

An Evaluation of E-Banking Services on Customer Satisfaction: Case of National Bank of Kenya

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ABSTRACT

E-banking is the remote delivery of new and traditional banking products and services through electronic channels. It allows customers to conduct financial transactions on a secure website which can be retail or virtual bank. This research sought to provide empirical evidence regarding satisfaction of customers with e-banking and provide recommendations. It evaluated customer satisfaction with e-banking service at National Bank of Kenya. The study was guided by the following specific objectives; investigation of e-banking web design influence on customer satisfaction in the banking industry; exploration of e-banking customer service influence on customer satisfaction in the banking industry; assessment of e-banking assurance on customer satisfaction in the banking industry and examination of preferential treatment of e-banking effect on customer satisfaction in the banking industry. The theoretical literature review evaluated e-banking and customer satisfaction based on various authors which sought to evaluate: if the web design was designed and ensured easy navigation, the layout was attractive and the design provided links to other sites; in the customer service, if e-banking services provided were accurate, the hyperlinks were valid, the web page loaded quickly and there was prompt responses to e-mails; on assurance, if there was security and privacy, confidence to adopt e-banking services by the customers and feeling of relieve by customers to transact; on preferential treatment, if the customer had a feeling of status using the e-banking service and the customer was offered preferential rates on e-banking. In addition, some of the theories of customer satisfaction were evaluated which are; the contrast theory, assimilation theory and disconfirmation theory. The intervening variables of e-banking towards customer satisfaction were evaluated which are: network access which entails if the network strong or weak, is the backup network compatible; the government policy in terms cybercrime laws and the various taxes charged on the e-banking services. In addition, the concept of customer satisfaction and the entailment of e-banking were evaluated. The study sought to establish if the customer was satisfied with e-banking. To achieve the objectives the disconfirmation theory of customer satisfaction was used. A descriptive research design was used to provide reliable and adequate data analysis. The researcher used primary as well as secondary source data. A face and content validity was carried out in addition to the reliability test of the questionnaires. An in depth analysis of data was done by use of SPSS version 20.0 which was used to establish frequencies, means, standard deviation, multiple regression and standard error mean in measuring of factors of customer satisfaction employed. Ethical issues were taken into consideration by the researcher when dealing with the institution and respondents. The findings were presented in Tables and illustrated in Figures and interpreted in sections focusing on each of the research. The study was meant to help the bank in strategizing new ways in coping with the rapid changing technology so as to survive in the current market which has attracted many competitors. From the study it was found that more customers were satisfied with most dimensions of e-banking service in NBK. Assurance was the highest priority of the customers in engaging in online transaction of e-banking. The study also found that, collectively e-banking factors adopted by the researcher predicted Overall customer satisfaction in the e-banking service.

Key Words: E-Banking services on customer satisfaction, National Bank of Kenya

1.0 Background to the Study

Information and communications technologies (ICTs) have changed the way of conducting business transactions and meeting the growing demands of customers for most organizations. One of the significant forces and dynamic change that is occurring in the universal business environment today is technology, and this brings in new products, services, market opportunities and developing more information system that is business oriented and supports management processes such as planning, controlling and co-ordination. The promise of ICTs in the banking sector has been seen in terms of its potential to increase customer base, reduce transaction costs, improve the quality and timeliness of response, enhance opportunities for advertising and branding, facilitate self-service and service customization, and improve customer communication and customer relationship management. Most banks in the developed world and some in the developing world are now offering e-banking services with various levels of sophistication (Bawumia, 2007). For example, while some banks have adopted e-banking for communicating to customers in regards to bank statements, other banks use e-banking services to allow customers to access their bank accounts and perform other banking transactions such as; allowing customers to receive their monthly bank statements via e-mail, online checking of accounts balance, online transfer of funds, the use of electronic cash systems, among others.

Banking is one service that is information intensive and an ideal center for successful development of e-commerce because it provides the opportunity to use the internet and e-commerce to facilitate quick business transactions that

results in customer satisfaction (Kardaras and Papathanassiou, 2001). For the banks, technology has emerged as a strategic resource for attaining efficiency, control operations, productivity and profitability. But on the part of customers, the underlying factors are anytime, anywhere and anyway banking transactions, and these have caused the banks to welcome technology so as to meet the increasing customer expectations.

