

MUNHUMUTAPA SCHOOL OF COMMERCE

DEPARTMENT OF ACCOUNTING AND INFORMATION SYSTEMS



MASTERS OF COMMERCE IN INFORMATION SYSTEMS

***AN ANALYSIS OF THE IMPACT OF INTERNET BANKING SERVICE QUALITY ON
CUSTOMER SATISFACTION IN THE BANKING SECTOR OF ZIMBABWE: THE
CASE OF INTERNET BANKING USERS IN HARARE, ZIMBABWE.***

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DEDICATION

I would like dedicate this thesis to my family.

DECLARATION

I **Gladys Mudzengi**, declare that this thesis has been composed solely by myself and that it has not been submitted, in whole or in part, in any previous application for a degree. Except where states otherwise by reference or acknowledgment, the work presented is entirely my own.

Student signature:

A handwritten signature in black ink, appearing to read 'Gladys Mudzengi', written over a faint rectangular box.

ABSTRACT

The development of information and communication technology (ICT) in Africa over the last two decades is drastically altering the way business is done in Africa in general and Zimbabwe in particular. The banking sector is no exception to this revolution. In spite of the increasing adoption of internet banking and its relevance towards customer satisfaction in the Zimbabwean banking industry, very little empirical investigation or research has been conducted in understanding factors of internet banking service quality that lead to customer satisfaction.

This study thus aims to fill the gap in the literature by focusing on the impact of internet banking service quality on customer satisfaction in the banking sector of Zimbabwe. The theoretical perspective of customer satisfaction indicates that the higher the level of service offered the higher the satisfaction associated with product or services being offered. The measure of the services is usually found in the service quality measure or the SERVQUAL and SERVPERF. The study draws on customer satisfaction using the service quality dimension or the SERVQUAL and SERVPERF models originated by Parasuraman et al., (1988), Cronin and Taylor (1992).

The study makes use of mainly qualitative research approach although the quantitative research approaches were partially used for the study. The use of the above approaches meant that both primary and secondary data sources were extensively relied on. The study makes use of a 5 point Likert scale with “1” being strongly agreed and “5” being strongly disagreed. The study applied the Spearman ranked correlation, the chi square (χ^2) and regression analyses to evaluate the hypothesised relationships. The findings indicated that speed of delivery, ease of use.

Reliability, pleasure, control and privacy were all positively correlated and significant at 1% level. Additionally, the regression analysis also indicated that with the exception of pleasure and control all the variables were significant at 5% levels. Finally, based on the findings of this study, it was recommended that there is the need to educate majority of the banking population on internet banking.

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CHAPTER 1: INTRODUCTION

1.1 INTRODUCTION

Banking has always been a highly information intensive activity that relies heavily on information technology (IT) to acquire, process, and deliver the information to all relevant users. Not only is IT critical in the processing of information but it also provides a way for the banks to differentiate their products and services. Banks find that they have to constantly innovate and update to retain their demanding and discerning customers and to provide convenient, reliable, and expedient services. Driven by the challenge to expand and capture a larger share of the banking market, some banks invest in more bricks and mortar to enlarge their geographical and market coverage. Others have considered a more revolutionary approach to deliver their banking services via a new medium: The Internet.

The technological advancement in the banking sector has paved way for the introduction of internet banking worldwide. The adoption of technology into service industries is becoming a strong trend as service providers are now being urged by industry to invest in technology (Joseph, Cindy, & Beatriz, 1999). Internet banking also known as electronic banking has become popular in different countries both developed and developing. Internet banking (IB) refers to the use of the Internet (web) as a remote delivery channel for banking services, such as opening a deposit account or transferring funds at different accounts etc. Further, IB is a desirable opportunity for banks, where the key to success is customer adoption (Nelson & Richmond, 2007).

The evolution of electronic banking, such as internet banking from e-commerce, has altered the nature of personal-customer banking relationships and has many advantages over traditional banking delivery channels. This includes an increased customer base, cost savings, mass customization and product innovation, marketing and communications, development of non-core businesses and the offering of services regardless of geographic area and time (Giannakoudi, 1999).

Kotler (2018), defines customer satisfaction as a 'person's feeling of pleasure or disappointment, which resulted from comparing a product's perceived performance or outcome against his/her expectations'. Customer satisfaction information, including surveys and ratings, can help a company determine how to best improve or changes its products and services. The

researcher seeks to explore the level of customer satisfaction based on internet banking service quality in the banking sector of Zimbabwe.

1.2 BACKGROUND OF STUDY

The internet is changing the way banks interact with their customers as more businesses are now conducted online. Online banking is therefore defined as the provision of information or services by a bank to its customers over the internet (Daniel, 1999). In order to realize the role of internet-banking to the growth of a country, Nupur (2010) noted that there was need for an increase in internet access, development of new online banking features, growth of household internet usage and the development of a good legal and regulatory framework. The rise of internet banking world-wide has led to the development of service quality (SERVQUAL) dimensions to measure the extent of the customers' satisfaction. SERVQUAL is one of the widely used tools for assessing customer satisfaction.

In Zimbabwe, internet banking has been introduced and has become very common and accessible to all customers who subscribe to the service. There are a number of researches on the introduction and adoption of internet banking in Zimbabwe, however researches investigating the importance of factors affecting the adoption of internet banking and customer preferences, particularly for the case of Zimbabwe has never been carried out to the best knowledge of the researcher. This is why the researcher is interested in conducting a study to assess the impact of internet banking service quality on customer satisfaction in the banking sector of Zimbabwe.

1.3 PROBLEM STATEMENT

The Zimbabwean banking sector has grown tremendously in the 21st century especially with the advent of internet banking which has caused aggressive competition in the industry, (Makena, 2021). These competitions have made the Zimbabwean banks adopt new technologies in order to improve their service delivery as well as product quality to satisfy their customers while growing their businesses. According to Seyal (2011) ,the

argument has always been that most of the internet banking services and products do not meet the customers' needs.

These services are available to only some selected affluent customers and neglect of majority of the Zimbabwean banking customers who do not have access to internet, computers and even electricity. Others posited that the cost of acquiring the internet facility, computers and even the security of internet banking transactions are very high or expensive for the average bank customer hence internet banking does not really satisfy the Zimbabwean bank customer in any way.

According to the above statement, therefore income and educational level of customers plays an important role in the adoption of internet banking facilities. Furthermore, most of the internet banking services provided by the banks in Zimbabwe is usually unreliable with most customers unaware of the content of the internet banking services offered by their bank. Most of the product and services offered by internet banking is not accessible in all part of Zimbabwe especially in the typical rural areas where access to electricity or alternative sources of energy is a problem. Additionally, with the high illiteracy rate among the elderly, the use of the internet is left in the hands of individuals who have gotten some level of education or can read and write. This means that the aged would be left out when it comes to the adoption of internet banking

Despite these challenges, there is an increasing adoption of internet banking in Zimbabwe by the Zimbabwean banks as they aim to leave the traditional brick and mortar way of offering services and go digital. In spite of the increasing adoption of internet banking and its relevance towards customer satisfaction in the banking industry, very little empirical investigation or research has been conducted in understanding factors of internet banking service quality that lead to customer satisfaction in Zimbabwe. Therefore, this study tries to fill this empirical gap in research by conducting a study on impact of internet banking service quality on customer satisfaction in the banking sector of Zimbabwe.

1.3.1 RESEARCH QUESTIONS

- What are the major factors affecting customers' satisfaction with internet banking in Zimbabwe?

- What are the main service quality dimensions that have an impact on customers' in using internet banking?
- How is customer satisfaction in public banks different from that in private banks in terms of internet banking usage.

1.3.2 OBJECTIVES

- To identify the major service quality dimensions that satisfy customers in internet banking.
- To identify the correlation between service quality of internet banking and customer satisfaction.
- To make comparative analysis of customer satisfaction in public and private banks in the usage of internet banking.

1.3.3 RESEARCH PREPOSITIONS / STATEMENT OF HYPOTHESIS

The following hypotheses will be tested in our research:

H1(null) - Service quality using internet banking does not impact customer satisfaction

H1(alt) - Service quality using internet banking does impact customer satisfaction.

H2(null)- The six dimensions of online service quality (speed of delivery, reliability, ease of use, enjoyment, control and privacy) does not lead to customer satisfaction with internet banking.

H2(alt)- The six dimensions of online service quality (speed of delivery, reliability, ease of use, enjoyment, control and privacy) lead to customer satisfaction with internet banking.

1.4 JUSTIFICATION OF THE RESEARCH

This study will add value to various fields like the academia, the banking sector and researcher.

- In the academia, this study is mainly centered on giving the academics inclusive of pupils, educators and students an understanding of the impact of internet banking service quality on customer satisfaction
- The banking industry will benefit from this study in that this study will provide information of the opinions and statistics of how clients are satisfied with internet banking services and products. These results will aid in the further improvement of the internet banking products and services by Zimbabwean banks.
- This researcher will derive new topics from this research like the effects of the adoption of internet banking on the profits of the banks, the banking sector and the general economy.

1.5 METHODOLOGY

1.5.1 Research design

An exploratory research design was considered the most suitable approach in view of the nature of the problem being investigated. A questionnaire was adapted and modified from previous researches on internet banking as the main data-gathering instrument. This research was pre-tested with a sample of five commercial banks in Harare and modified to increase its clarity while customer evaluation was done to shape the final questionnaire design. Due to commercial confidentiality and sensitivity of the banking information the questionnaire was designed in a manner that does not require the respondents to reveal their names. The study was conducted in Harare, Zimbabwe. The researcher first sought permission from the Branch Manager of all the three (3) banks used for the study. The permission was to allow their premises to be used for this study. Each respondent to the study was made to fill a questionnaire after a brief introduction and objective of the study has been explained. The research questionnaires were distributed in front of the five banks during business hours.

1.5.2 Preliminary literature review

According to Basel Committee on banking supervision, (2004) internet banking is defined as the provision of retail and small value banking products and services through electronic channels. Such products and services can include deposit taking, lending, account management, the provision of financial advice, electronic bill payment, and the provision of other electronic

payment products and services such as electronic money. Guided by this definition, the researcher strongly believes that internet banking services are aimed at achieving ease of transacting. The term "internet banking" covers both computer and telephone banking which you can do from anywhere without having to physically go to the bank. It may be viewed as the use of information and communication technology by banks to provide services and manage customer relationship more quickly and most satisfactorily (Allen and Hamilton,2002).

The attribute of internet banking is that it provides electronic connection between the bank and the customer in order to prepare, manage and control financial transactions. Internet banking is broad in scope, and the researcher understands that it as a banking facility meant to achieve customer satisfaction. It includes systems that enable financial institutions, customers, individuals and businesses, to access accounts, transact business, or obtain information on financial products and services through public or private networks, including the internet as alluded to by (Lustsik, 2004).

Customers access internet banking services using intelligent electronic devices, such as personal computers (PC), personal digital assistants (PDA), automated teller machines (ATM). Private networks, "closed" restrict access to participants (financial institutions, customers, merchants, and third-party service providers) bound by agreement on the terms of membership (Lustsik, 2004). Public networks, "open" have no such membership requirements. The researcher understands that, internet banking is a form of banking in which funds are transferred through an exchange of electronic signals rather than through an exchange of cash, checks, or other types of paper documents.

1.6 ASSUMPTIONS OF THE STUDY

- The researcher assumes the respondents will provide accurate and reliable information that will be vital to the research.
- The researcher also assumes that the problem affecting residents in Harare might also apply to other towns in Zimbabwe.
- The respondents will fully understand the questions they will be asked.

1.7 DELIMITATIONS OF THE STUDY

The research was carried out in Harare City and primary research was confined to Harare. Basically, the research was aimed at the Central Business District of Harare and is delimited

to adoption of internet banking in Harare City only. The research covers a period from April 2022 to December 2022. Focus was on clients of different banks in Harare.

1.8 LIMITATIONS OF THE STUDY

Some of the respondents were not willing to give information freely. Others thought it could affect or violate their bank confidentiality issues or policies thus additional time was required for the researcher to explain the importance of the study to the respondents.

1.9 DEFINITION OF TERMS

Banking - refers to a financial activity to manage and safeguard your hard-earned money.

Internet banking (IB) - is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website.

Electronic banking - which is also known as electronic fund transfer (EFT), refers to the transfer of funds from one account to another through electronic methods.

Customer satisfaction- is defined as a measurement that determines how happy customers are with a company's products, services, and capabilities.

Service quality - is a measure of how an organization delivers its services compared to the expectations of its customers.

