

HYPOTHETICAL DEVELOPMENT AMONG E-SERVICES, CUSTOMER SATISFACTION AND BRAND TRUST IN PAKISTAN

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Abstract

In this competitive age of technology financial institutions are also enhancing electronic means to satisfy their customers with best quality service like mobile banking, debit/credit cards and website. The work on e-banking and customer satisfaction elaborated in previous studies but in perspective of brand trust as a mediator is the area of in this study. This study will elaborate the significant antecedents of e-service quality and their relation with customer satisfaction which is using electronic services of banks in Pakistan as well as it will elaborate the mediating effect of brand trust.

This study will dig out the relationship of customer perception regarding e-services quality in banking sector and its impact on customer satisfaction with mediating role of brand trust. Second the study will see the sights the clarification to pose the brand as trust worthy in a cutthroat upbringing like Pakistani market.

Keywords: E- Service, Brand Trust, Customer Satisfaction.

Introduction

The accomplishment of quality in products and services has become a crucial concern of the 1980s. While quality in tangible goods has been described and measured by marketers, quality in services is largely undefined and unexplored (Zeithaml et. al., 1985). After this study a great number of exploratory researches have been performed over service quality antecedents. Now with the technology advancement every organization is trying to provide better quality services through electronic channels as well. Improving e-service quality may be the key to long-term advantage in the digital age (Sohn & Tadisina, 2008), and therefore, understanding, measuring and managing e-service quality has become a hot issue for ensuring customer satisfaction, loyalty, and the profitability of service firms (Buckley, 2003).

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Problem Statement

Information technology and telecommunication has revolutionized the banking sector in delivering there service most effectively to their customers. Therefore, this study will dig out the relationship of customer perception regarding e-services quality in banking sector and its impact on customer satisfaction with mediating role of brand trust. Second the study will see the sights the clarification to pose the brand as trust worthy in a cutthroat upbringing like Pakistani market.

Research Questions

- How E-banking services play role in customer satisfaction in Pakistani bank?
- How brand trust mediate between e-services and customer satisfaction?

Research Objectives

Based on the research questions and relevant literature of the e-banking, customer satisfaction the research objectives are:

- To examine the effect of e-banking on customer satisfaction.
- To explore the mediating effect of brand trust between e-services quality of banks on customer satisfaction.

Study Gap

Customer satisfaction is an issue that discussed in every organization whether it is service or manufacturing of business. With the information technology progress every organization is trying to facilitate its customers through electronic services, But which aspects to be considered as worth of taking care for of e-service still is the question. Different antecedents of e-service quality are explored in widespread research but this study will travel around their impact on electronic customer satisfaction provided by Pakistani banks as well as it will explore the mediating consequence of “Brand Trust” which is un explored in prior research.

Significance of study

Market rivalry is growing day by day and with this augmentation every organization trying to put on competitive advantage greater than its rivals. So the best services quality provision acquired a significant place in marketing practices which is previously well addressed by number of research scholars

Theoretical support

Expectancy Disconfirmation Theory (EDT) which give in 1957 by Leon Festinger. “The expectancy disconfirmation theory suggests that consumers form satisfaction judgments by evaluating actual product/service” customer always satisfied with evaluation the services of the companies which are providing by them. Dissonance theory which is also given by Leon posits that consumers make some kind of cognitive comparison between expectations about the product and the perceived product performance. Social exchange theory which is given by george humans in1958 “social exchange as the exchange of activities, tangible or intangible, and more or less costly between at least two persons. Equity theory which given by (john, 1963) explain relationship satisfaction in term of perception of fair/unfair distribution of recourses with in interpersonal relationship.

Literature review

E-Service Quality

E-service stands for electronic services means services provided through electronic channels and e-Service quality is defined as being “the extent to which a website facilitates efficient and effective shopping, purchasing, and delivery of products and services” (Zeithaml, Parasurman, & Malhotra, 2002, p. 363). Electronic service can be defined as an interactive, content-centered, and internet-based customer service that is driven by customers and integrated with the support of technologies and systems offered by service providers, which aim at strengthening the customer-provider relationship (Ruyter, 2001). It is a web-based service or an interactive service that is delivered on the internet, such as internet banking. Many researchers made valuable contribution to measure the e-service quality and to elaborate the attributes of e-service quality. The exploration of antecedents to customer satisfaction with online banking is still in its infancy.