Technology adoption by the banks has enabled the use of different technology tools in banking, which together may be categorized under a broad umbrella of electronic banking (e-banking). E-banking can be defined as the deployment of banking services and products over electronic and communication networks directly to customers. (Singh & Malhotra, 2004). maintains that so far, due to more researchers, there will be many definitions for the word or term "internet" - an example is the definition by (Chaffy, 2000) which define the term as a physical network that links computers across the world. These electronic and communication networks include Automated Teller Machines (ATMs), direct dial-up connections, private and public networks, the Internet, televisions, mobile devices and telephones. Among these technologies, the increasing penetration of personal computers has made it relatively easier access to the Internet and particularly the wider diffusion of mobile phones has drawn the attention of most banks to e-banking service. However, the continuing convergence of information communications and media technologies is also opening up new electronic channels of delivering banking services.

1.1 Background information of National Bank of Kenya

National Bank was incorporated on 19th June 1968 and officially opened in November 1968. At the time it was fully owned by the Government. The objective for which it was formed was to help Kenyans get access to credit and control their economy after independence.

In 1994, the Government reduced its shareholding by 32% (40 Million Shares) to members of the public. Again in May 1996, it further reduced its Shareholding by 40 million Shares to the public. The current Shareholding now stands at: National Social Security Fund (NSSF) 48.06%, General Public - 29.44% and Kenya Government 22.5%. During the 34th AGM held on 25th April 2003 the bank increased its Share Capital by Kshs. 6 Billion i.e. from Kshs. 3 Billion to Kshs. 9 billion through the creation of 1,200,000,000 non-cumulative preference Shares of Kshs. 5 each. These Shares are at the disposal of the NBK Board who will offer them in accordance with the banks articles and the CMA rules and the companies act. National Bank is a major player in Kenya's banking industry. It is one of the largest banks in the country giving financial services to all sectors of the economy. The bank will continue to cover the financial landscape and respond positively to the needs of its customers, Shareholders and the economy besides offering traditional financial services and products. National Bank has taken a leading role in the issuance and promotion of modern delivery and payment systems. The Bank has also been involved in the stock market playing multiple roles as an arranger, underwriter and placing agent. The Bank is an appointed fiscal agent, registrar and market maker in the secondary market. National Bank operates one subsidiary Company; NatBank Trustee and Investment Services Limited incorporated in Kenya on 21st July 1995 with a Share Capital of Ksh.10 Million.

On 24th May 2013, the bank rebranded and changed its logo and colours from the predominately green to yellow. The new slogan is "Bank on Better". This is a brand promise to customers, shareholders as well as stakeholders.

1.2 Statement of the Problem

In an era of mature and intense competitive pressures, many firms are focusing their efforts on maintaining a satisfied customer base. It is a common assertion among managements that e-banking is a focus of great potential that can easily compete with mobile money but has received little in terms of customer satisfaction (James, 2011). This is particularly true in the financial services sector where deregulation has created an environment that allows consumers considerable choice in satisfying their financial needs. In response, many financial institutions are directing their strategies towards increasing customer satisfaction and loyalty (Bolton, 1998).

The state of customer satisfaction with e-banking has not received much attention in literature (Juma, 2004, Mwaniki and Asha, 2009). In recent times many of the studies have looked at customer satisfaction in different industry context in Kenya. There is need to examine customer satisfaction in e-banking in the banking industry in Kenya in order to provide feedback to management and have empirical evidence on the phenomenon for better understanding, hence the need for the study.

2.0 LITERATURE REVIEW

2.1 E-banking

The concept of e-banking has been defined in many ways. (Daniel, 1999) defines e-banking as the delivery of banks' information and services by banks to customers via different delivery platforms that can be used with different terminal devices such as a personal computer, a mobile phone with browser or desktop software, telephone or digital television. (Pikkarainen et al, 2004) define e-banking as an internet portal, through which customers can use different kinds of banking services ranging from bill payment to making investments. With the exception of cash withdrawals, e-banking gives customers access to almost any type of banking transaction at the click of a mouse (De Young, 2001). Indeed the use of the internet as a new alternative channel for the distribution of financial services has become a competitive necessity instead of just a way to achieve competitive advantage with the advent of globalization and fiercer competition (Flavián et al, 2004).