1.10 THESIS OUTLINE

Chapter 1: The first chapter dealt with the introduction to the study, background of the study, problem discussion, the research question, research hypothesis as well as the de-limitation of the study and the thesis structure.

Chapter 2: Chapter two presents the literature review on which this study is based.

Chapter 3: Presents the research methodology

Chapter 4: Presents data presentation, analysis and interpretation

Chapter 5: Presents summary of research, conclusions and recommendations

1.11 TIMEFRAME (GANTT CHART)

Activity	June	July	August	September	October	November	December
Problem Identification							
Literature Review							
Devising objectives, questions, prepositions							
Designing research							
Writing research proposal							
Submission of research proposal							
Further literature review							
Designing and pilot testing questionnaire							
Documents review							
Data Analysis							
Submission of draft research							

Revision of research							
Final research							
Submission of research							

1.11 RESOURCES/ BUDGET

The main resources required in the research are printing and photocopying equipment in order to make the questionnaire as well as the respondents who will answer the questions on the questionnaires.

1.12 SUMMARY

This chapter gave a background to the study, statement of the problem, objectives, research questions and assumptions. The background of the study provided a brief insight of the study. The study was bound to limitations and delimitations which provided reasonable boundaries to the study. The significance of the study was also discussed. The next chapter will focus on the review of related literature.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

This chapter explores the impact of internet banking service quality on customers' satisfaction as well as identifying gaps that former researchers missed in their studies. The researcher will take time to review related studies done by other scholars as a means to identify gaps in the literature in relation to the objectives and research question of this study. The chapter explores service quality issues where the various issues pertaining to customer satisfaction are discussed. Various models of customer satisfaction are also discussed in this chapter. Both a theoretical and empirical review of literature will be undertaken.

2.1.1 INTERNET BANKING IN ZIMBABWE

The adoption of internet banking in Zimbabwe has been growing over the years. One of the reasons for its growth is accredited to the increase in mobile and internet usage in the past decade. Mobile penetration rose from 58.4% in 2010 to 95% in 2014, internet penetration rate escalated from 4.8% in 2010 to 45% in 2015 (Mujuru, 2015). Zimbabwean banks such as NMB Bank, ZB Bank and Steward Bank have adopted it for Real Time Gross Settlement (RTGS) and internal transfers, NMB Bank being the first in May 2017 followed by Steward Bank and others (TechZim, 2017).

However, the understanding of the advantages of using internet banking is limited. There is also limited information on the factors influencing the African consumers to adopt e-banking as a new means of performing bank transactions in any other place which is not a traditional bank setting. This study focuses on the impact of internet banking service quality on customers' satisfaction in the banking sector of Zimbabwe.

2.1.2 BANKS IN ZIMBABWE

Banks classified as public sector banks are those in which the federal or state governments hold a majority stake. Private sector banks are those whose stock is primarily owned by private companies or individuals. Public sector banks are established through parliamentary acts (Singh, 2022).

- **Private Banks**

Private banking refers to a type of banking and financial service offered by certain banks only to high-net-worth individuals (HNWIs). Clients opting for this service are individually assigned a financial representative who personally takes care of their banking needs (Mishra, 2022). Private sector banks are usually known for their highly competitive outlook and technological superiority. As a result, careers in private sector banking also tend to be more competitive, where professionals are required to meet stiff targets and perform above par to ensure good career growth. A risk-reward component is also higher, and remuneration could be better, but job security may not be on par with publicly-owned banks. Some of the examples of private sector banks in Zimbabwe are FBC Bank Limited, CBZ Bank and Steward Bank.

- **Public Banks**

Public sector banks are known for their better organizational structure and greater penetration into the customer base. However, the work environment is also relatively less competitive than privately-owned banks. As a result, professionals often do not focus on meeting targets and being the best performer in a team. There is typically greater stress on providing necessary training to their personnel to help update their knowledge and skills to be a better performer in the long run. Job security is much higher than private sector banks, and for some, this could be the prime attraction for building a long-term career. Some of the examples of public sector banks in Zimbabwe are POSB, ZimBank (ZB) and Agribank.

2.2 THEORETICAL LITERATURE REVIEW

2.2.1 Theoretical framework

To achieve the purpose of this research, it is important to discuss the theories that are linked to the topic. Most theories used social psychology frameworks to study knowledge, beliefs, thoughts, perceptions and behaviours of people. Furthermore, the theories studied technology features and their effect on customers' behaviour (Baraghani, 2007). There are several theories such as: Innovation Diffusion Theory, Theory of Reasoned Action, Technology Acceptance Model (TAM), and The Theory of Planned Behaviour. One of the most common models in technology adoption is the TAM model by Davis (1989).

- **Technology Acceptance Model (TAM)**

The TAM model was used mainly by the following authorities: Marumbwa and Mutsikiwa (2013) in Zimbabwe, Dineshwar and Stevens (2013) in Mauritius, Tobbin (2012) in Ghana, Daudi et al. (2011), in Malaysia, Puschel et al. (2010) in Brazil; Jeong and Yoon (2013) in Singapore. Its strengths include the fact that it is extensively used, tested and confirmed. It is also easy to understand with high predictive power in other fields.

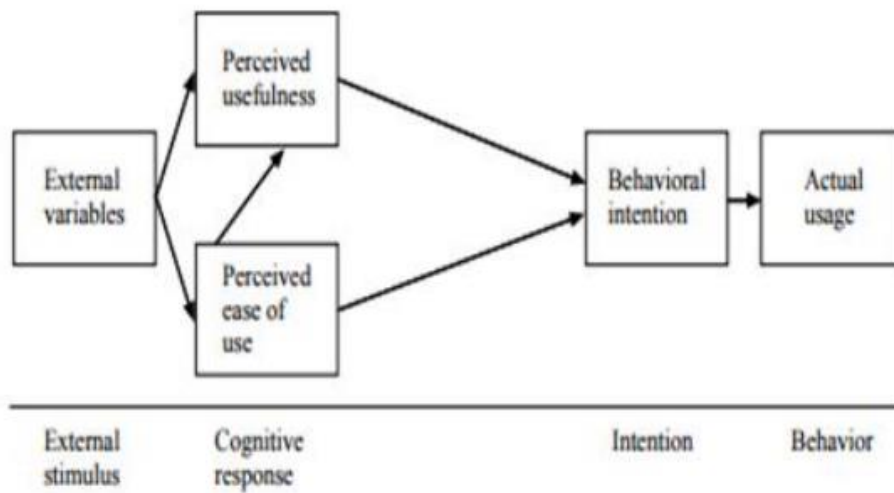


Figure 1: TAM model by Davis (1986)

Source: adapted from International Journal of Human – Computer Studies (1996, page 20)

According to Liu, Chen, Sun, Wible, and Kuo (2010), the TAM model proposed by Davis (1986, 1989, 1993) is useful when a researcher wants to search for general information regarding whether or not a technology has been adopted. Mathieson (1991) as cited by Liu et al. (2010) argued that the TAM model alone is not adequate when a researcher intends to get more information about a particular field.

When Liu et al. (2010) carried out their research to explore factors that affect intention to use an online learning community in their model, they proposed a new model that adds external variables, perceived variables, and outcome variables to TAM model factors. It was found that the extended variables can effectively be used to predict whether or not users will adopt an online learning community. This clearly shows that TAM cannot be used to check the adoption of all technologies, but needs to be used with some modifications intended to address specific fields in research.

Chuttur (2009) carried out a study on the effectiveness of the TAM model and concluded that although TAM is a highly-cited model, researchers share mixed opinions regarding its theoretical assumptions, and its practical effectiveness. The study concluded that the research lacks sufficient rigour and relevance that would make it a well-established theory to use in the information technology world. Gefen, Karahanna and Straub (2003) carried out a study where they used TAM in online shopping.

The researchers managed to use the TAM model to achieve results and, generally, it was found that online shoppers must be able to trust online vendors for them to adopt new technology. Other factors are important but 'trust' was found to be the most important (Gefen et al., 2003). The other weakness of the TAM model is that it has limited explanatory power and mainly focuses on product characteristics therefore, the TAM model falls away, though some of its aspects may be borrowed as they pertain to service quality.

- **The Theory of Reasoned Actions**

The theory of reasoned action (TRA) offers a conceptual framework that aims to explain the relationship between attitudes and behaviors within human action. It is mainly used to predict how individuals will behave based on their pre-existing attitudes and behavioral intentions (Siringoringo, 2015).

To recall, the theory of Reasoned Action was developed by Martin Fishbein and Icek Ajzen as an improvement over Information Integration theory. Specifically, Reasoned Action predicts that behavioral intent is caused by two factors: attitudes and subjective norms. Attitudes means behavior of the customers while subjective norm consists of normative belief and motivational belief. Within the TRA framework, behavioral intention depends on attitudes and subjective norm. Attitude implies the reaction of customer. Whereas this reaction depends on service and product that have been gotten by the customer from the banks.

If the services' and products' quality are accordingly to the expectation of the customer, then the attitudes of the customer would be positive. While the attitudes would be negative once customers get bad service and product quality. Moreover, attitude is the function of the customer beliefs. On the other hand, subjective norms imply how banks approve the behaviour of the customers.

Subjective norms can be measured by direct and indirect measure. Direct measure implies asking bankers regarding the social pressures while indirect measure imply observe the behaviour of the participants.

- **Service Quality Model (SERVQUAL)**

Service quality is closely related with customer satisfaction (Kumar et.al. 2008; Zineldin, 2006; Wei and Ramalu, 2011). In the modern competitive environment, the quest of customer’s satisfaction hugely depends on the firms’ overall service quality (SQ) and is considered to be an essential strategy (Paradise-Tornow, 1991). To measure the service quality researchers used SERVQUAL and Gronroos’s model in various aspects of business environment. Based on the past literature review; this research concentrates on conceptual framework of customers’ satisfaction combining with Grönroos's and SERVQUAL service quality model. This framework emphasizes variables like technical quality; functional quality; internal and external influence; corporate image; service quality; perceived price. These independent variables are positively related to the customer’s satisfaction for an organization. The diagram framework is given below:

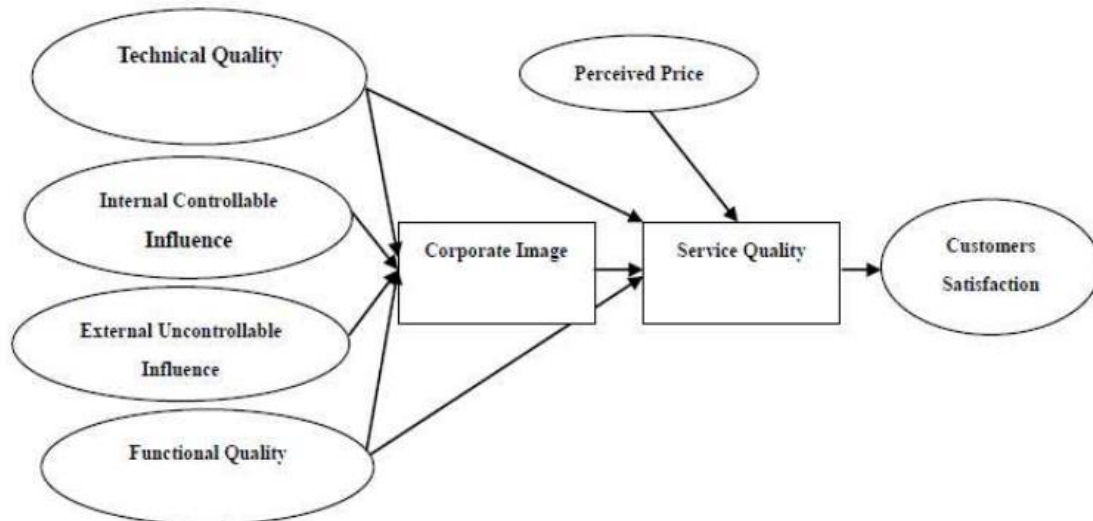


Figure 2: framework (source: Harque, 2022)

The following propositions can be drawn from the framework:

- Technical qualities play a significant role on customer’s satisfaction where corporate image and service quality plays a mediating variable.
- Internal controllable factors strongly influence with customer’s satisfaction when corporate image and service quality plays a mediating variable.

- External controllable factors play a significant role on customers' satisfaction where corporate image and service quality plays a mediating variable
- Functional quality is strongly related with customer's satisfaction when service quality plays a mediating variable.
- Technical quality is strongly related with customer's satisfaction where service quality plays a mediating variable
- Perceived price by the customer's is strongly related with their satisfaction where service quality plays a mediating role.

