over traditional ways only if they intent to do so. The organizations with marketing and advertising can make their services appealing to the customers, and influence their attitudes and behaviors to use the e-portals (Jahangir & Begum 2003). The aspects of security and privacy are equally important and the customers will make use of technology, when they feel secure and trust the service provider (Moon & Kim 2001). The suggestions given by the managers can help the bank in improving the customer reluctance towards e-transactions, and the maintenance of human touch through regular feedbacks, can also help in enhancing the organization’s customer base.

<table>
<thead>
<tr>
<th>Proposed Null Hypothesis</th>
<th>Accept/Reject Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H01:</strong> The customer and managerial views regarding service quality are similar.</td>
<td>Reject</td>
</tr>
<tr>
<td><strong>H02:</strong> Managers are aware of the current issues and the associated implications.</td>
<td>Reject</td>
</tr>
</tbody>
</table>
4.5 Discussion

The quantitative analysis of the data collected from the structured survey questionnaire unraveled important facts regarding the awareness of customers towards the significance of internet banking facilities, and how they perceive such service with respect to their benefit. The descriptive statistics showed the higher proportion of young adults resorted to the use of internet banking facilities, that too dominated by male population. The general banking trends showed that customers themselves did not prefer the novel alternatives of internet banking, and preferred the traditional routes. This was reflected by self-attested low frequencies and levels of usage and skill. They also did not opt the e-banking facilities while carrying out sophisticated banking tasks such as applying for loan or investment related activities. They used the internet portals for performing transactions and payment related queries, which has also been reported earlier (A.T Kearney 2013). With respect to the results of inferential analysis, the dimensions of reliability and responsibility were found to negatively affect the customer satisfaction, whereas customers were found to be unaware of the implications of assurance dimension on their satisfaction levels. The regression coefficients of assurance dimension showed that it did not significantly impact the customer satisfaction. The dimensions of reliability and security positively impacted satisfaction, indicating that the banks have succeeded in maintain the trust factor of their customers and made them feel secure while carrying out transactions of sensitive nature (Subashini 2016). Similar trends have been observed by other researchers wherein efficiency and responsibility were found to be particularly in dire state, and required improvement (Nemati et al. 2012). The results thereby led the researcher into accepting the hypothesis that customers are not satisfied with the present state of affairs, regarding digitization of banking services.
The quantitative analysis led to the acceptance of the hypothesis that managers are unaware of the current problems and implications attached. This was not viewed as a significant development because, a collective identification of the problems at the management level is essential for the overall improvement of services being delivered. With respect to customer satisfaction the managers seemed to be content with the notion that customers were pleased by the services, and continued their business with the bank under the brand value. In presenting such views, they evidently showed their relative unawareness towards the importance of other dimensions of service quality. These conclusions led the researcher towards the acceptance of the hypothesis that the customer and managerial views regarding service quality were indeed contrasting in nature.
Chapter: 5 CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The present research was aimed at uncovering the potential issues hindering the development and acceptance of e-banking services among the customers located in UAE. The researcher investigated the issue by the means of mixed methods approach, involving both quantitative and qualitative methods to understand and compare the perceptions of concerned stakeholders, that is, the customers and managers. The mixed methods approach proves to be highly significant while exploring issues related to service quality, wherein the views of both receiver of the service and those responsible for the delivery, are relevant for drawing meaningful conclusions. The secondary research guided the principles of primary research, wherein the theoretical models and concepts encountered during review of secondary materials were used to construct the tools of investigation of primary methods. The E-SERVQUAL model proposed by Zeithaml et al. (2002) was the recognized as the foundation of designing the questionnaire for examination of customer perspective with respect to the different dimensions of service quality.

5.2 Conclusions

The practical implications of measuring service quality arise from the theoretical concept of service quality being the foundation of customer satisfaction, and influencing the trends of business. The understanding of the gaps in service quality can help the management in taking control of the service delivery, by identifying the gaps and prioritizing them (MCB University
Also, besides identification of gaps, and managing them, another important aspect is the delivery of services in such a manner so as to appease the consumer and converting it into a source of satisfaction. The customer satisfaction with respect to the usage of online banking services is influenced by quality of service provided, perceived image and value of brand (Kumbhar 2011). The Kano Model appropriately defines the basic requirements which are to be satisfied by the company to deliver appropriate services to the customers (Bandyopadhyay 2015). The Kano model can help the managers in guiding the company forces in the direction of success. The guiding forces should be utilized to overcome the challenges associated with customer’s attitude and behavioral tendencies. The customers are often equipped with feelings of insecurities with e-banking services, feel difficulty in operating and carrying out transactions, and often perceive electronic banking as a difficulty (Kwarteng 2015). In terms of challenges, to digital services relative unawareness of the management about the reservations of customers in transitioning from traditional practices to digital methods is a common challenge. This is accompanied by lack of knowledge about the areas of improvement, and how to promote usage of digital services among the customers (Jun & Cai 2001).