Banks use online banking as it is one of the cheapest delivery channels for banking products (Pikkarainen et al, 2004). Such service also saves the time and money of the bank with an added benefit of minimizing the likelihood of committing errors by bank tellers (Jayawardhena, 2000). (Robinson, 2000) believes that the supply of e-banking services enables banks to establish and extend their relationship with the customers. There are other numerous advantages to banks offered by online banking such as mass customization to suit the likes of each user, innovation of new products and services, more effective marketing and communication at lower costs (Tuchilla, 2000), development of non-core products such as insurance and stock brokerage as an expansion strategy, improved market image, better and quicker response to market evolution (Jayawardhena and Foley, 2000).

The value proposition however, is a significant increase in the intangible item which is customer satisfaction. The increase translates into improved customer loyalty that in result in higher customer retention and growing organization value. E-banking is a lower-cost delivery channel and a way to increase sales. Internet banking services has become one of the most important factors in the business economy today. The dimension considered in e-banking towards customers satisfaction based on e-service quality model of (Cristobal, 2007) will be used.

2.2 Web design

This dimension covers the design of the web site and includes items like web content layout, content updating, navigability, and user-friendliness. These are consistent with findings of previous studies (Loiacono, 2000; Barnes and Vidgen, 2002; Aladwania and Palvia, 2002; Yang, 2004) who agree that for the web design of the respective software used in provision of e-banking services to achieve customer satisfaction it should have some common features. The features or items included sought to answer some key questions to the customer which are: will completion of online transactions be done easily, will logging into the portal be done easily, will it be easy to understand which button to be clicked for the next step, will the design of the site provide links to other sites which are related and does the site design provide flexibility such as change of font.

2.3 Customer Service

Customer service has been recognized as an important element for enhancing service quality in online shopping and banking (Zeithaml, 2002). Elements in customer service dimension have been noted in many previous studies (Liu and Arnett, 2000; Wolfenbarger and Gilly, 2003). The consumers expect to be able to complete transactions correctly, receive personalized attention, have the product delivered on time, have their e-mails answered quickly, and gain access to information. The items for this factor are: The online transaction process is accurate. The hyperlinks on this portal are valid. Web page loads quickly on this portal site. E-banking portal performs the service correctly at the first time. Prompt responses to request by e-mail or service lines. When problems occur, the e-banking system guides on how to solve them.

2.4 Assurance

Many previous studies have demonstrated that assurance is one of the critical elements of online banking service quality (Arnett, 2000; Wolfenbarger and Gilly, 2003; Long and McMellon, 2004). The assurance dimension describes impressions by the service providers that convey a sense of security and credibility (Parasuraman et al 1988). Security and privacy are related items that affect the confidence to adopt e-banking services (Wolfenbarger and Gilly, 2002). Items in this category include these: Transactions on this portal site are reliable and credible. Transaction data are sufficiently protected and there is a feeling of relieve to transact on the respective e-banking portal.

2.5 Preferential treatment

This is related to the added value of using e-banking services, where customers perceive that if the incentive of e-banking is attractive then they would be more willing to use e-banking. Preferential treatment is defined as giving selective customers elevated social status recognition and/or additional or enhanced products and services above and beyond standard firm value propositions and customer service practices (Lacey et al. 2007). Consumers naturally desire status (Frank, 2011), and the provision of preferential treatment enables consumers to make downward social comparisons with others, enhancing feelings of elevated status and superiority (Barone and Roy 2010; Dre`ze and Nunes, 2009; Michela, 2000). The two items relevant are: The e-banking portal provides preferential rates and charges lower fees. The transaction fee for the e-banking is reasonable.