Pikkarainen et al, (2004) describe internet banking as an "internet gateway through which customers can use different kinds of banking services range from bill payment to making savings". With the exception of cash withdrawals, internet banking gives customers access to almost any type of banking transaction at the click of a mouse (De Young, 2001). Recently, some researchers (e.g., Liao & Cheung 2008) have started to investigate the determinants of customer satisfaction with online banking. Yet, there is no current consensus on the antecedents or determinants of customer satisfaction with online banking. Given that online banking deals with information systems, e-commerce, and marketing activities, we propose conducting a literature review of the antecedents of customer satisfaction with online banking. Research differentiates between transaction-specific satisfaction and cumulative satisfaction. Cumulative satisfaction is defined as “a channel member's positive affective response to the non-economic, psychosocial aspects of its relationship, in that the interactions with the exchange partner are fulfilling, gratifying, and easy” (Shankar et al, 2003).

An extensive literature explored different dimensions to measure the impact of service quality on customer satisfaction. Many of those researchers used SERVQUAL scale measures but with the passage of time and advancement in technology revealed that online services quality can not be measured through using the model which led towards the development of e-SERVQUAL scale.

As the Internet retailing market grows at an increasing rate, those who use the Internet as a retailing channel have realized that service delivery and service quality are as important for the Internet environment as for the bricks-and-mortar environment. The absence of a valid and reliable instrument to measure service quality in this new environment has, however, bedeviled the endeavors of both scholars and practitioners to effectively measure and thus manage service-quality strategies. In this study on the basis of existing current literature the e-SERVQUAL scale dimensions are taken to measure the e-service quality and its impact on e-customer satisfaction as well as to test the mediating role of customer trust in relationship of e-SQ with e-CS.

Determinants of E- services

Ease of use

Ease of use is referred as the effort of user to access the web site to transact. Ease of use is an essential part of online banking in Iranian banking sector and it has positive impact on e-CS (Zavareha et al, 2012). In another study (Shoki et al, 2013) stated ease of use as convenience an important constituent of service quality in Jordanian commercial banks it has a proved positive relationship between e-SQ and e-CS. Ease of use has a positive significant relationship between online banking service quality in China with e-CS (Yoon, 2010).

Transaction speed

Transaction speed referred as the time taken to response by website for a specific transaction. (Yoon, 2010) argued that “transaction speed, as a time-saving feature – is an essential consideration for customers’ satisfaction with self service technologies and is expected to have a positive influence on customer satisfaction with online banking”. In another study (Shoki et al, 2013) stated the positive significant relationship between e-SQ and e-CS.

Security

In e-services provision security is of much importance aspect which should be cared for. There will be no misuse of customers personal Information so that customer Feel safe in internet banking transactions and has Confidence in the internet banking service. Security /privacy is an important antecedent of e-SQ and has a positive impact on e-CS (Shoki et al, 2013),(Zavareha et al, 2012) and (Dwivedi and Johnson 2013)

Customer support

According to Joseph & Stone (2003), customer support services may be defined as the ability to provide feedback on problems about the purchased goods and services, or the purchase process itself, and to the ability to solve customer problems and concerns. Thus, customer support services can be regarded as the responsiveness dimension of service quality. Several studies have empirically tested responsiveness as a determinant of service quality or customer satisfaction with online banking (Liao & Cheung, 2008).

Information content

Content refers to the information offered in the web site. The contents play an important role in influencing the behaviors of consumers. (Yoon, 2010) argued that information content and security play a critical role in customer satisfaction with online banking. Recently, most online banking web sites provide a variety of information areas such as investment, real estate, and personal financial planning. These additional information services can provide a way to gain competitive advantage in online banking through customer satisfaction.(Zavareha et al, 2012),(Shoki et al, 2012) and (Subramanian et al, 2014) all in their studies found information content or website aesthetic plays a vital role in measuring e-SQ and positively contribute towards the e-CS.

Design

Good web site design enhances usability, thus affecting the success of the websites. (Ranganathan, 2002) argued that a web site’s design plays an important role in attracting, sustaining and retaining the interest of a consumer in the site. Also, several studies have empirically verified that the design of a web affects users’ satisfaction (Liu et al., 2008). Hence, the design of the online banking web site may also have a positive influence on customer satisfaction

Customer Satisfaction

Satisfaction has been considered as one of the most important theoretical as well as practical issues for most marketers and customer researchers (Jamal, 2004). (Oliver, 1981, p. 29) firstly defined it in the consumption context as “the summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the customer's prior feelings about the consumption experience”. The concept of customer satisfaction occupies a central position in marketing thought and practice (Churchill & Surprenant, 1982).Customer satisfaction is an important because when a customer will be happy from the services of the any company so company will get the huge profit.