- **Gaps Model**

SERVQUAL is a multi-item scale developed to assess customer perceptions of service quality in service and retail businesses (Parasuraman, et al., 1988). The approach starts from the assumption that the level of service quality experienced by customers is determined by the gap between their expectations of the service and their perceptions of what they actually receive from a specific service provider (Parasuraman, et al., 1988). Parasuraman et al (1988) developed the 'Gaps Model' of perceived service quality. This model has five gaps:

Gap 1. Consumer expectation or Management perception gap;

Gap 2. Management perception also known as Service quality specification gap;

Gap 3. Service quality specifications or Service delivery gap;

Gap 4. Service delivery also known as External communication gap; and

Gap 5. Expected service also known as Experience service Gap. The problem here (In gap 1) is that management may not know what customers expect.

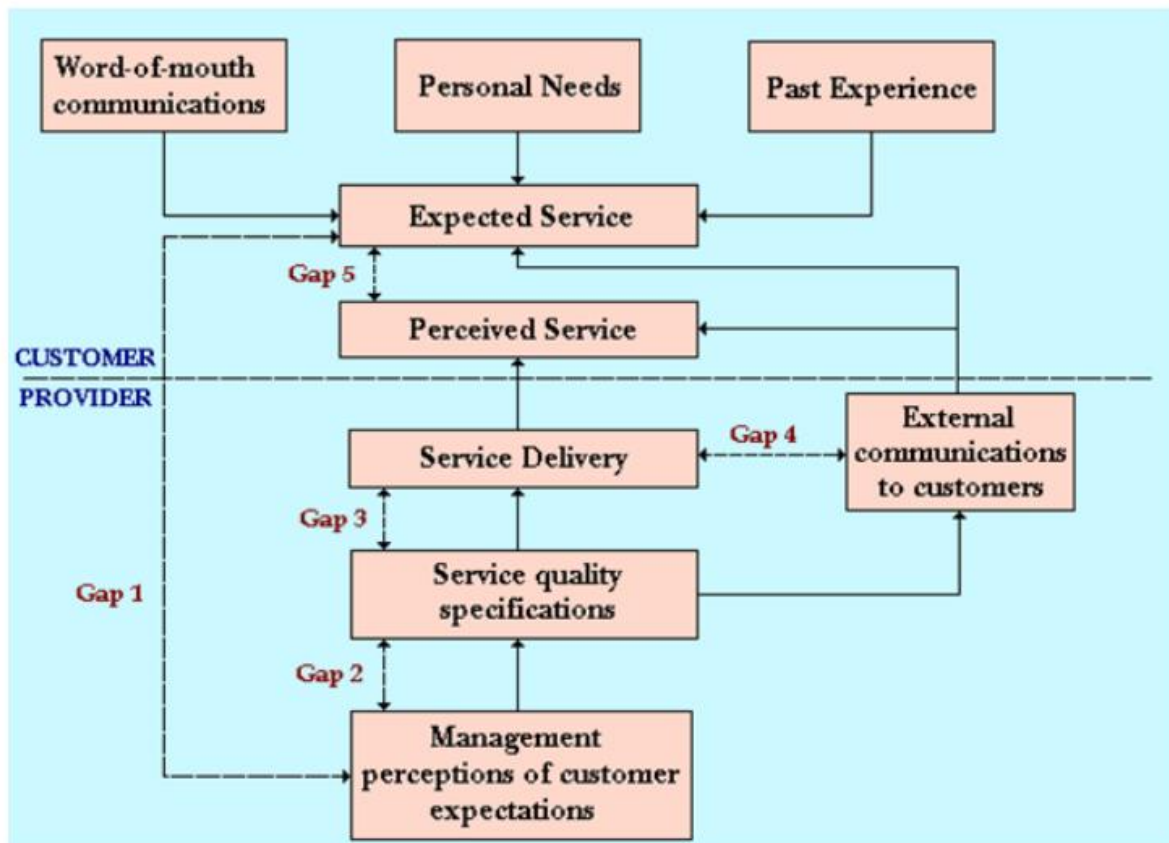


Figure 3: The Gaps Model

Source: Adapted from Kotler (2000 page 206)

Gap one: Perception gap

According to Kotler (2000) this is the gap between consumer expectations and management perceptions. Kotler (2000) argues that management does not always interpret correctly what customers want. The gap represents a misinterpretation of what customers want.

In Zimbabwe, very little research has been done by banks with the aim of knowing to know the customers’ expectations. Often, management believes that their estimate of what customers want is final. They make an error of judgment at this stage. The customers themselves are also to be blamed because they do not protest or complain when they do not get the desired service. This means that the management remain ignorant and thus unaware of consumer expectations.

Causes of Gap one

According to Kotler (2003), Gap one is caused by a lack of accurate understanding of what the customer expectations are, inadequate market research orientation, inadequate use of market research, lack of interaction between management and customers, too many layers between

contact personnel and management, insufficient relationship focus – in short, too much emphasis on transactions rather than on relationships, and focus on new customers rather than relationships with existing customers. Shanin (2004) argues that it is caused by lack of research orientation, too many layers in management, and inadequate upward communication.

Solutions to Gap one

To close gap one, there is a need for adequate market research, good relationships between management and customers and customer relationship-management strategies, for example customer retention and loyalty strategies (Kotler, 2000). According to Shahin (2008) it can be corrected by making sure there is good upward communication and removing too many managerial layers.

Gap two: Standard gap

The second gap is the difference between the management perceptions of consumer expectations and service quality specifications. Kotler (2000) explained that this is the gap between management perception and service quality specifications. In this regard, Kotler (2000) went on to argue that management might perceive correctly customer needs and wants but might not correctly set the correct performance standards required to satisfy customers. Managers will set specifications for service quality based on what they believe the consumer requires. However, this is not necessarily accurate. Therefore, many service companies put a lot of emphasis on technical quality, when, in fact, the quality issues associated with service delivery are perceived by clients as more important.

Causes of Gap two

Gap two can be caused by poor service design, absence of customer-driven standards and an absence of physical evidence. According to Kotler (2000, p. 207) managers might fail to quantify the performance standards, for example banks might require that the internet be fast but fail to quantify how fast. Shahin (2008) argues that this is a result of inadequate commitment to service quality, a perception of unfeasibility, and also absence of goal setting.

Solutions to Gap two

Gap two can be closed by having customer-driven standards rather than company standards and also appropriate physical evidence and service cap features (Kotler, 2000).

Gap three: Delivery gap

The third gap is the difference between service-quality specification and the service actually delivered. Kotler (2000) argues that this is a gap between service quality specifications and actual delivery. This is of great importance to services where the delivery system relies heavily on people. It is extremely hard to ensure that quality specifications are met when a service involves immediate performance and delivery in the presence of the client or they may specify two conflicting standards such as listening to customers and simultaneously serving them quickly. These two goals are conflicting as the service provider cannot be listening to a client while serving him/her at the same time. The gap can be caused by role ambiguity and conflict (Shahim, 2008).

Causes of Gap three

Gap three can be caused by ineffective human resources management such as lack of training, motivation and compensation; customers who do not understand roles, problems in service intermediaries and failure to match supply and demand (Kotler, 2000).

Solutions to Gap three

Gap three can be closed by effective human resources management, planning to match supply and demand, educating customers on their roles and quality equipment in delivery. There is need for proper matching of employee-job fit and also technology-job fit (Shahim, 2000).

Gap four: Communications gap

The fourth gap is the difference between service delivery intention and what is communicated about the service to customers. Kotler (2000, p. 207) argues that this is a gap between service delivery and external communications. This establishes an expectation within the customer which may not be met. Often this is a result of inadequate communication by the service provider. Customer expectations are affected by statements made by company representatives and advertisements. An advertisement might reflect an organization with a user-friendly website but, in reality, the website might be difficult to use. The organization could have reflected a very good picture of the organization, thus generating high expectations which the organization will fail to deliver and thus cause a communications gap (Kotler, 2000)

Causes of Gap four

This is caused by overpromising in advertisements, inadequate co-ordination between marketing and operations, and also differences in policies and procedures across outlets

(Kotler, 2000). Shahim (2008) supports that by arguing that propensity to overpromise can result in gap four.

Solutions

There is a need for co-ordination between organizational departments, standardization of policies across outlets and keeping advertisement promises to close this gap (Kotler, 2000). When banks are advertising their services, they need to make sure they always tell the truth about their services. Shahim (2008) argues that inadequate horizontal communication can cause gap four, thus solution to close gap four could thus be making sure that there is adequate horizontal communication.

Gap five: Service quality gap

The fifth gap represents the difference between the actual performance and the customers' perception of the service. Kotler (2000, p.207) argued that this is the gap between the expected service and the perceived service and it happens when the customer misperceives the quality of the service. Subjective judgment of service quality will be affected by many factors, all of which may change the perception of the service, which has been delivered. It is a function of Gaps 1–5. Marketers also have to be sincere in everything they do.

2.2.2 Customer and Customer Satisfaction

Customer satisfaction is crucial to the success of any business. No matter how innovative your product or competitive your pricing, if your customers are ultimately unhappy, they're not going to stick around, (Patel, 2022). Customer satisfaction is defined as a measurement that determines how happy customers are with a company's products, services, and capabilities. Customer satisfaction information, including surveys and ratings, can help a company determine how to best improve or changes its products and services.

An organization's main focus must be to satisfy its customers. This applies to industrial firms, retail and wholesale businesses, government bodies, service companies, non-profit organizations, and every subgroup within an organization.

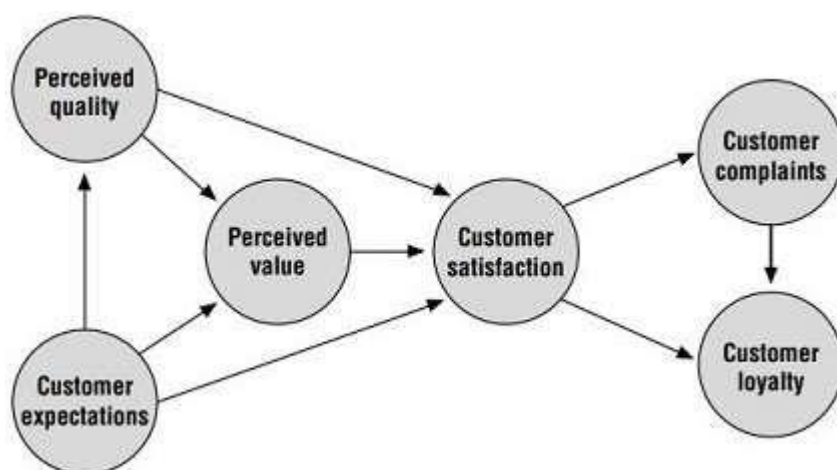


Figure 4: Model of customer satisfaction

Source: Customer satisfaction and internet banking service quality (Patel,2022)

According to the classification of customers by Jones and Sasser (1995), customers can be grouped into four (4), these are “Apostles”, “Hostages”, “Mercenaries” and “Terrorists”. An “Apostle” is a high satisfied and high loyalty customer. Such as customer due to their loyalty and satisfaction are willing to recommend the product or service to others whilst “Hostages” are lowly satisfied but high loyal customers because they have fewer choices or alternatives. “Mercenaries” are those customers who are interested in changing their supplier in order to obtain lower prices although they are high satisfied. Such customers are said to be highly satisfied but lowly loyal. “Terrorists” on the other hand are lowly satisfied and lowly loyal and uses alternative suppliers to express their dissatisfaction with their initial supplier. In this study the researcher is interested in the two extreme, that is, apostle and terrorist hence the interest in the term customer satisfaction.

The interest in the two groups is because the researcher is interested in knowing the dimension of the services that makes such individuals or customers either highly satisfied or not satisfied at all. As a term, customer satisfaction (CS) has received numerous attention and interest among scholars and practitioners alike because of its role as an important variable of business strategy in this very competitive market (Lovelock and Wirtz, 2007). Since the early 1960’s to date several researches have been conducted on customer satisfaction by different researchers. In fact, in the words of Parker and Mathews “customer satisfaction has been fundamental to the marketing concept for over three decades” (Parker and Mathews, 2001).