The research gap in execution in the present research is that not much research has been done in the case country and thus, challenges specific to the online banking in the region is not well researched. In order to bridge this gap, primary analysis was conducted to determine current usage patterns and E-servqual parameters which contribute towards customer satisfaction. The primary research, involving the quantitative analysis yielded important information regarding the general online banking trends and the perception of customer satisfaction. The customers were found to opt for online services to perform tasks of less sophistication such as performing balance queries (59.20%) and managing cash (55.70%). The majority of customers whether belonging to the
younger or senior strata, did not prefer the online route for carrying out investment and loan related activities. Such reluctance could be corroborated with certain disadvantages, associated with online services, including a lack of personal relationship with the bank officials, delay in resolving transaction related issues, service related issues and the security concerns (Obeidat & Saxena 2015). This was reflected by a high percentage of non-adopters for online loan application (61.50%) and investment related activities (66.20%). Further, in terms of e-servqual methods which were adopted during the research included; efficiency, reliability, responsibility, assurance, and security. Among all the factors, efficiency and responsibility reflected negative correlation reflecting negative impact on overall customer satisfaction. On the other hand, security and reliability contributed to positive correlation. However, assurance was found to not have any significant contribution towards customer satisfaction. The positive correlation of assurance factor and consequent insignificant regression also signifies its possible suppression by other factors at play, which dominate its relevance (Kennedy 2002). This calls for the bank to acquaint the customers with possible advantages of availing online services, how it possibly could transform the manner they perform transactions.

The E-SERVQUAL model analysis revealed that the customers were positively influenced by security and reliability, showing that they are willing to adopt new methods, if they perceive the related nuances positively and as beneficial to them. The customer responses were supported with managerial views, to obtain a complete outlook of the situation. This involved exploring the themes of managerial perceptions related to the state of execution and management of internet banking services. The managerial views were found to be contrasting with those of the customer views, as they perceived the customer to be satisfied with the present state of affairs, and were not completely aware of customer hesitations, which signifies the negative relation between the two,
and possible downfall of service standards. The managers failed to exhibit complete awareness, and were found to believe that trust on brand name was sufficient to attract the customers to avail online services, and showed were also found to be unaware of the significance of other dimensions of service quality. However, the suggestive measures given by the managers presented their willingness to improve the quality of services being delivered to the customers.

5.3 Managerial Implications

The present study with its research tools and methods yielded important information regarding the customer views of e-banking services, and the gap between the managerial and customer perceptions. The researcher would like to make following recommendations, which could help in refinement of the service quality:

1. The senior management should make it a point to not make the usage of e-portals mere robotic interaction, rather make efforts to maintain the human touch, so as to engage the customers in opting for the online services for performing the sophisticated activities of loan application and investment. They can do so by being constantly in touch with the customers, and promoting the customers to give feedbacks

2. The customers will reuse the facilities if they feel comfortable with the interface, and receive fast services, in limited timeframe. A dedicated team of professionals should be employed to keep the services efficient and run smoothly besides maintain the sophistication of interface as minimal as possible

3. The customer should be kept informed about any inconsistencies in the digital framework which could possibly hinder with the transaction process. The customers should have
access to active and an all-time available support line to provide them immediate respite from any problem or issue.

4. Also, keeping in view the recommendations by managers, the bank should make it a point to acquaint the senior customers with digitized platforms, and providing virtual assistance to facilitate easy comprehension of website features.

### 5.4 Limitations of the study and Scope for future research

The present researcher aimed at unraveling the gap between the views of customers and managers with precision. However, the present study still suffered from certain shortcomings and inherent limitations, described as follows:

1. The study suffered from the constraints of time and monetary budget, which resulted in short observation period, and the resultant generalization were drawn from limited sample.

2. The mixed methods approach was employed in evaluation of the existing scenario, but the factors considered for assessment were limited, and the sample sizes for quantitative and qualitative research were also small. Thereby such limitations call for an in depth research involving inclusion of large number of respondents.

3. Also, the analysis was limited to investigation of scenario with respect to the digital services of a single bank, that is, EmiratesNBD, which limits the scope of generalizations which could be made from the results. The research needs to be expanded to include higher number of banks and their digital services.