2.6 Customer Satisfaction

Customer satisfaction has been defined in different context by different authors. Some definitions are given are: Customer satisfaction is a psychological concept that involves the feeling of well-being and pleasure that results from obtaining what one hopes for and expects from an appealing product and/or service (WTO, 1985);

CS is an attitude-like judgment following a purchase act or a series of consumer product interactions.(Lovelock and Wirtz, 2007); CS is a consumer's post-purchase evaluation and affective response to the overall product or service experience. (Oliver, 1992); Satisfaction is merely the result of things not going wrong and hence satisfying the needs and desires of consumers.(Besterfield, 1994);

A review of literature on CS brings to lime light some significant concepts about satisfaction that may be necessary to clarify in measuring the construct. First, while some authors perceive satisfaction as a cumulative and others view it as

transactional. On the one hand from a transactional-specific perspective, CS is based on a one time, specific post-purchase evaluative judgment of a service encounter (Wang and Lo, 2002). On the other hand, in the cumulative CS perspective, CS is conceptualized as an overall customer evaluation of a product or service based on purchase and consumption experiences over a time period (Fornell, 1992;). It is argued that since cumulative satisfaction is based on a series of purchase and consumption experiences, it is more useful and reliable as a diagnostic and predictive tool than the transaction perspective that is based on a one-time purchase and consumption experience. There are various theories which sought to explain customer satisfaction; the researcher picked the most appropriate for the study

3.0 METHODOLOGY

3.1 Research Design

According to (Singaliveru, 2003) there are three types of study designs; causal study design, exploratory and descriptive design. Causal study design is used to explore relationships between variables. Its main purpose is to determine reasons or causes, for the current status of the phenomenon under study. Descriptive study design is a process of collecting data in order to test hypothesis or to answer questions concerning the current status of subjects in the study and also attempts to describe such things as possible behaviour, attitudes, values and characteristics (Mugenda and Mugenda, 2003).

The study was restricted to fact-finding and resulted in the formulation of important principles of knowledge and solutions to significant problems. The goal was to offer phenomena of interest from a specific perspective (Kothari, 2004). The study design was adopted as it helped the researcher to get information from the respondents on how e-banking influences customer satisfaction in the banking industry within the study of the organization.

3.2 Target Population

Borg and Gall (1996) and Best and Kahn (1998) define a target population as all the members of a real or hypothetical set of people, events or objects to which researchers wish to generate. The targeted group of study is customers who operate e-banking in NBK (Harambee branch). The customers numbered 3000 as of end of August 2012 but only 2000 who had operated their accounts in the last 12 months and these formed the target population (figure 1)

3.3 Sampling Design

There are two sampling methods (Mugenda & Mugenda 1999), Probability and Non-probability. Probability is a technique used to select a reasonable number of subjects, objects or cases that represents a population and where every subject gets an equal chance of being selected. It provides an efficient system of capturing in small groups, the variations or heterogeneity that exists in the target population. Non probability- this is a technique used when the researcher is not interested in selecting a sample that is representative of the population. The focus of selecting samples is in depth information and not making inferences or generalization. The study adopted probability technique.

3.4 Sampling Method

Sampling is the process of selecting a number of individuals to study in such a way that the individual represent a large group from which they were selected. The target population consisted of 2000 internet banking customers of NBK (Harambee branch) a sample size of 100 was collected (Table 1). A purposive sampling method was used to consciously select customers who meet the criteria of having used e-banking services for the past twelve months.

customer	Target population	Sample size	%
Below 25yrs	100	12	5
25-35yrs	900	30	45
36-45yrs	800	25	40
46-55ys	110	18	5
56 +yrs	90	15	4
Total	2000	100	100

Table 1 Target population and sample size

3.5 Sampling Technique

The Study employed disproportionate stratified random sampling technique so as to achieve the desired representation from the various customers of the bank. It drew samples from all strata on a proportionate scale based on the total numbers in each of the stratum. This was to ensure that a balanced view in the responses to be collected was achieved.

3.6 Data analysis

Data was analyzed using descriptive which entailed frequencies, mean, standard deviation, range, standard error of the mean, and sum. These were presented in tables and charts. A significance level of 0.05 was chosen. All data was analyzed using SPSS version 20.0

The researcher further employed a multivariate regression model to study to the relationship between internet banking and customer satisfaction. The research deemed regression method to be useful for its ability to test the nature of influence of independent variables on a dependent variable. Regression is able to estimate the coefficients of the linear equation, involving one or more independent variables, which best predicted the value of the dependent variable. The researcher used linear regression analysis to analyze the data. The regression model was as follows:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$$