The conceptualization of customer satisfaction according to Boulding et al. (1993) is transaction specific whiles in contrast Anderson, Fornell and Lehmann, (1994) conceptualize

customer satisfaction as a cumulative consumption experience. Contrasting the two views transaction specific conceptualization sees customer satisfaction as an evaluative judgement following a specific buying process (Hunt 1977; Oliver 1977, 1980, 1993) and cumulative customer satisfaction, emphasis more on the total evaluation based on total consumption over time (Johnson and Fornell, 1991; Fornell, 1992).

Taking a different dimension or view from the above, Lenka, Suar et al. (2009, p. 50) identified ‘customers’ satisfaction as a combination of their cognitive and affective response to service encounters’. In the writings of Johnson and Gustafsson (2000, p. 63), the two authors indicated that service ‘attributes provide customers with benefits and the benefits derive overall satisfaction’. From the above therefore it implies the higher the benefits derived from a product by customers, the higher the satisfaction level. From the above it can be seen that the accurate definition and measure of customers’ satisfaction that fit every situation is very difficult and in the words of Oliver (1997), “everyone knows what (satisfaction) is until asked to give a definition. Then it seems, nobody knows”.

2.2.3 Internet banking service quality (iBSQ)

Electronic banking services are referred to providing various electronic network to carry out bank transactions such as Internet, mobile, television and telephone (Lustsik, 2004). Nowadays, the demand and desires of customers for banking services are increasing, and they want to make use of them anywhere, at any time, without any cost-effective time or place constraints (Hammoud et al., 2018).

Factually, the introduction of the first automated teller machine (ATM) in Finland opened up a new channel for banks, which resulted in marking Finland as the leader in electronic banking, way before it was used in any other country (Sharma, 2011). Nowadays, this mode of banking is widely disseminated among consumers owing to the enhancement in Internet facilities and through the competition among banks. (Mahdi et al., 2010). This gave rise to Internet banking service quality which is defined as “customer’s perceptions of the outcome of the service along with recovery, perceptions if a problem should occur” (Colier and Bienstock, 2006).

According to Ranganathan and Ganapathy (2002), banks who tend to deliver higher quality to their customers achieve competitive distinction. Owing to its virtual attributes, Internet banking entices clients by the quality of services they provide (Liao and Cheung, 2008). Service quality provided can only be improved when it is measurable.

According to Joseph and Stone (2003), the availability of Internet banking service delivery and user friendliness seems to be connected with high customer satisfaction and preservation. In the same way, Asiyanbi and Ishola (2018) and Rod et al. (2009) suggest that when overall Internet banking service quality is observed to be high, the customer is more likely to be content with their online service and accordingly will be more satisfied with their banks.

For this purpose, Anderson and Srinivasan (2003) propose that ECS is likely to be motivated by site organization features (e.g. ease of use), since the site organization is the principal line between the customer and the firm. Thus, positive customer insights of the quality of the various E-service qualities will result in satisfaction with the E-service provided through the site organization (SO) (Carlson and O'Cass, 2011; Cristobal et al., 2007; Kaura et al., 2015; Raza et al., 2015; Singh and Kaur, 2013). In addition, Bressolles et al. (2014) suggest that while electronic customer satisfaction is partial by site organization characteristics, different consumers will be affected differently. Additionally, Black et al. (2014) explain that relationship between service quality and customer satisfaction is tougher for those that are less strictly complex of services. In this condition, customers who have data technology skills can easily use the Internet banking service, and they will have higher-satisfaction levels than others (Herington and Weaven, 2009; Ho et al., 2012; Lang and Colgate, 2003; Li-hua, 2012).

2.3 EMPIRICAL LITERATURE REVIEW

As noted by Sweeny and Morrison (2004) many innovations have recently modified the way banking activities are carried out owing to novel forms of distribution of financial services. Among such innovation is the use of online services in banking, usually referred to as internet banking. Online transaction according to Ho and Wu (1999) has five causal factors that affect customer satisfaction. Accordingly, these determinants are logistic support, technical characteristics, features of information, presentation of home page and product personality (Ho and Wu, 1999).

The use of internet banking has been rejected or ignored by most customers because of the perceived worried or problems associated with technology-based service delivery systems as most lack confidence that it can be used to addresses challenges that arises (Walker, 2002). Taking the African continent as well as developing countries into consideration Wungwanitchakorn (2002) indicated that internet banking is still at its growth stage since fewer

bank customers accustomed to the use of electronic channels to manage their financial affairs hence the low adoption internet banking.

Additionally, Wungwanitchakorn (2002) indicated the dissatisfaction with the electronic or internet banking is because of the high failure rates of most of the innovative products and services introduced. Additionally, Boateng and Molla (2006) indicated that the operational constraints of internet banking are associated with the customer location, the need to maintain customer satisfaction and the capabilities of the Bank's main software to act as an influential factor in motivating the decision to enter electronic banking services and consequently influencing the usage experience and thus affecting the level of satisfaction (Boateng and Molla, 2006).

As stated by Qureshi et al. (2008), the perceived satisfaction associated with internet banking has made some customers shift from traditional banking. The main argument for such shift is the perceived usefulness, perceived ease of use, security and privacy provided by internet banking. Casaló et al. (2008) indicated that increasing levels of website usability might lead to increasing levels of consumer's affective and commitment to the website which would have a direct, positive and significant effect on its usage as well as on satisfaction. This has led to an increase in the use of internet banking when it was introduced in the banking. In an exploratory study by Malhotra and Singh (2010) for the Indian economy on internet banking, it was found out that the private and foreign Internet banks have performed well in offering a wider range and more advanced services of Internet banking in comparison with public sector banks. This led the private and foreign firms being able to satisfy their customers more than their local counterparts in the public sector.

- **Service quality**

Service quality is formed when customers make a comparison between before-service expectations with their actual-service expectations and with their actual-service experience (Naik et al., 2010). In Internet banking, e-service quality is important to the banks because it will affect customer satisfaction. Zhao and Saha, (2005) have identified the nine dimensions of e-service quality. According to Nupur (2010), a partial of the service quality dimension showed a significant relationship with customer satisfaction.

- **Service Quality and Internet Banking**

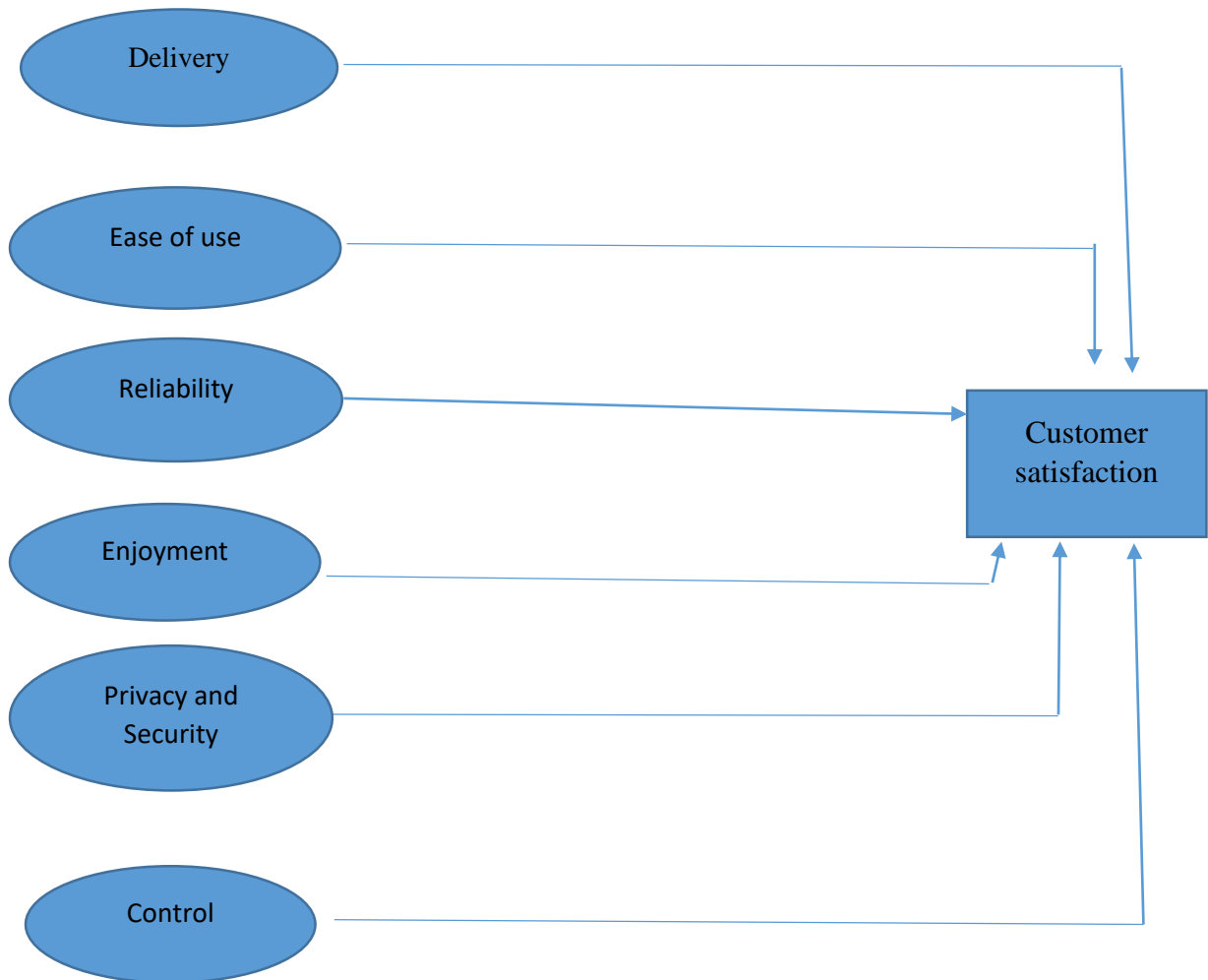
Situating service quality and customer satisfaction within the internet banking domain introduces a whole perspective to finding answers to the research question of finding the major factors that affects customer satisfaction with internet banking in Zimbabwe. The quality of service provided by the use of internet in the banking sector has generated a lot of debate over the years. Ibrahim, Joseph and Ibeh (2006) noted that the challenging financial service environment increased the pressure on banks pushing them to adopt alternate channels in order to serve customers better.

Research in the area of service quality has primarily focused on satisfying customer expectation. Importance Performance Analysis (IPA) uses the way customers perceive the importance of factors that affects quality as well as performance with the aim of improving performance. Broderick and Vanchirapornpuk (2002) on internet banking service quality noted that management implication is within the service interface and managing increased customer role. Adding to this, Broderick and Vanchirapornpuk (2003) noted again that a feature of customer interaction is not confined to internet banking transactions but also involves many other interfaces working in consonance with each other to impact on customer perception.

2.3.1 Determinant of Online Service Quality in the banking sector

The best service quality is very important in banking today. Johnston (1997) noted that to particularly appraise and advance customer perceived service quality, it's significant to identify the determinants of service quality. Inferring from available literature, six service quality dimensions has been identified for this study (Zethaml et al., 2002). These determinants used for this study are speed of delivery, ease of use, reliability, enjoyment, privacy and security and control over the service.

Conceptual Framework



Source: Author's depiction

Figure 5: Conceptual Framework

a. Speed of Delivery/ Responsiveness

Customers are particularly interested in the speed with which a service is offered or delivered. Most researches have indicated that in most cases, customers overrate the processing time of a service (Hornik, 1984). Lovelock and Young (1979) stated that on certain occasions customers have a strong liking to carry out the service by themselves. This is particularly justified by the willingness of the customers to up the speed of delivery. An additional justification could come from the suggestion of Maister (1985) who stated that unoccupied time is comprehended as longer than occupied time. Also, Maister (1985) resolved that slow service delivery has a negative effect on individuals "overall perceptions of the service quality". So, if individuals are expecting a rapid service delivery, it is probable that they will assess the service more

positively (Dabholkar, 1996). Similarly, Langeard et al. (1981) discovered also that time was a significant factor for individuals in 21 using a new service or technology. And in the same way, Ledingham (1984) discovered that time savings were essential to individuals who use electronic banking and shopping (Dabholkar, 1996).

b. Reliability

It involves two concepts, dependability and uniformity in performance. Reliability also means honouring the commitments in areas such as billing accuracy, proper record maintenance and delivering the service within acceptable time limit (Saha and Zhao, 2005). It also “refers to the correct technical functioning of a self-services technology and the accuracy of service delivery” (Weijters et al., 2005, p. 9). Many authors have detected that reliability is significant in the determination of service quality (Bagozzi, 1990; Davis et al., 1992; Parasuraman et al., 1988; Zeithaml & Bitner, 2000). In addition, Van Gorder (1990) stated that reliability is the most crucial characteristics for customers in the evaluation of service quality. Zeithaml and Bitner (2000) advised that customers should be specifically influenced by the reliability of new technology because they might be associated with risks such as the technology malfunctioning (Shamdasani et al., 2008).