The aforementioned limitations do reduce the significance of the results of present research, and but these should be treated as guidelines for the future researches to expand the horizons of their
investigation. The participant population needs to be increased, including more number of management representatives, including those responsible for the execution of digital services in particular. This will allow the researcher to gain a deeper insight into the experiences, and perceptions of the bank officials resulting in better corroboration of customer and managerial perspectives. A study of such nature would allow the formulation of better action plans, and ease the customer experience.
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Appendix I: QUANTITATIVE QUESTIONNAIRE

Section A: Demographic Profile

1. Gender:
   - Male
   - Female

2. Level of Education:
   - Diploma
   - Graduate
   - Master’s Degree

3. Age:
   - 18-29 years
   - 30-40 years
   - 41-50 years
   - 50 years and above

4. Experience of using online banking services
   - Less than 1 year
   - Between 2-3 years
   - 3-4 years
   - More than 5 years

Section B: General Background

Q.1 How often do you use online banking services?
   - Everyday
   - Twice a week
   - Once a week
   - Once a month

Q.2 How would you rate your skills of using online banking services?
   - Advanced
   - Very advanced
   - Average
   - Basic

Q.3 What are the different online banking services which you use?
   - Cash management
☐ Wire transfer
☐ Balance query
☐ Bill payment
☐ Loan applications
☐ Investment activities
☐ Other value added services
☐ Others ___________________

Q.4 What is your opinion about the overall online banking experience?

Rate the following statements on the scale of 1-5 according to your perception of online banking experience where 1= highly dissatisfied, 2= dissatisfied, 3= neutral, 4= satisfied and 5= highly satisfied.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The advantages of the online-banking outweigh the disadvantages</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>The online-banking simplifies your everyday life</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Online banking reduces the time used for banking services</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>4</td>
<td>Functions of online banking are more convenient than traditional banking services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q.5 What is your overall satisfaction with online banking experience?

☐ Highly dissatisfied
☐ Dissatisfied
☐ Neutral
☐ Satisfied
☐ Highly satisfied

Section C: Perception of customer service quality

Rate the following statements on the scale of 1-5 according to your perception of service quality where 1= highly dissatisfied, 2= dissatisfied, 3= neutral, 4= satisfied and 5= highly satisfied.

<table>
<thead>
<tr>
<th>Dimensions of E-SERVQUAL</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Feature</td>
<td></td>
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<tr>
<td>-------------------------------------------</td>
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<td></td>
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</tr>
<tr>
<td>Quick delivery of services through the internet banking pages</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>User friendly interface with ease in finding information and notifications</td>
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<tr>
<td>Navigation in website</td>
<td></td>
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<tr>
<td>Exiting speed from website</td>
<td></td>
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<tr>
<td><strong>Reliability</strong></td>
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<tr>
<td>Quick completion of the transaction on website</td>
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<tr>
<td>Website available 24 hours for business</td>
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<tr>
<td>Not have error in downloading of website</td>
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<tr>
<td>Fast downloading links and delivery of service within limited time</td>
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<tr>
<td>High website accuracy with accurate services delivered on time</td>
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<tr>
<td>Internet banking transactions are always accurate</td>
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<tr>
<td><strong>Responsibility</strong></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Inform user when website in problem</td>
<td></td>
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<tr>
<td>Compensate to user when website in problem</td>
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<tr>
<td>Online or phone contact with user</td>
<td></td>
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<tr>
<td>Having online representations</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Fast reaction to problems</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Assurance</strong></td>
<td></td>
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<tr>
<td>Attention to ordered services</td>
<td></td>
<td></td>
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<tr>
<td>On time service delivery</td>
<td></td>
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<tr>
<td>Fast transmission of consent given by user regarding the entered sensitive information</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Adjustment between presented service and expected service</td>
<td></td>
<td></td>
<td></td>
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<td><strong>Security privacy</strong></td>
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<td>Enough concern to inter user information</td>
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<td>Feel safe while performing banking transactions</td>
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<td>Confidence in the internet banking services</td>
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<td>Feel confident against the misuse of personal information</td>
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Any comment

Thank you for your time
Appendix II: QUALITATIVE QUESTIONNAIRE

Section A: Demographic Profile

1. Gender:
   - Male
   - Female

2. Level of Education:
   - Diploma
   - Graduate
   - Master’s Degree

3. Age:
   - 18-25 year
   - 30-40 years
   - 41-50 years
   - 50 years and above

4. Experience with current bank
   - Less than 1 year
   - Between 2-3 years
   - 3-4 years
   - More than 5 years

5. Experience in online service department
   - Less than 1 year
   - Between 2-3 years
   - 3-4 years
   - More than 5 years

Section B: Managerial views with respect to customer satisfaction

Q.1 What are the factors which enhance the adoption of online banking services in your bank?
Q.2 What are the challenges your bank is facing in the adoption of online banking services?
Q.3 Do you think your customers are satisfied with online banking services give at your bank?
Q.4 If not, what quality dimensions need your attention?
Q.5 What are the are strategies adopted by the bank to ensure customer satisfaction
Any other comments

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Thank you for your time