Where: Y = customer satisfaction; β_0 = Constant Term; $\beta_1, \beta_2, \beta_3$ and β_4 = Beta coefficients; X_1 = Web design; X_2 = customer service; X_3 = assurance; X_4 = preferential treatment; ε = Error term

4.0 DATA PRESENTATION AND INTERPRETATIONS

4.1 E-Banking Services and Customer Satisfaction

The study sought to establish whether the respondents had used e-banking services of National Bank of Kenya for the past 12 months prior to the study. All the respondents indicated that they had used e-banking services of National Bank of Kenya for the past 12 months prior to the study. When asked the e-banking services they had used, they indicated that they had accessed all the services of e-banking including; balance enquiry, mini statement request, full statement request, mobile top ups, stop cheque, forex collection request, interest rate inquiry and other general information.

Further, the study sought to establish the overall satisfaction or otherwise of the respondents with the e-banking service delivery of National Bank of Kenya. The data findings are as presented on Figure 4.3 above. Most of the respondents (42%) indicated that the e-banking service delivery by National Bank of Kenya was equal to their expectations, 30% indicated that it was better than expected, while 6% were of the opinion that e-banking service delivery by National Bank of Kenya was much better than their expectations. However, 18% of the respondents indicated that e-banking service delivery in National Bank of Kenya was worse than expected while 4% highlighted that it was much worse then their expectations. From the results it is depicted that NBK has satisfied and surpassed customers' expectations in terms of e-banking service delivery as indicated by majority of the respondents (78%).

4.2 E-banking Web Design and Customer Satisfaction

The study sought to establish the customers' satisfaction with web design related services provided by NBK and establish whether it meets their expectations. The data findings are as presented on Table 2 below.

Table2: E-banking Web Design and Customer Satisfaction

	Much worse than expected	Worse than expected	Equal to expectation	Better than expected	Much better than expected	Mean	Std. Deviation
Easy completion of online transactions	2	15	54	9	3	2.9518	0.73091
Easy logging on online portal	1	2	47	23	10	3.4699	0.78612
Easy understanding which button to be clicked for the next step	2	10	51	16	4	3.1205	0.7714
Ability of this internet portal in helping customer to complete a transaction quickly	1	14	57	7	4	2.988	0.707

According to the table above, the respondents indicated that it was easy logging on online portal as shown by a mean score of 3.4699 and therefore matched their expectations. Also, the respondents indicated that the sites was easy to understand therefore they could easily determine which button to be clicked for the next step as indicated by a mean score 3.1205, this too was equal to their expectations. Further, the respondents indicated that e-banking matched their expectations in terms of the ability of this internet portal in helping customer to complete a transaction quickly as indicated by a mean score of 2.988

and the ease of completion of online transactions as indicated by a mean score of 2.9518. This therefore shows that e-banking achieved customer satisfaction in terms of web design as it was easy to log into the online portal, the web was easy to understand how to maneuver through transactions and also helped customer to complete all online transaction quickly.

4.3 E-banking Customer Service and Customer Satisfaction

The study sought to establish the customers' satisfaction level with customer service provided by NBK through the e-banking and establish whether it meet their expectations. The data findings are as presented on Table 3 below.

Table3: E-banking Customer Service and Customer Satisfaction

	Much worse than expected	Worse than expected	Equal to expectation	Better than expected	Much better than expected	Mean	Std. Deviation
Sufficient and real time financial information provided by the E-banking portal site.	0	0	58	20	5	3.3614	0.5963
Validity of the hyperlinks on the bank's portal.	0	0	60	21	2	3.3012	0.51169
Ability of the bank's banking portal to perform service correctly at the first time.	1	14	57	7	4	3.3012	0.85161
Prompt reception of responses to customer request.	3	6	54	20	0	3.0964	0.6738
Internet banking system's ability to guide customer to resolve problems	0	3	40	37	3	3.4819	0.63171

The respondents indicated that e-banking in NBK matched customers' expectations in terms of the system's ability to guide customer to resolve problems as shown by a mean score of 3.4819. Further, the e-banking in NBK was shown to be equal to customers' expectations in provision of sufficient and real time financial information through the e-banking portal site as shown by a mean score of 3.3614. Also, the validity of the hyperlinks on the bank's Internet banking portal as indicated by a mean score of 3.3012 and ability of the bank's banking portal to perform service correctly at the first time as shown by a mean score of 3.3012 was indicated by the study to match customers' expectations. Prompt reception of responses to customer request as shown by a mean score 3.0964 was also indicated to equal customer satisfaction. Therefore, it can be depicted e-banking has helped achieve customer satisfaction by the system's ability to guide customer to resolve problems, provision of sufficient and real time financial information through the E-banking portal site, validity of the hyperlinks on the bank's e-banking portal, ability of the bank's banking portal to perform service correctly at the first time and the prompt reception of responses to customer request.