Parasuraman et al. (1988) also considered reliability of the service as an important factor of service quality. Furthermore, Van Gorder also discovered that reliability is the most crucial determinant of service quality (Van Gorder, 1990). Research on the use of computers or technologies which share similar characteristics also affect performance (or dependability) as it is an important attribute (Davis et al., 1989; Bagozzi, 1990; Davis et al., 1992). Finally, Dabholkar (1996) in his study revealed revealed that reliability and accuracy are appropriate measure for assessing service that has to do with technology.

c. Ease of Use

Davis (1986) indicated that the Technology Acceptance Model (TAM) shows the power of ease of use in technology adoption. Specifically, Davis defined ease of use as “the degree to which a person believes that using a particular service would be free of effort” (Davis, 1989, p. 320). Langeard et al. (1981) also indicated that in choosing between different options of service delivery, customers take into account the effort involved in using the service. Later, Davis et al. (1989) and Bagozzi (1990) discovered that effort and complexity were related and included in the “ease of use” attribute. For both authors, ease of use is also a relevant attribute to individuals that use computer or similar technologies. Szymanski and Hise (2000) stated that

“convenience” is similar to the attribute “ease of use” (Dabholkar & Bagozzi, 2002). In the views of the authors, convenience looks to be an essential factor of satisfaction with internet banking.

d. Enjoyment

“Enjoyment refers to the extent to which the activity of using technology is perceived to provide reinforcement in its own right, apart from any performance consequences that may be anticipated” (Weijters et al., 2005, p. 8). Langeard et al. (1981) also considered this attributes and discovered that some individuals take pleasure in playing with machines hence have a like for self-service technologies. Davis et al. (1992) also discovered that individuals assess more positively the fun generated in using such services. Dabholkar (1996) discovered that customers are more likely to use a self-service technology if they think it would be pleasant (Shamdasani et al., 2008). Finally, Holbrook et al. (1984) showed the fun or enjoyment features of computer software, and Holbrook and Hirschman (1982) revealed that the newness characteristics encourage individuals to try new technologies.

e. Privacy and security

This is made up of the guarantee that the record showing banking activities and security of account information is not shared (Yang and Fang 2004; Saha and Zhao, 2005). Security can be defined as a form of protection to ensure the customers’ safety and to prevent hackers from invading the customers’ privacy (Dixit and Datta, 2010). According to Ahmad and Al-Zu’bi (2011), security had a significant influence on customer satisfaction. Privacy is another importance element which always concerns customers. It is always the customers hope that the banks can protect their personal and financial information especially when they do transactions via Internet banking. Zhao and Saha (2005) in their research have showed that privacy had a strong influence on customer satisfaction

f. Control

Control is defined as “the amount of leverage that a customer feels he/she has over the process or outcome” (Dabholkar, 1996, p. 35). Additionally, Langeard et al. (1981) discovered that control is important to individuals or customers who use self-service technologies such as internet banking. Furthermore, Bateson (1985) and Bowen (1986) suggested that persons like self-service technologies because of the feel of control than the monetary savings. Guiry (1992) indicated that control is important to individuals in any kinds of service technologies. In a

qualitative research by Dabholkar (1996) to identify attributes of service quality, control was the only dimension not identified. Dabholkar (1996) indicated that the reason for this result is because it is difficult to articulate its attribute. Despite this, Dabholkar (1996) posited that control is expected to be essential for evaluating the quality of self-service technologies. Moreover, Glass and Singer (1972) and Langer (1975) indicated that if “a person’s belief that he/she has (or will have) control, even in the absence of real control, will result in benefits similar to those associated with real” (Dabholkar, 1996, p. 35).mFurthering the argument, Bateson and Hui (1987) indicated that a rise in the control of service had a positive influence in the perception of service value to the customer (Dabholkar, 1996). Finally, Lee and Allaway (2002) exhibited that an enhanced perceived control significantly contributes to the adoption of the technology (Shamdasani et al., 2008).

2.3.2 Relationship between Service Quality and Customer Satisfaction

The importance of service quality and customer satisfaction is shown by the depth of theoretical and empirical studies on the two concepts in recent times. According to Parasuraman et al (1985), there is an established strong relationship between quality of service and customer satisfaction since a perceived higher level of service quality results in increased customer satisfaction and a lower level of service quality results in a dissatisfied customer (Jain and Gupta, 2004 and Kumbhar 2011).

As also indicated by Parasuraman, Zeithaml and Berry (1988) in their empirical work and using the if clauses, they argue that “if the expected quality of service and actual perceived performance is equal or near equal the customers can be satisfying, while a negative discrepancy between perceptions and expectations or ‘performance-gap’ lead to customer dissatisfaction, and positive discrepancy leads to consumer delight”. The relationship between expectation, perceived service quality and customers’ satisfaction have been investigated in a number of researches (Zeithaml, et al, 1996). As stated by Delvin (1995), the quality of services derived from a banking activity influences its usage hence since customers have less time to visiting a bank and therefore want a higher degree of convenience and accessibility. These attributes have led to customers being satisfied thus their adoption of Internet banking.

Additionally, Delvin (1995) argues that perceived usefulness, ease of use, reliability, responsiveness, security, and continuous improvement (Liao and Cheung, 2008) has led to the adoption of internet banking. Liao and Cheung (2002) found in their study that individual

expectations with reference to accuracy, security, network speed, user-friendliness, and user involvement and convenience were the most important quality attributes in the perceived usefulness of Internet-based e-retail banking.

2.3.4 Estimated Model

The basic objective of this study is to investigate the impact of internet banking service quality on customer satisfaction. The research model for this research is given in Figure 1. The independent variables taken into account in the explanation of service quality are the six identified characteristics. We hypothesize that all those attributes have a positive impact on the perceived quality of the service.

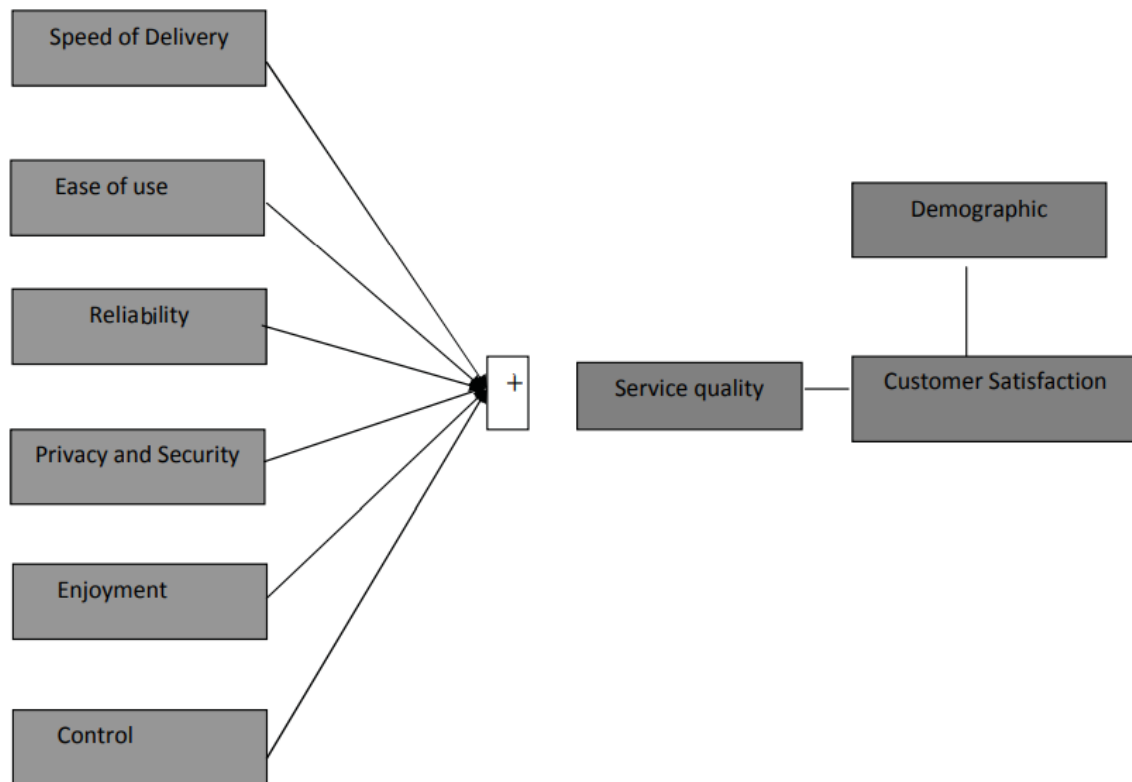


Figure 6: Customer satisfaction in banking sector

Source: *Customer satisfaction in banking sector (Bebli, 2021)*

From the above model two multiple regression models are estimated. The models that are estimated are presented below:

Service quality = speed of delivery + ease of use + reliability + enjoyment + privacy and security + control

Customer Satisfaction = service quality + demographic

2.4 SUMMARY

This chapter presented a literature review where various key terms that relate to e-banking and objectives of the study were unpacked. Hopefully it will help readers of this thesis to understand in general the concepts of e-banking, the challenges of e-banking, and also service quality as it relates to e-banking. The chapter looked at service quality and e-service quality. It unpacked the dimensions of service quality and however service encounter can help to improve service quality.

This chapter explores different researches carried out by different authors and their results. However, the literature review indicates that several researches have been conducted on banking but very limited researches have been conducted on internet banking especially linking service quality to customer satisfaction with internet banking. In Zimbabwe, there are no direct researches in the area of service quality and customer satisfaction with internet banking. This research therefore seeks to fill the research gap created in academia. The next chapter explains in detail the methodology used in this research.

CHAPTER 3: METHODOLOGY

3.1 INTRODUCTION

This chapter outlines the research design and the research methodology used to answer the research questions and test the hypotheses regarding service quality measurements leading to customer satisfaction in internet banking. This chapter also discusses how the sample was derived, the sample size, the research instrument, data collection procedures, the data analysis tools and the ethical considerations.

3.2 RESEARCH PURPOSE

Researches are normally grouped into three categories (Yin, 2003) based on the purpose of the research, the research problems and objectives. The three categories are exploratory, descriptive and explanatory. Notwithstanding these categories, a given research study can have more than one of these purposes (Saunders et al, 2000; Babbie, 2004). From the research problems, questions and objectives this study will mainly make use of descriptive and explorative research.

Descriptive research is used to find information about the present status of a phenomenon to describe “what exist” with respect to variables or conditions in a situation (Yin, 2003). Additionally, it offers the number of times an event occurs, or the frequency and also helps in statistical calculation such as determining the average of occurrences or central tendencies (Yin, 1994). A key limitation to descriptive research is that it does not lend itself the calculation of causal relationship. This is where explanatory research comes in. Explanatory research helps establish the relationship between independent and dependents variables. It is used when there is no clear understanding about the type of models to use and in what quantities as well as in what relations (Zikmund, 1994). This research falls into the explanatory category.

3.3 RESEARCH APPROACH

In research there are three approaches, these are qualitative, quantitative and mixed research methodology. The quantitative research approach makes use of statistics and numbers which are mostly presented in figures while qualitative approach relies on describing an event with the use of words.

Mixed methods research combines elements of quantitative research and qualitative research in order to answer your research question. Mixed methods can help you gain a more complete picture than a standalone quantitative or qualitative study, as it integrates benefits of both methods. Mixed methods research is often used in the behavioral, health, and social sciences, especially in multidisciplinary settings and complex situational or societal research.

According to Yin (1994), a research approach chosen should be done according to the research questions in that particular situation since each approach has its own merit and demerit and how empirical data is collected and analysed. Additionally, the degree of focus on either contemporary or historical event as well as the type of questions asked should be the main basis on which a research approach should be chosen.

Quantitative research method

Pros

- Data collection occurs rapidly with quantitative research.
- The samples of quantitative research are randomized.
- It offers reliable and repeatable information.
- You can generalize your findings with quantitative research.

Cons

- You cannot follow-up on any answers in quantitative research.
- The characteristics of the participants may not apply to the general population.
- You cannot determine if answers are true or not.
- It creates the potential for an unnatural environment.

