

# Influence of The Quality of E-Banking Services on Customers' Continuance Intention: A Study with Special Reference to The Federal Bank Ltd

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## Abstract

In recent days, customers have found it easy to access electronic banking, also known as E-banking, at any time and from any location, which has grown to be a crucial part of modern banking. The purpose of this research is to determine how federal e-banking clients in the Ernakulam area perceive the influence that the quality of their e-banking services plays on their intention to continue. The study is descriptive in style and collected data from 158 e-banking customers of Federal Bank. The study utilized the convenience sampling approach to gather the main data. The variables such as dependability, promptness, assurance and security, convenience, and ease of use are used for measuring service quality. The dependent variable, Continuance intention, is measured by using five items. The result showed that there is a favourable connection between e-banking quality of service factors and continuance intention.

**Keywords:** Convenience; Continuance Intention; E-banking; Service Quality.

## 1. Introduction

The banking services industry has undergone a noteworthy shift in the last few years, and e-banking has become a key component in improving convenience and customer experiences. As a part of electronic banking, e-banking provides consumers with a wide range of accessibility, ease of use, and flexibility for managing their financial transactions (Angelakopoulos & Mihiotis, 2011; Sandhu & Arora, 2022). The Federal Bank Ltd., a popular contributor in the Indian private banking industry, has embraced this technological change and given their clientele e-banking services (Indrasari et al., 2022). The present study intends to into the association between customers' intention and the quality of E-banking services to use federal services when travelling overseas (Raj & Dharmaraj, 2024; Mozaffari & Jahanian, 2016).

The quality of services within the structure of E-banking incorporates numerous aspects such as reliability, responsiveness, assurance and security, convenience, and comfort of use (Suhartanto et al., 2020; Çallı, 2023). Reliability refers to the consistency and dependability of the e-banking platform, while responsiveness pertains to the platform's capacity to quickly handle consumer needs (Sharma et al., 2022). Assurance in e-banking involves the reliability of the service (Rahman et al., 2024). Security ensures that sensitive user data, including personal and financial information, is encrypted during transmission, keeping it protected from unauthorized access and potential cyber threats (Mehta & Malhotra, 2024). Convenience in this context speaks to the simplicity of use, accessibility, and efficacy with which users can manage their financial activities through mobile applications (Souiden et al., 2021). Ease of use is a major factor of user satisfaction and adoption in the realm of e-banking services (T.S. & C.D., 2019). An easy-to-use interface and logical design help contribute significantly to the overall convenience and positive user experience (Okan & Christian, 2024; Sumathy & Sujith, 2018). The shift from conventional banking to convenience banking has enhanced the average man's level of accessibility to banks for his range of demands and requirements. (Samundeswari R, 2019; Maher et al., 2015).

### 1.1 Objective of the study

- To investigate how 13 Federal consumers' interest in using e-banking is impacted by the quality of those services, with a focus on the Ernakulam district.

### 1.2 Hypothesis of the study

H01: There is no notable variation in the opinion of customers towards the usage of e-banking services and continuous intention based on gender.

H02: There is no noteworthy impact of factors such as reliability, responsiveness, assurance and security, convenience, and ease of use on the continuous intention among e-banking customers of Federal Bank.

### 1.3 Statement of the Problem

This research study's main goal is to analyse how The Federal Bank Ltd.'s electronic banking service quality impacts consumers' ongoing desire to make use of online banking services (Usman et al., 2022). Specifically, to inform strategies for improving client retention and satisfaction in the digital banking field (Herskind et al., 2020). The research aims to identify the critical service quality characteristics that have a significant effect on clients' decision to continue using e-banking (T.S. & C.D., 2018).

### 1.4 Scope of the study

The scope of the investigation is a vast, comprehensive evaluation of The Federal Bank Ltd.'s e-banking service quality and its influence on the desire to keep utilizing the service, using the service, potentially encompassing elements like user interface, security protocols, Service to clients, and overall user experience. To reach results, the study also conducted questionnaires, reviewed previous research, and analysed data. The scope of the study incorporates a thorough assessment of The Federal Bank Ltd.'s e-banking service quality and its influence on customers' intention to continue using the service, potentially encompassing elements like user interface, security protocols, customer support, and overall user experiences. To arrive at results, the study also conducted questionnaires, reviewed previous research, and analysed data.