4.4 E-banking Assurance and Customer Satisfaction

The study sought to establish the customers' satisfaction level with E-banking Assurance provided by NBK and establish whether it meets their expectations. The data findings are as presented on Table 4 below.

Table4: E-banking Assurance and Customer Satisfaction

	Much worse than expected	Worse than expected	Equal to expectation	Better than expected	Much better than expected	Mean	Std. Deviation
Reliability and credibility of transactions on the banking.	0	2	35	42	4	3.5783	0.62704
Protection/security of customer transaction data by the banking portal site.	0	0	43	32	8	3.5783	0.6648
Feeling of relief of customer to transact on E-banking	0	0	51	30	2	3.4096	0.54182

The findings further indicated that the reliability and credibility of transactions on the e-banking portal as indicated by a mean score of 3.5783 and protection/security of customer transaction data by the banking portal site as shown by a mean score 3.5783 in NBK was better than customers expectation. Further, feeling of relief of customer to transact on E-banking as indicated by a mean score 3.4096 was found to be equal to customer expectations. Therefore it can be illustrated that e-banking in NBK assured the customers of reliability and credibility of transactions on the e-banking portal, protection/security of customer transaction data and a feeling of relief to customer when they transact through E-banking.

4.5 E-banking aspect of Preferential Treatment and Customer Satisfaction

The study sought to establish the customers' satisfaction level with E-banking aspect of preferential treatment and establishes whether it meets their expectations. The data findings are as presented on Table 5 below.

Table5: Preferential Treatment and Customer Satisfaction

	Much worse than expected	Worse than expected	Equal to expectation	Better than expected	Much better than expected	Mean	Std. Deviation
Offering preferentially lower fees/ rates and charges	4	18	50	11	0	2.8193	0.71814
Reasonability of the transaction fee for this banking portal site.	10	24	40	9	0	2.5783	0.84277

The findings also illustrated that the ability of e-banking to offer preferentially lower fees/ rates and charges in NBK was equal to customers' expectations as indicated by a mean score of 2.8193. However, majority of the respondents indicated that reasonability of the transaction fee for this banking portal site was worse than their expectations as shown by a mean score of 2.5783. This illustrates that while e-banking offered preferentially lower fees/ rates and charges the reasonability of the transaction fee for this banking portal site was poor.

4.6 Regression Analysis

A multiple regression analysis was conducted in this study so as to test relationship among variables (independent) on achievement of customer satisfaction in National Bank of Kenya. The research used statistical package for social sciences (SPSS Version 20) to code, enter and compute the measurements of the multiple regressions. Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or

the percentage of variation in the dependent variable (customer satisfaction) that is explained by all the four independent variables (web design, customer service, assurance and preferential treatment).

4.7 Model Summary

Table6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.916	0.839	0.744	0.4436

The four independent variables that were studied, explain only 83.9% of the effect E-banking services on customer satisfaction in NBK as represented by the R^2 . This therefore means that other factors not studied in this research contribute 16.1% of the e-banking. Therefore, further research should be conducted to investigate the other drivers (16.1%) of ERP adoption.

4.8 ANOVA Results

Table7: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.534	2	1.267	11.0269	5.82E-03
	Residual	9.307	81	0.1149		
	Total	3.465	83			

The significance value is 0.00582 which is less than 0.05 thus the model is statistically significant in predicting how web design, customer service, assurance and preferential treatment influences customer satisfaction in NBK. The F critical at 5% level of significance was 3.63. Since F calculated is greater than the F critical (value = 11.0269), this shows that the overall model was significant.