Qualitative research method

Pros

- Explores attitudes and behaviour in-depth.
- Encourages discussion
- Flexibility

Cons

- The sample size can be an issue
- Bias in the sample selection
- Lack of privacy

Mixed research

Pros

- “Best of both worlds” analysis
- Method flexibility

Cons

- Too much workload
- Differing or conflicting results

In conducting this study, a comparison of the quantitative, qualitative and mixed research approaches was made and it was observed that quantitative methods are useful in that they often take less time to administer than qualitative methods. With mixed methods, due to the fact that quantitative and qualitative data take two vastly different forms, it can also be difficult to find ways to systematically compare the results, putting your data at risk for bias in the interpretation stage. Hence, the quantitative research approach was used for the study.

3.4 RESEARCH DESIGN

Sekaran (2003) indicated that after identifying the variables in developing the conceptual framework, the subsequent step is to design the research in a way that the data can be collected and analyzed. According to Malholtra (2004), research design is a framework or blueprint for conducting marketing research project. It provides details of the necessary procedures for obtaining the information needed to structure and to solve marketing research problems. This study will make use of a descriptive research design. The use of this design is to enable the researcher ascertain and describe the characteristics of the variables of interest (Sekaran, 2003).

3.5 SAMPLING TECHNIQUES AND SAMPLE SIZE

According to Mitchell (2022), there are 19 licenced banks in Zimbabwe. Three banks out of nineteen were used for the study. The three (3) banks used for the study are FBC Bank Limited, CBZ Bank and AgriBank. A bank has a large number of customers that include individual customers, SMEs, corporate clients etcetera.

In conducting this study, a sample of the banking customers specifically from the city of Harare was selected. In terms of population size of the banks in the study, CBZ bank has the largest

number of individual customers amounting to over 300 000 in Zimbabwe which is almost twice the number of individual customers that FBC Bank Limited has. This is because it has a larger customer base as compared to other banks as well as many branches all over Zimbabwe.

Out of all the different types of customers, this study focused on individual banking customers. According to the FBC Annual report of 2021, FBC bank has 160 000 individual accounts in Zimbabwe distributed among its many branches in different towns of the country. AgriBank has the least number of individual customers out of the three selected banks with a number amounting to around 120 000 customers. Of the total population, banking customers are from the age of 16, so the sample had a specific age range.

A sample is the specific group of individuals that you will collect data from. Sampling means selecting the group that you will actually collect data from in your research. Sample size refers to the number of participants or observations included in a study. There are probability sampling methods and non-probability sampling methods.

Probability Sampling Methods

1. Simple random sampling

In this case each individual is chosen entirely by chance and each member of the population has an equal chance, or probability, of being selected. One way of obtaining a random sample is to give each individual in a population a number, and then use a table of random numbers to decide which individuals to include.¹ For example, if you have a sampling frame of 1000 individuals, labelled 0 to 999, use groups of three digits from the random number table to pick your sample. So, if the first three numbers from the random number table were 094, select the individual labelled “94”, and so on.

As with all probability sampling methods, simple random sampling allows the sampling error to be calculated and reduces selection bias. A specific advantage is that it is the most straightforward method of probability sampling. A disadvantage of simple random sampling is that you may not select enough individuals with your characteristic of interest, especially if that characteristic is uncommon. It may also be difficult to define a complete sampling frame and inconvenient to contact them, especially if different forms of contact are required (email, phone, post) and your sample units are scattered over a wide geographical area.

2. Systematic sampling

Individuals are selected at regular intervals from the sampling frame. The intervals are chosen to ensure an adequate sample size. If you need a sample size n from a population of size x , you should select every x/n th individual for the sample. For example, if you wanted a sample size of 100 from a population of 1000, select every $1000/100 = 10$ th member of the sampling frame.

Systematic sampling is often more convenient than simple random sampling, and it is easy to administer. However, it may also lead to bias, for example if there are underlying patterns in the order of the individuals in the sampling frame, such that the sampling technique coincides with the periodicity of the underlying pattern. As a hypothetical example, if a group of students were being sampled to gain their opinions on college facilities, but the Student Record Department's central list of all students was arranged such that the sex of students alternated between male and female, choosing an even interval (e.g. every 20th student) would result in a sample of all males or all females. Whilst in this example the bias is obvious and should be easily corrected, this may not always be the case.

3. Stratified sampling

In this method, the population is first divided into subgroups (or strata) who all share a similar characteristic. It is used when we might reasonably expect the measurement of interest to vary between the different subgroups, and we want to ensure representation from all the subgroups. For example, in a study of stroke outcomes, we may stratify the population by sex, to ensure equal representation of men and women. The study sample is then obtained by taking equal sample sizes from each stratum. In stratified sampling, it may also be appropriate to choose non-equal sample sizes from each stratum. For example, in a study of the health outcomes of nursing staff in a county, if there are three hospitals each with different numbers of nursing staff (hospital A has 500 nurses, hospital B has 1000 and hospital C has 2000), then it would be appropriate to choose the sample numbers from each hospital proportionally (e.g. 10 from hospital A, 20 from hospital B and 40 from hospital C). This ensures a more realistic and accurate estimation of the health outcomes of nurses across the county, whereas simple random sampling would over-represent nurses from hospitals A and B. The fact that the sample was stratified should be taken into account at the analysis stage.

Stratified sampling improves the accuracy and representativeness of the results by reducing sampling bias. However, it requires knowledge of the appropriate characteristics of the sampling frame (the details of which are not always available), and it can be difficult to decide which characteristic(s) to stratify by.

4. Clustered sampling

In a clustered sample, subgroups of the population are used as the sampling unit, rather than individuals. The population is divided into subgroups, known as clusters, which are randomly selected to be included in the study. Clusters are usually already defined, for example individual GP practices or towns could be identified as clusters. In single-stage cluster sampling, all members of the chosen clusters are then included in the study. In two-stage cluster sampling, a selection of individuals from each cluster is then randomly selected for inclusion. Clustering should be taken into account in the analysis. The General Household survey, which is undertaken annually in England, is a good example of a (one-stage) cluster sample. All members of the selected households (clusters) are included in the survey.

Cluster sampling can be more efficient than simple random sampling, especially where a study takes place over a wide geographical region. For instance, it is easier to contact lots of individuals in a few GP practices than a few individuals in many different GP practices. Disadvantages include an increased risk of bias, if the chosen clusters are not representative of the population, resulting in an increased sampling error.

Non-Probability Sampling Methods

1. Convenience sampling

Convenience sampling is perhaps the easiest method of sampling, because participants are selected based on availability and willingness to take part. Useful results can be obtained, but the results are prone to significant bias, because those who volunteer to take part may be different from those who choose not to (volunteer bias), and the sample may not be representative of other characteristics, such as age or sex. Note: volunteer bias is a risk of all non-probability sampling methods.

2. Quota sampling

This method of sampling is often used by market researchers. Interviewers are given a quota of subjects of a specified type to attempt to recruit. For example, an interviewer might be told to go out and select 20 adult men, 20 adult women, 10 teenage girls and 10 teenage boys so that they could interview them about their television viewing. Ideally the quotas chosen would proportionally represent the characteristics of the underlying population.

Whilst this has the advantage of being relatively straightforward and potentially representative, the chosen sample may not be representative of other characteristics that weren't considered (a consequence of the non-random nature of sampling).

3. Judgement (or Purposive) Sampling

Also known as selective, or subjective, sampling, this technique relies on the judgement of the researcher when choosing who to ask to participate. Researchers may implicitly thus choose a “representative” sample to suit their needs, or specifically approach individuals with certain characteristics. This approach is often used by the media when canvassing the public for opinions and in qualitative research.

Judgement sampling has the advantage of being time-and cost-effective to perform whilst resulting in a range of responses (particularly useful in qualitative research). However, in addition to volunteer bias, it is also prone to errors of judgement by the researcher and the findings, whilst being potentially broad, will not necessarily be representative.

4. Snowball sampling

This method is commonly used in social sciences when investigating hard-to-reach groups. Existing subjects are asked to nominate further subjects known to them, so the sample increases in size like a rolling snowball. For example, when carrying out a survey of risk behaviours amongst intravenous drug users, participants may be asked to nominate other users to be interviewed.

Snowball sampling can be effective when a sampling frame is difficult to identify. However, by selecting friends and acquaintances of subjects already investigated, there is a significant risk of selection bias (choosing a large number of people with similar characteristics or views to the initial individual identified).

Chosen sampling method for the study

The best sampling method is always the one that could best answer our research question while also allowing for others to make use of our results (generalisability of results) and in this case it is the convenience sampling method. The reason for choosing this sampling method is that it has low-cost and it is easy to get respondents because it uses subjects that are readily available which is to the advantage of the researcher.

Internet banking is at an evolutionary stage so finding people who use such service was quite difficult hence convenience sampling method was therefore used for data collection. Convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher (Black, 1999). Convenience sampling is very easy to carry out and requires relative little cost and time to carry out.

The researcher approached a member of staff from CBZ Samora Machel branch which is located in Harare CBD to get the number of individual customers the bank had on that particular branch. Using number of customers from CBZ bank which has the largest number of customers of all the three banks, the researcher found out that the bank had roughly around 1 200 active individual customers. The researcher went on to calculate sample size using the formula:

$$n = \frac{N \frac{z^2 p(1-p)}{e^2}}{\frac{z^2 p(1-p)}{e^2} + N - 1}$$

where:

- n is the sample size,
- N is the population size,
- z is the confidence level (in percent, in this case 90% = 0.9),
- p is the sample proportion (in percent, in this case 20% = 0.2),
- e is the margin of error (in percent, in this case 10% = 0.1)

Using the above formula with a population size of 1 200, the sample size was found to be 42. This was considered as a sample for one of the three banks. The researcher went on to consider an exact number of respondents to use for the study.

The sample size used for this study is one hundred and twenty (120) respondents who were the individual banking customers of three (3) banks in Zimbabwe. This sample size meant that 40 customers were conveniently selected from each of the three (3) banks. The reason for choosing 120 respondents was because the banks have many branches in the country so it was a better and fair representation of the banks in total.

3.6 RESEARCH INSTRUMENT

Research instruments in quantitative research include surveys, questionnaires, telephone, and interviews. In this study the researcher explored two instruments namely interviews and questionnaires and chose the best one for the study.

Interviews

In quantitative interviews, an interview schedule is used to guide the researcher as he or she poses questions and answer options to respondents. An interview schedule is usually more rigid than an interview guide. It contains the list of questions and answer options that the researcher will read to respondents.

Pros

- Gain greater insight
- Gain expert opinions
- Get thorough responses
- Study questions can be adjusted mid analysis

Cons

- Requires a skilled interviewer
- It is time consuming
- It is expensive

Questionnaires

A questionnaire is a list of questions or items used to gather data from respondents about their attitudes, experiences, or opinions. Questionnaires can be used to collect quantitative and/or qualitative information.

Pros

- Cheap and easy to conduct
- Less time consuming
- Respondents can answer freely without fear
- More feasible way of conducting customer

Cons

- No personal interaction
- Unreliable
- Incomplete individual entries
- Contrasts in comprehension and understanding

Of the two research instruments discussed, the researcher chose to use the questionnaire since it is less time consuming and cheap to carry out as compared to the interviews. The questionnaire was divided into two sections. These are the demographic section and the characteristics of service quality section. Under the demographic section variables such as age of the respondent, gender, income level, marital status and highest educational level was asked. The section on service quality was also sub-divided into six sub section.

The six subsections were also group into the various dimension of service quality mentioned in the previous chapter (chapter 2). These subsections are speed of delivery, ease of use, reliability, control, enjoyment/entertainment and privacy and control. The six subsections used a five point Likert Scale where respondents were asked to indicate the extent to which they agree/disagree with various statements. The Five-Point Likert's scale having the ratings of "strongly disagree" (1) and "strongly agree" (5) were used.

3.7 DATA COLLECTION PROCEDURES

A self-administered, structured questionnaire was used to gather data from respondents to the study (Cooper and Schindler 2006; Malhotra and Birks, 2007). The researcher first sought permission from the Branch Managers of all the three (3) banks used for the study. The permission was to allow their premises to be used for this study. Each respondent to the study was made to fill a questionnaire after a brief introduction and objective of the study has been explained. The research questionnaires were distributed in front of the three banks during business hours. The reason for doing this was so that the researcher can engage the exact banking customers of the selected banks instead of selecting respondents in the streets though.

3.8 PILOT STUDY

A pilot test was conducted using twenty (20) internet banking customers. These customers were from only one bank that is FBC Bank Limited. This bank was selected for the pilot test because it has more branches in the location chosen by the author hence more respondents could be found. Respondents to the pilot test were asked to recognize any ambiguity or potential source of error either in the format or wordings of the questions. The questionnaire was later refined by altering a few items based on their feedback.

