

IMPACT OF INTERNET BANKING ON CUSTOMER SATISFACTION IN ISLAMABAD

ABSTRACT

The purpose of this study to find the internet banking service dimensions that will have impact on customer satisfaction in Islamabad. The study makes use of mainly quantitative research approach. A sample of one hundred and twenty respondents was drawn on the basis of convenience sampling. The study make use of a 5 point Likert scale with “1” being strongly disagreed and “5” being strongly agreed. Data were analyzed through SPSS version 20. The study applied the spearman ranked correlation, and regression analyses to evaluate the hypothesis 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 control all the variables were significant at 1% 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 ONE

INTRODUCTION

1.1 Background

The Internet is a global computer network which connecting people and organizations all over the world. This kind of technology has deeply influenced culture, society, communication, employment and even the international economy. The Internet, jointly with e-commerce, is reforming how businesses provide value to customers. Online financial activity has increased gradually as more Internet-capable households use internet banking. Internet banking can be defined as accessing and operating economic information via the Internet using personal computers and Web browsers.

The usage of information technology is becoming an essential feature in current development, mostly in the banking area. The use of internet banking enables customers to browse necessary bank products and services seven days a week through their personal system. It enables consumers to perform necessary inquiries and perform banking transactions over the internet anywhere and anytime. Because of the increased use of the personal system to access the Internet and World Wide Web, the Internet has given an easy channel for receiving orders and develops a helpful medium for providing products and services to the whole customers. This revolution has been increasing profoundly in recent times. This type of banking is usually known as Internet Banking (RBI, 2001).

Since technology has been improved and people are more devoted toward performing their routine life activities by making use of the Internet, the banking sector has also improved the availability of its services by elaborating its scope of competition toward an e-environment along with the services of internet banking. The need of internet banking has been evaluated to provide satisfactory services to the customers who make the made light (Rod et al, 2009).

In traditional banking, the significant disadvantages are the convenience and working hours of physical bank branches. They are only serving customers for eight hours and majority of the customers feel aggravation in visiting their because they need to wait for their turn, particularly in the case of installment of utility bills. Another flaw is that banks are closed on announced