### 1.5 Review of Literature

The evaluation of the quality of e-banking services has been the focus of research. Researchers argue that the perceived quality of the services has a big impact on users' satisfaction and intentions to continue using e-banking services (Parasuraman et al., 1988; Zeithaml et al., 1996). The dimensions of service quality, including reliability, responsiveness, assurance, empathy, and tangibles, are considered crucial factors shaping user perceptions (Liao et al., 2011). Continuance intention refers to users' inclination to persist in using a service over time (Gilbert et al., 2004). Numerous studies emphasize the importance of continuance intention in the context of e-banking (Kim et al., 2009; Ha & Stoel, 2009). Positive experiences with service quality are found to significantly impact consumers' plans to keep utilizing e-banking platforms (TS & Sumathy, 2022). The regional characteristics can also influence the adoption and usage patterns of e-banking services (Laukkanen & Pasanen, 2008; Arshad Khan & Alhumoudi, 2022). The socio-economic and cultural dynamics of Kerala may introduce unique factors influencing users' perceptions of service quality and continuance intentions (TS & Sumathy, 2022; Jebarajakirthy & Shankar, 2021). Users' trust in the security measures employed by e-banking services significantly influences their continuance intentions (T.S. & K, 2019; Aslam et al., 2023). To help encourage customers to utilise mobile banking services, banks need to be aware of the factors that influence consumers' decisions to adopt mobile banking. (Parayil Iqbal et al., 2023; Ismail Yildirim & Ilknur Ayar, 2024)

The literature provides a foundational understanding of e-banking service quality and continuance intention. Most of the researchers are using the SERVQUAL model for assessing the level of excellent service provided by banking customers. Here, the researchers used a new proposed model for measuring service quality and tried to analyse the influence of these factors on continuous intention. The researchers used three variables from the SERVQUAL model and added two new variables, such as convenience and ease of use.

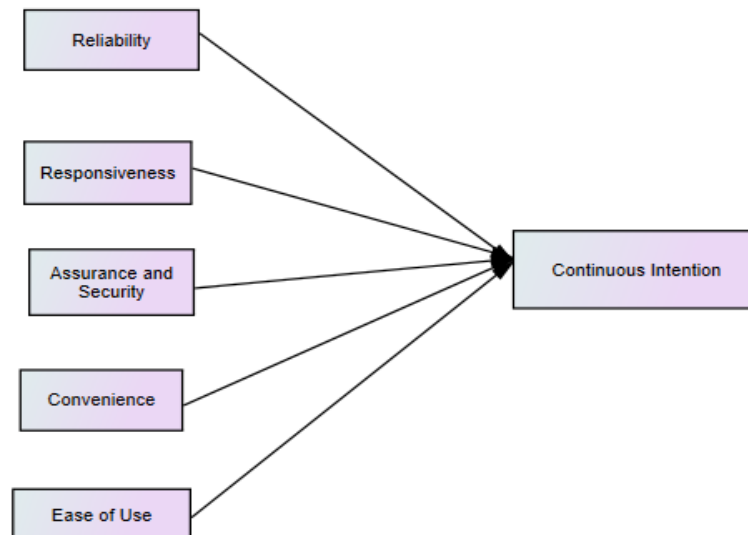


Fig. 1: Proposed Research Model

## 2. Research Methodology

This Research adopts a descriptive research design, using both primary and secondary data to assess the influence of quality of online banking amenities on continuance intention among e-banking customers of Federal Bank in Ernakulum district. The sample size comprises 158 respondents, collected through a convenience sampling method. Secondary sources of information were obtained from a variety of sources, such as newspapers, periodicals, journals, and the internet. Statistical instruments, including simple percentage analysis, ANOVA, a coefficient table, and analysis of regression, were used to analyse the information that has been gathered.

### 3. Findings and Discussion

**Table 1:** Socio-Demographic information of the Respondent

Variable	Description	Frequency	The Percentage
Sex	Male	98	62%
	Female	60	38%
<b>Total</b>		<b>158</b>	<b>100%</b>
Age	Below 25	16	10%
	26-45	80	51%
	46-60	62	39%
<b>Total</b>		<b>158</b>	<b>100%</b>
Marital Status	Single	23	15%
	Married	135	85%
<b>Total</b>		<b>158</b>	<b>100%</b>
Educational qualification	Post-graduation	14	8%
	Graduation	123	80%
	Professional	6	3%
	Other	15	9%
<b>Total</b>		<b>158</b>	<b>100%</b>
Occupation	Students	26	16%
	Private Employees	20	13%
	Govt. employees	97	61%
	Others	15	10%
<b>Total</b>		<b>158</b>	<b>100%</b>
Income	Below 50000	121	76%
	50000-75000	23	15%
	Above 75000	14	9%
<b>Total</b>		<b>158</b>	<b>100%</b>
Source of Information	Bank employees	36	23%
	Family	19	12%
	Friends	97	61%
	Social media	6	4%
<b>Total</b>		<b>158</b>	<b>100%</b>