3.9 DATA ANALYSIS PLAN

The data gathered from the field through which the questionnaires were administered was recorded and coded into Statistical Package for Social Science (SPSS) software version 16. In analysing the data gathered from the questionnaire, frequencies, means, and reliability were primarily calculated using SPSS, and content validity of the questionnaire was established by reviewing existing literature. The data was analysed using two statistical techniques. These techniques are multiple regression analysis, and analysis of variance. The use of multiple regression analysis was to help test the conceptual framework or model, while the analysis of variance was help compare the results with the customers' demographic characteristics.

3.11 VALIDITY

Validity as used in research refers to the degree to which the outcome of a study accurately reflects the variable which is being measured or which the researcher is attempting to measure. According to Eriksson and Wiedersheim-Paul (1997, p. 38), validity is defined as: "The ability of a scale or measuring instrument to measure what is intended to be measured". Validity is therefore concerned with the success rate at which the study measure what the research sets out to measure. There are various types of validity (Hardy and Byrman, 2004) use in research studies but for the purpose of this study the face validity was used. This is because the study has been proven through thorough pre-testing, rewording and re-evaluation of the instrument used (Hardy and Byrman, 2004).

3.12 ETHICAL CONSIDERATIONS

The study was conducted using some ethical considerations. Each respondent to the study was first informed about the purpose and objective of the study and the questionnaires to be administered. After explaining the objective of the study, respondents were assured of anonymity and confidentiality before being administered with the questionnaire.

3.13 SUMMARY

This chapter depicted the research methodology used by the researcher to gather information that is required in the research. The chapter also entails the sample size and the Banks where the information was gathered. The next chapter shows the research results and analysis of the data gathered.

CHAPTER 4: DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 INTRODUCTION

This chapter involves analysis of the data that was gathered from the questionnaires administered to the respondents. The respondents of the study are customers of the three (3) banks that were selected. The chapter begins with the demographic profile of respondents as well as the measure of the various service quality measures and the testing of the various hypotheses and model used for the study. To help with the analysis, bar charts, pie charts, tables, graphs showing trends and percentages were used to present data.

3.10 RELIABILITY ANALYSIS (Cronbach's Alpha)

The reliability analysis is used to establish both the consistency and stability of the research instrument. Consistency shows how well the research instrument measures the model and the conceptual framework. Cronbach's alpha is a coefficient that indicates how well the items in a set are positively correlated to one another. A test is considered reliable if the same results are gotten repeatedly. Cronbach's alpha is computed in terms of the average inter-correlations among the items measuring the concept. The closer the Cronbach's alpha is to 1, the higher the internal consistency reliability of the research instrument.

4.1 DATA ANALYSIS

In total, one hundred and twenty (120) questionnaires were administered to the three banks and in each bank forty (40) customers were conveniently selected from each of three (3) banks. Table 4.1 below shows a summary of the questionnaires administered to each category of respondent and the response rate.

Table 4. 1: Percentage Distribution of Respondents

Bank	Administered	Returned/completed	Percentage %
FBC Bank Limited	40	38	95.0

CBZ Bank	40	35	87.5
AgriBank	40	36	90.0
TOTAL	120	109	90.8

Source: field Study

The above table indicates that out of the 120 questionnaires, 109 were successfully completed and returned. This means that 90.8% of the respondents successfully completed and returned the questionnaire. This percentage was deemed adequate for the analysis to continue.

4.2 DEMOGRAPHIC PROFILE

The categorisation of the 109 respondents showed that, 57 representing 52.3% were males and 52 representing 47.7 % were females. The age statistics indicated that the least age groups were those above 69 which was represented 4.6% of the respondents. Additionally, the highest age groups from the study were those between 30-49 years. These age groups were made up of 50 respondents which represented 45.9% of the respondents. The highest age group was followed by those between 16-29 years and 50-69 years old. This age group represents 29.4% and 20.1% of the respondents respectively.

Furthermore, the marital status of respondents shows that 25 have never been married (single), 67 were married, 10 were separated and 7 were widow(er). Percentage wise 22.9% were never married, 61.5% were married, 9.2% were separated and 6.4% were widow(er).

In terms of education, none of the respondent was without any formal education. The most represented educational levels were those with a Bachelor degree which was made up of 60 respondents which is 55.0% of the respondents. This was followed by 21 respondents representing 19.3 % who were with a high school certificate and 15 respondents representing 13.8% who were with a Master's degree. The least represented educational level were those with basic education who were 13 in number or 11.9% of the respondents.

In terms of income, 70 of the respondents or 64.2% of the respondents earned below ZWL100 000, 26 respondents or 23.9% earned between ZWL100 000 and ZWL300 000 and finally 13 respondents which is 11.9% earned above ZWL300 000.

In terms of length of usage of the internet banking facility, 5.5% (6 respondents) indicated that they have been using the facility for less than a year. Also, 22.9% (25 respondents) indicated that they have been using the facility between 1 -3 years. In addition to the above, 20.2% (22 respondents) indicated that they have been using internet banking for the past 4-6 years and 51.4 % (56 respondents) indicated that they been using the facility for more than 6 years.

Finally, 16 (14.7%) of the respondents indicated that they have been using internet banking between 1 – 5 times a month; 36 (33.0%) indicated that they have been using internet banking between 6 -10 times a month and 57 (52.3%) of the respondents indicated that they have been using internet banking more than 10 times per month.

4.3 CRONBACH’S ALPHA TEST OF RELIABILITY

To ensure that there is internal reliability of the model used, the Cronbach’s Alpha Test of Reliability was performed. The various dimensions of services quality used for this study were tested. The results of the test show that each dimension was internally consistent. The table below shows the results of the test performed.

Table 4. 2: Cronbach’s Alpha Scores

Dimensions	Cronbach’s Alpha Score	Average Variance Extracted (AVE)
Speed of delivery	0.80	0.54
Ease of use	0.78	0.48
Reliability	0.62	0.36
Entertainment	0.69	0.41
Control	0.63	0.38

Privacy	0.62	0.36
Satisfaction	0.56	0.30

The Cronbach Alpha score ranges from 0 to 1. A Cronbach Alpha score greater than 0.7 show high internal reliability of the scaled item (Nunnally and Bernstein, 1994). In spite of this argument Garson (2002) indicated that the cut off point for the Cronbach Alpha should be between 0.8 and 0.6(Garson, 2002). Additionally, the Cronbach Alpha increases when the number of items in the scale is increased which means that the Cronbach Alpha score decreased (Garson, 2002). From table 5.2 above speed of delivery and ease of use were both above 0.7, meaning that they are highly reliable.

Additionally, reliability, entertainment, privacy and control were also found to be above the 0.60 score recommended by Garson (2002). The test done also shows that decreasing any of the dimensions that have two or more variable lead to a decrease in the Cronbach Alpha score. Additionally, the value of AVE of speed of delivery was more than 0.5 for only one of the dimensions hence fulfilled the standard prescribed by researchers like Pavlou and Gefen (2004) and Rodriguez et al., (2007). The rest of the dimension of service quality met the minimum recommendation of between 0.30 and 0.40 bench mark set by Diamantopoulos and Siguaw (2000).

4.4 HYPOTHESIS TESTING

This part of the study tested the various hypotheses of this study. In testing the hypotheses, the Pearson correlation was extensively used. Additionally, the model for this study was tested using a simple linear regression model. Most of the variables tested were presented using tables and charts. The use of table and charts enabled for a clearer understanding and also gave it a pictorial view.

4.4.1 Service Quality Positively Correlate Customer Satisfaction with Internet Banking

The Spearman correlation was used to test the correlation between service quality and customer satisfaction with internet banking. The results of the Spearman correlation are presented in table 4.3 below

Table 4. 3: Spearman Correlation between Service Quality Dimensions and Customer Satisfaction

Dimension	Overall Satisfaction	Significance(2-tailed test)
Overall satisfaction	1.000	-
Speed of delivery	0.519**	0.00012
Ease of use	0.547**	0.00006
Reliability	0.573**	0.00032
Entertainment	0.208*	0.05
Control	0.324**	0.00007
Privacy	0.626**	0.00001

Inferring from the SPSS version 16.0 manual the use of multiple correlation test is important if the researchers was interested in assessing the relation between multiple independent variable and one dependent variable. To carry out the multiple regression the Spearman's rho non-parametric correlation test was performed.

The result of the Spearman ranked hypothesis showed that all the dimension of service quality used for this study was significance with the overall satisfaction. The result further indicated that apart from entertainment which was significant at 5% significance level, all the other dimensions were significant at 1% significant level. Therefore, the null hypothesis is accepted and the alternative hypothesis is rejected.

4.4.2 The six dimensions of service quality (speed of delivery, reliability, ease of use, entertainment, control and privacy) lead to customer satisfaction with internet banking

The table below gives the results of the regression ran to assess the impact of service quality dimension on customer satisfaction with internet banking. The regression was estimated using customer satisfaction as the dependents variable whilst speed of delivery, reliability, ease of use, entertainment, control and privacy were independent variables.

Table 4. 4: Regression Results of the model estimated

Variable	t-statistics	Co-efficient	Mean	SE
Speed of delivery	4.36	0.19	0.190	0.04
Ease of use	0.55	0.02	0.04	0.03
Reliability	3.04	0.15	0.16	0.05
Entertainment	1.42	0.07	0.08	0.06
Control	4.33	0.25	0.25	0.06
Privacy	11.67	0.42	0.42	0.04

The R^2 value for the model of Customer Satisfaction with internet banking was 0.66 which indicates that the service quality dimension variables (speed of delivery, reliability, ease of use, entertainment, control and privacy) explained or accounted for 66% of the variation in the dependent variable.

The statistical testing of the conceptual model as presented in the table above shows the general acceptance of the hypothesis that service quality (speed of delivery, reliability, ease of use, entertainment, control and privacy) lead to customer satisfaction with internet banking. The result shows that the first variable “speed of delivery” has a positive effect on Customer

Satisfaction. The t-statistic was 4.36 and the coefficient was 0.19 and this relationship is significant at 5% level.

The second dimension of service quality (ease of use) had a positive effect on Customer Satisfaction. The t-statistic for ease of use was 0.55 while the regression coefficient was 0.02 and this relationship was significant at 1% significance level. The second hypothesis also is true for the estimated model.

Additionally, there was a positive effect of Reliability on Customer Satisfaction at 0.05 significance level. This level was achieved with a t-statistic of 3.04 and a regression coefficient of 0.15. This finding also supports the conceptual model estimated and the hypothesis stated in chapter one of this study.

Further supporting the model is Entertainment another dimension of service quality. There was a positive effect of entertainment on Customer Satisfaction. The value of the statistics shows that the t-statistic as 1.42 and the coefficient was 0.07. This relationship was significant at 5% significance level.

The study also shows a positive effect of the Control variable on Customer Satisfaction with a regression coefficient of 0.25 and a t-statistic of 4.33. The variable was also significant at 5% significant level.

Finally, Privacy was also significant at 1% or 0.01 and recorded a positive effect on Customer Satisfaction with a t-statistic of 11.69 and coefficient of 0.42. This means that the hypothesis that service quality (speed of delivery, reliability, ease of use, entertainment, control and privacy) lead to customer satisfaction with internet banking should be accepted and not rejected.

4.5 SUMMARY

The finding of this study shows that there was a positive significant relationship between all the variables of service quality and overall customer satisfaction. The finding for the sampled banks in Zimbabwe confirms the empirical work of Parasuraman et al (1985). The reason for such findings was because customers of the various banks viewed internet banking as a means of avoiding long queues at the banking hall and a solution to driving through the numerous traffic of the city of Harare just to move to a commercial bank for a banking transaction.

This study found that customers of the various banks sampled viewed service quality to be equal to performance hence they were very satisfied with the services offered. This led to the results recorded in the study. Furthering the discussion, the regression result of this study showed a positive relationship between all the service quality variable and customer satisfaction.

This confirms the model used for the study. The model indicates that there is a positive relationship between satisfaction and service quality. The degree of significance varied from variable to variable. The results show that with the exception of control and entertainment, all the other variables were significant at 5% significance level.

The reason for this result was because customers of internet banking were of the indicated that they did not have control over internet banking activities. The control findings of this study runs contrarily to that of Bateson (1985) and Bowen (1986) who indicated that persons like self-service technologies because of the feel of control than the monetary savings. The next chapter discusses the conclusion and recommendations drawn from the study.