Brand Trust

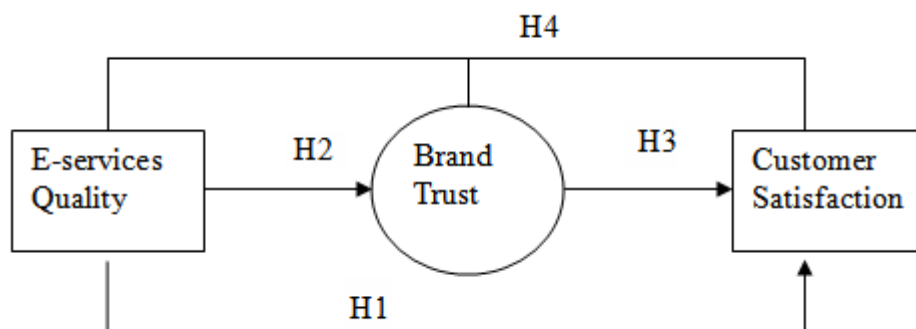
Trust is built up by believing in the reliability and honesty of one side to the other. Brand trust is expressed as the belief of consumers that the brand will fulfill certain functions. Suh and Han (2003) qualified the factors such as adequacy, philanthropy and honesty as the characteristics that indicate trust. “The willingness of the average consumer to rely on the ability of the brand to perform its stated function” (Sung & Kim, 2010).

Relationship between brand trust E-service quality and customer’s satisfaction.

Previous studies shows positive relationship between E-service quality and customer satisfaction and also brand trust contribute positively towards customer satisfaction. (Dwivedi and Johnson, 2013) stated in their study that brand trust plays a mediating role between endorser credibility and relationship commitment, brand equity and relationship continuity expectation. Based on the literature, it can be assumed that a strong brand reputation and positive brand predictability reflect brand trust. Past research on brand trust have supported that a high level of trust in a brand leads to brand repurchase, brand satisfaction, brand loyalty and brand commitment (Lau and Lee, 1999).

Martínez and Bosque, (2013) found significant and positive direct effects in the model confirm that the influence of CSR associations on loyalty is mediated not only by customer trust, but also by C-C identification and customer satisfaction. (Karjaluoto et al, 2012) perceived value and trust exhibit both direct and indirect associations with loyalty in a continuous service setting. Specifically, the current research shows that perceived value is a strong predictor of loyalty, and that trust mediates this process.(Aysel Ercis et all, 2012) considered customer satisfaction and trust relationship, it was found out that there was a positive relationship between these two variables. Accordingly as the trust consumers feel for the brand increases, their satisfaction also increases.

Research Model and Hypothesis for Future Studies



Independent variable: E- services quality

Dependent variable: Customer satisfaction

Mediating variable: Brand trust

In light of these directions hypotheses tested here is stated as follows;

H1: E-Service quality has positive effect on customer satisfaction

H2: E-Service quality has positive impact on brand trust.

H3: Brand trust positively relates to customer satisfaction.

H4: Brand trust is mediating the relation between E-service quality and e-customer satisfaction

Conclusion

Market rivalry is growing day by day and with this augmentation every organization trying to put on competitive advantage greater than its rivals. So the best services quality provision acquired a significant place in marketing practices which is previously well addressed by number of research scholars.

This study shows positive relationship between E-service quality and customer satisfaction and also brand trust contribute positively towards customer satisfaction. Brand trust plays an important role between endorser credibility and relationship commitment, brand equity and relationship continuity expectation. Based on the literature, it can be assumed that a strong brand reputation and positive brand predictability reflect brand trust. Past research on brand trust have supported that a high level of trust in a brand leads to brand repurchase, brand satisfaction, brand loyalty and brand commitment.

Customer satisfaction is an issue that discussed in every organization whether it is service or manufacturing of business. With the information technology progress every organization is trying to facilitate its customers through electronic services, But which aspects to be considered as worth of taking care for of e-service still is the question. Different antecedents of e-service quality are explored in widespread research but this study will travel around their impact on electronic customer satisfaction provided by Pakistani banks as well as it will explore the mediating consequence of brand trust which is un explored in prior research.

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