4.9 Coefficient of determination

Table8: Coefficient of determination

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.77	0.451		8.3592	0.147
	Web design	0.482	0.121	0.146	3.9835	0.0217
	Customer service	0.648	0.079	0.126	8.2025	0.0142
	Assurance	0.773	0.073	0.045	10.5890	0.0109
	Preferential treatment	0.332	0.073	0.142	4.548	0.0231

Multiple regression analysis was conducted as to determine the relationship between customer satisfaction in NBK and the four variables. As per the SPSS generated table above, the equation ($Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon$) becomes:

$$Y = 3.77 + 0.482X_1 + 0.648X_2 + 0.773X_3 + 0.332X_4$$

The regression equation above established that taking all factors into account (web design, customer service, assurance and preferential treatment) constant at zero, customer satisfaction will be 3.77. The findings presented also shows that taking all other independent variables at zero, a unit improvement in web design will lead to a 0.482 increase in customer satisfaction, a unit increase in customer service in e-banking will lead to a 0.648 increase in customer service, a unit increase in customer assurance in e-banking portal will lead to a 0.773 increase in customer service and a unit increase in preferential treatment will lead to 0.332 increase in customer service. This infers that assurance contribute most to customer satisfaction followed by customer service. At 5% level of significance and 95% confidence interval, web design, customer service, assurance and

preferential treatment had a 0.0217, 0.0142, 0.0109, 0.0231 level of significance respectively. Hence the most significant factor is assurance.

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of findings

The general objective of the study was to evaluate customer satisfaction with e-banking in the banking industry. These findings are related with other studies as indicated in the literature review. In the conceptual framework, there were four independent variables – web design, customer service, preferential treatment and assurance which were thought by the researcher would evaluate e-banking in relation to customer satisfaction in the banking industry. The concept was that customer satisfaction was dependent on these factors independently with the government policy and network access being the intervening variables. It is evident from the research that these factors possess certain inherent factors by which they influence customer satisfaction. The study has further analyzed the relationship between the dependent variable and the independent variables through regression analysis. The results have indicated strong relationships between all the independent and the dependent variable.

From the findings, majority of the customers were aged between 25-45 years who were the main respondents. This formed a very good respondent team as they are the most active group of a growing economy and so were best suited give reliable information.

5.2 E-banking Web Design influence on Customer Satisfaction

The respondents indicated that it was easy logging on online portal which received the highest approval among the web design e-banking factors with a mean score of 3.4699 and therefore was much better than their expectations. The respondents also, indicated that the sites was easy to understand therefore they could easily determine which button to be clicked for the next step Further, the respondents indicated that e-banking matched their expectations in terms of the ability of this internet portal in helping customer to complete a transaction quickly, there was also ease of completion of online transactions all of which got an equal to expectation rating. This therefore indicates e-banking web design influence customer satisfaction in the banking industry. A good web design grabs attention hence encourages customers to spend more time and thus selling more products (Alisa, 2005). The web design is also the first encounter a customer experiences and hence it will create the first impression in terms of customer satisfaction.

5.3 E-banking Customer Service influence on Customer Satisfaction

System's ability to guide customer to resolve problems was rated better than expected with provision of sufficient and real time financial information through the e-banking portal site, validity of the hyperlinks on the bank's Internet banking portal, ability of the bank's banking portal to perform service correctly at the first time, Prompt reception of responses to customer request getting an equal to expectation rate. Therefore, it can be depicted e-banking has helped achieve customer satisfaction by the system's ability to guide customer to resolve problems, provision of sufficient and real time financial information through the E-banking portal site, validity of the hyperlinks on the bank's e-banking portal, ability of the bank's banking portal to perform service correctly at the first time and the prompt reception of responses to customer request. The customer is the main entity in any business without whom there would be no existence of the business. Ability of the e-banking portal to meet customers' needs fulfills customer satisfaction.

5.4 E-banking Assurance influence on Customer Satisfaction

The findings further indicated that the reliability and credibility of transactions on the e-banking portal; protection/security of customer transaction data by the banking portal site; feeling of relief of customer to transact on E-banking in NBK were all better than customers expectation. NBK customers were therefore had a good assurance of e-banking and hence the reason they had adopted it.