CHAPTER 5 CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

Chapter five is the conclusion and recommendation of this study. The chapter provides a summary and implication of the main findings of this study as presented in chapter four. This is then followed by the limitation of the findings of this study to the bank, customers and the banking industry in general. The chapter ends with the recommendation for the banking sector and finally area of future research.

5.2 SUMMARY AND IMPLICATIONS OF MAIN FINDINGS OF THE STUDY

The main findings of this study can be summarized into three main themes. These themes are the testing of the hypothesis, the analysis of the demographic data and the reliability test. The demographic analysis shows that more males use the internet banking services than their female counterparts. Additionally, when it comes to age group, the modal age of users of internet users of the banks in Zimbabwe was 30-49 year or in their youthful age. The marital status of most of the users of internet banking activities in Zimbabwe were married whilst in terms of education, majority holds a Bachelor degree from various fields of studies.

In addition to the above, the most earned income of users of internet banking activities was below ZWL100 000. Most users of internet banking have been using the services for more than years and majority use the services more than 10 times in a month. In Cronbach Alpha test for the reliability of the data shows that ease of use and speed of delivery met the Nunnally and Bernstein's criteria of 0.7 whilst the remaining dimensions of services quality fulfilled the test prescribe by Garson (2002).

The study tested two major hypotheses. The major finding of the first hypothesis shows that all the service quality determinant customer satisfaction was positively correlated to the customer satisfaction and was significant at 0.01 significant level. The second hypothesis shows that speed of delivery, ease of use, privacy or security and reliability of services were positively related, significant at 5% and led to customer satisfaction. These two (2) demographic factors therefore influence the overall customer satisfaction of users of internet banking in Zimbabwe.

5.3 What are the major factors affecting customers' satisfaction with internet banking in Zimbabwe?

Several factors influence customer satisfaction with internet banking in worldwide, but the case of Zimbabwe is quite different. The finding of the study shows that demographic variables influenced customer satisfaction with the various internet-banking services of the banks visited. The age of the respondents influences their satisfaction with the internet banking services provided by the various banks visited.

Age is significant because; the young or the youth are more interested in using technology for their banking services. This is because the youth by their nature are usually abreast with modern technology and especially the used of internet in the banking industry. Additionally, the age range of the respondents to the study shows that majority of the respondents were youthful and preferred the use of the internet for banking purposes rather than the elderly who were mostly not abreast with technology most especially the internet facilities provided by the various banks concerned.

In addition to the above, the educational level of respondents influences their choice of product offered by the banks involved in the study. That was the findings of the study as education of the respondents influenced their adoption of internet banking. Literacy was a major factor, since for an individual to use the internet facilities provided by their banks there was a need for them to understand what written. Since all respondents of this study are literate, internet banking played a major role in their usage of internet banking services.

5.4 The effect of service quality on customer satisfaction through the use of internet banking in Zimbabwe; Relevant Findings:

The research question was whether the quality of the services offered by the banks which participated in the study affects the satisfaction customers derived from internet banking? The speed of delivery, reliability, ease of use, enjoyment, control and privacy all influence the satisfaction customers have with the internet banking services provided by the various banks visited.

Once the speed of delivery is very fast or is gone in good time. Unlike the traditional banking practiced in Zimbabwe where customers have to walk to the bank for every transaction, internet banking have the opportunity to offer quick banking activities without necessarily walking into the banking hall. Thus, the speed of delivery in the banking sector is faster compared to the traditional banking activities. Additionally, unlike the traditional banking services where

customers do not have the opportunity to walk into the banking hall on Sundays and public holidays; internet banking is more reliable since clients can perform transactions without necessarily going to the banking hall.

The services offered by the banks, which use internet banking, have reliable banking services than those that do not have these services. Ease of using banking services was one area, which was very important to the respondents of the study. Internet banking users who were participants to the study were interested in using the services because it was very easy to use. Respondents can use it anywhere and at any time since they do not have to walk into the banking hall. Banking services can be done anywhere.

The only challenge is that most of the users of internet banking services in Zimbabwe are literate who are abreast with technology and the usage of the internet. This implies that those who are illiterate cannot use internet-banking services for their daily activities. The illiterate could not easily use internet-banking services hence they were satisfied with the services provided by their bank.

The key concern was the control and privacy. Although the customers of the various banks sampled were quite satisfied with the control and privacy of the banking services, some were very skeptical with the internet banking services. The issue of safety of their internet-banking password was the ease to which some unauthorized person can use their password systems without them knowing.

From all indicators, all participants of the study are very happy and satisfied with the internet-banking services provided by their bank.

5.5 Limitations of study

The main limitation encountered in the study was inadequate sample. The sample used for the study was not sufficient hence making generalization of the findings very difficult to make. To make a healthy generalization from this study, it is important to calculate an appropriate sample size which is representative of this study and which is adequate enough to make healthy generalization.

Furthermore, another limitation faced by the researcher was the time and resource constraint. These two constraints affected the way in which the research was conducted. The time constraints affected the choosing of the sample size as well as the quality and quantity of the research work.

Notwithstanding, the limitations presented above, the research has contributed tremendously on the literature on customers and the researcher believes this research has contributed to the existing literature on customer satisfaction with the service quality of internet banking in some selected financial institutions in Zimbabwe.

A crucial limitation of this study is the reluctant and refusal of some sampled respondents to respond to the questionnaires administered to them. The final limitation to this study is that most of the respondents have either little or no knowledge on the internet banking service and how such service worked.

5.6 Recommendation of the study

This study has important implications for both academics and managers of the various banks visited. Given the insignificant value obtained on the control and enjoyment of the use of internet banking services of the various banks it is essentially recommended that banks take a critical look at those variables since they can affect the profitability and the switching intent of the customers. It is also recommended that banks invest in understanding the needs of customers of internet banking and try as much as possible to meet their various needs associated with the services provided by internet banking.

There is the need to educate majority of the banking population on internet banking. This was because some of the customers administered with the questionnaires rejected or refused to answer the questionnaire because they did not know of the services nor had minimal education of internet banking services.

5.7 Area for future research

There is need to explore other dimensions of service quality associated with internet banking and assess its impact of customer satisfaction. This will enable strength the generalization of the findings to the Zimbabwean economy. This study was limited to customer satisfaction and service quality, but there is a need for further researchers to examine the effect of customer satisfaction or dissatisfaction on the switching cost of banks offering internet banking or the switching intent of customers of these banks.

Finally, further studies should research into the relationship between the heterogeneity of the various customers of internet banking and issues of electronic payment such as funds transfer, security and bills payment.

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APPENDIX A

QUESTIONNAIRE

Research Questionnaire

I am a Master of Information Systems student from the Great Zimbabwe University carrying out a research on the Impact of internet banking service quality on customer satisfaction in the banking sector of Zimbabwe. I will be very happy if you will please answer the following questions as candidly as you can. It takes only 10-15 minutes. Please be assured that the responses you give are for academic purposes only.

Section A: Demographic Data

Instruction: Use a tick where applicable (✓)

1. Age:

- a. 16-29 b. 30-49 c. 50-69 d. above 69 years

2. Gender

- a. Male b. Female

3. Marital Status

- a. Single b. Married
c. Separated d. Widow (er)

4. Education Level

- a. No formal education b. Basic Education c. Secondary
d. Bachelor e. Masters

5. Income Level

- a. below ZWL100 000 b. ZWL100 000 – ZWL300 000
c. Above ZWL300 000

6. Banking institution used

- a. FBC Bank Limited b. CBZ Bank c. AgriBank

7. Length of internet banking usage

- a. Less than a year
- b. between 1-3 years
- c. between 4-6 years
- d. More than 6 years

8. Frequency of internet banking transaction

- a. between 1 – 5 times per month
- b. between 6 – 10 times per month
- c. more than 10 times per month

Section B

Instruction: Comment on a scale strongly agree to strongly disagree.

Speed of Delivery

9. The use of Internet banking makes my transactions very fast

- 1. strongly agree
- 2. agree
- 3. neutral
- 4. disagree
- 5. strongly disagree

10. The use of "Internet banking time saving

- 1. strongly agree
- 2. agree
- 3. neutral
- 4. disagree
- 5. strongly disagree

Ease of use

11. Internet banking is complicated to use

- 1. strongly agree
- 2. agree
- 3. neutral
- 4. disagree
- 5. strongly disagree

12. The wording of Internet banking unclear

- 1. strongly agree
- 2. agree
- 3. neutral
- 4. disagree
- 5. strongly disagree

13. Internet banking does not demand a lot of effort

- 1. strongly agree
- 2. agree
- 3. neutral
- 4. disagree
- 5. strongly disagree

Reliability

14. The use of Internet banking can lead to errors in transactions

1. strongly agree 2. agree 3. neutral 4. disagree 5. strongly disagree

15. The use of internet banking is not reliable

1. strongly agree 2. agree 3. neutral 4. disagree 5. strongly disagree

Pleasure

16. Internet banking is nice to use

1. strongly agree 2. agree 3. neutral 4. disagree 5. strongly disagree

17. The use of internet banking is fun

1. strongly agree 2. agree 3. neutral 4. disagree 5. strongly disagree

18. Internet banking is interesting to use

1. strongly agree 2. agree 3. neutral 4. disagree 5. strongly disagree

Control

19. The use of Internet banking means transaction will be made as I wish

1. strongly agree 2. agree 3. neutral 4. disagree 5. strongly disagree

20. The use of Internet banking gives me control over my transaction

1. strongly agree 2. agree 3. neutral 4. disagree 5. strongly disagree

Quality of service

21. The level of quality of service I receive through the Internet banking is high

1. strongly agree 2. agree 3. neutral 4. disagree 5. strongly disagree

22. The quality of service I receive through the Internet banking is excellent

1. strongly agree 2. agree 3. neutral 4. disagree 5. strongly disagree

Satisfaction

23. My expectations before the use of Internet banking have been met with this current experience

1. strongly agree 2. agree 3. neutral 4. disagree 5. strongly disagree

24. I find the internet banking application quite pleasant

1. strongly agree 2. agree 3. neutral 4. disagree 5. strongly disagree

25. I am completely satisfied with the internet banking application

1. strongly agree 2. agree 3. neutral 4. disagree 5. strongly disagree

END OF QUESTIONNAIRE, THANK YOU!

APPENDIX B

Summary of the demographic variables

Age	Frequency	Percentage
16 - 29 years	32	29.4%
30 - 49 years	50	45.9%
50 – 69 years	22	20.1%
Above 69 years	5	4.6%
Total	109	100%

Gender	Frequency	Percentage
Male	57	52.3%
Female	52	47.7%
Total	109	100%

Marital Status	Frequency	Percentage
Never been married (single)	25	22.9%
Married	67	61.5%
Separated	10	9.2%
Widow (er)	7	6.4%
Total	109	100%

Educational Level	Frequency	Percentage
No formal education	0	0.0%
Basic education	13	11.9%
High School (secondary)	21	19.3%
Bachelor's Degree	60	55.0%
Master's Degree	15	13.8%
Total	109	100%

Income Level	Frequency	Percentage
Below ZWL 100 000	70	64.2%
ZWL100 000 – ZWL300 000	26	23.9%
Above ZWL300 000	13	11.9%
Total	109	100%

Length of using internet banking and transactions per month

Length of internet banking years	Frequency	Percentage
Less than a year	6	5.5%
1 – 3 years	25	22.9%
4 – 6 years	22	20.2%
More than 6 years	56	51.4%
Total	109	100%

Transactions per month	Frequency	Percentage %
1 – 5 times	16	14.7%
6 – 10 times	36	33.0%
More than 10 times	57	52.3%
Total	109	100%

Customer Satisfaction results

Service Quality Dimension	strongly agree	agree	neutral	disagree	strongly disagree	Total
Speed of Delivery	22	53	25	3	6	109
	20.2%	48.6%	22.9%	2.8%	5.5%	100%
Ease of use	23	33	40	10	3	109
	21.1%	30.3%	36.7%	9.1%	2.8%	100%
Reliability	40	43	19	6	1	109
	36.7%	39.5%	17.4%	5.5%	0.9%	100%
Pleasure	32	40	22	11	4	109
	29.4%	36.7%	20.2%	10.1%	3.7%	100%
Control	35	42	16	13	3	109
	32.1%	38.5%	14.7%	11.9%	2.8%	100%
Quality of service	55	34	15	5	0	109
	50.5%	31.2%	13.8%	4.5%	0%	100%