5.5 E-banking Preferential Treatment influence on Customer Satisfaction

The findings also illustrated that the ability of e-banking to offer preferentially lower fees/ rates and charges in NBK was equal to customers' though on a weaker scale. Also majority of the respondents indicated that reasonability of the transaction fee for this banking portal site was worse than their expectations. NBK e-banking customers were not satisfied with the reasonability of the prices charged. Generally preferential treatment had a low rating from the respondents.

5.6 Managerial implications and Recommendations

5.6.1 Reduce customer dissatisfaction through preferential online charges

Since the study found that a less than average was satisfied with the two factors of preferential treatment it is recommended that management of NBK focus attention on improving these important items for their e-banking services:

- a) **Offering preferentially lower fees/ rates and charges;** this is very important as customers would expect that with advancement in technology, the cost of online transaction would be moderately cheap in relation to the traditional paper banking to encourage them to continue with online banking in an emerging economy like Kenya. Management should make online banking rates/fees and charges lower to attract more online customers.

- b) **Reasonability of the transaction fee for this banking portal site:** This item also relates to the price paid for online banking services. Customers expect to have a reasonable transaction fees. Reasonability is perceived in terms comparability of the cost benefit analysis of the customer for the overall online banking services. Management of NBK should ensure that the transaction fees are more reasonable. This could be achieved by involving customers in pricing decisions as this may help reveal many reasonable considerations that customers may expect from the bank regarding online transaction fee.

5.7 Focus on customer priority for Assurance

Since the study showed that a unit increase in customer assurance in e-banking portal would lead to a 0.773 increase in customer service and had a 0.0231 level of significance which were the highest, it implies that the management should pay more attention to the e-banking assurance factors. In this regard, management of NBK should focus and give priority to these items in providing e-banking services to its customers so as to have a competitive advantage:

- a) **Relief of customers to transact on the e-banking portal:** This will enable reduce the many large queues in banking hall and open other new product ventures
- b) **Protection/security of customer transaction data by the banking portal site:** It indeed one of the most important aspects from the respondents approval. The management should ensure stringent measures are in place for the safety and confidentiality of customers' data and money.
- c) **Reliability and credibility of transactions on the e-banking portal:** from the respondents response it clearly depict a credible e-banking portal is one of the main factors that give them satisfaction the bank should maintain and possibly improve it credibility of e-banking portal.

5.8 Segmenting customers based on income earned

Based on the disparity on income earned it is recommended that the management of NBK should do further studies to gather more information on income differences among their customers to have other distinct groups among the customers that could be used as basis for market segmentation.

5.9 Conclusion

In conclusion, this study sought to evaluate customer satisfaction with e-banking in National Bank of Kenya. Through existing marketing literature, empirical evidence and multiple regression analysis, the study concludes that more customers are satisfied with most dimensions of e-banking service in NBK. Assurance appears to be the highest priority of the customers in engaging in online transaction of e-banking while preferential treatment got the lowest approval. This indicates customers were not quite satisfied with the overall preferential treatment. The study also concludes that, collectively e-banking factors adopted by the researcher predict Overall customer satisfaction in the e-banking service.

5.10 Recommendations

The study recommends adoption of the factors influencing e-banking by Kenyans banks to help in customer satisfaction. A satisfied customer will also be motivated to try out other services that the bank can offer and thereby bringing mass sales. In addition, the customer is always the boss in today's banking scenario this is because without customer there would be no business and the more the customers the more the profits and generally the overall business development. It is therefore further recommended banks to incorporate all possible services to be in the online platform. This will enable customers to access most of the services required from virtually any part of the world, this will provide the bank in reducing operation cost in terms of human resource and space for long queues.

As a measure of assurance it recommended that banks have a back-up network provider to cater for the down time of the other. Further the network provider should be reliable and of high integrity so as not to compromise the security of the system. Customers should be warned the dangers of sharing passwords and should be encouraged to change passwords regularly. Awareness to customers should be created when new products are introduced the services to be offered and the prices to be charged for each service offered. This will ensure customers appreciate the preferential rates offered without complaining of hidden charges.

5.12 Areas of further research

The study recommends that further research be done in other banks and establish customer perception of e-banking in the rural community/rural banks. This would augment this study on satisfaction of customer through e-banking.

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