(Source: primary data)

The results of the respondents' socio-demographic profile appear in the above table. Considering the respondents' gender, 62 % respondents are males and 38% respondents belong to the male category. Considering the age, 51% of the respondents belong to the 26-45 age category, and only 10% belong to the below 25 age category. Based on the marital status of those who responded, 85% of respondents are married, while 15 % of respondents are Single. Based on the educational qualification of the respondent, 80 % respondents are graduated, 8 % respondents are post graduated, and 9 % of respondents are studied a diploma, +2, and SSLC, etc.

The researcher collected primary data from 158 respondents; from this data, 62% of respondents are government employees, and 17% of respondents are students. The above table reveals that 76 % of respondents have income below 50000, 15% of respondents have an income in between 50000 to 75000, and 9% of respondents have an income above 75000. Based on the source of information, 23% of respondents get information about e-banking from bank employees of federal banks, and the majority (61%) of the respondents get information from friends and relatives.

H01: The opinions do not significantly differ from those of customers towards the usage of e-banking services and continuous intention based on gender.

**Table 2:** The Table Showing the Significant Difference in the Opinion of Customers towards the Usage of e-banking Services and Continuous Intention based on Gender.

Details	Gender	Mean	Std. Deviation	t	Sig.
Continuous Intention	Male	4.16	.597	3.160	0.002
	Female	3.74	.438		

(Computed from primary data)

Table 2 displays the result of an independent sample t-test with a P value of 0.002, which is below the significant level of 0.05, so the study identified that a notable difference exists in the opinion regarding the use of online banking services and continuous intention according to the respondents' gender. The findings suggest that male customers are more opinionated about their continuous intention to use federal bank e-banking services compared to female customers.

H02: There is no significant impact of factors such as reliability, responsiveness, assurance and security, convenience, and ease of use on the continuous intention among e-banking customers of Federal Bank.

**Table 3:** Regression Analysis

Model	R	R Square	Adjusted R Square	Change Statistics R Square Change	Sig. F Change	Durbin-Watson
1	.904 <sup>a</sup>	.818	.812	.818	.000	1.672

a. Predictors: (Constant), reliability, responsiveness, assurance and security, convenience, and ease of use

b. Dependent Variable: Continuous Intention

(Source: Computed from primary data)

The table 3 the findings of a regression model, which examines the connection between a dependent variable and multiple variables. In this instance, the dependent variable is Continuous Intention of e-banking services, and the predictors are reliability, responsiveness, assurance and security, convenience, and ease of use. The R-value of 0.904 suggests a robust, favorable correlation between the dependent variable and the predictors. The R-square value of 0.818 indicates that the predictors account for approximately 81.8% of the variation in

the dependent variable. The Durbin-Watson statistic, with a value of 1.672, signifies the absence of autocorrelation present in the residuals of the model.

**Table 4: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.649	5	7.330	136.374	.000 <sup>b</sup>
	Residual	8.170	152	.054		
	Total	44.819	157			

a. Dependent Variable: Continuous Intention

b. Predictors: assurance, responsiveness, consistency, dependability, security, convenience, and ease of use

(Source: Computed from primary data)

The ANOVA table indicates that the data and the regression model suit each other well and that the predictors are important for elucidating the dependent's variance, such as reliability, responsiveness, assurance and security, convenience, and ease of use

**Table 5: Coefficients Table**

Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance VIF
1	(Constant)	1.086	.124		8.723	.000	
	Convenience	.245	.029	.385	8.348	.000	.564 1.773
	Reliability	.154	.029	.229	5.241	.000	.627 1.596
	Responsiveness	.088	.028	.150	3.107	.002	.518 1.932
	Assurance and Security	.092	.028	.154	3.231	.002	.526 1.902
	Ease of Use	.143	.019	.316	7.571	.000	.688 1.454

Dependent Variable: Continuous Intention

(Source: Computed from primary data)

The Table of Coefficients provides the individual influence of variables on continuous Intention. It is identified from the coefficient table, the Standardized Coefficients of variables like Convenience (Beta Coefficient = .385, Sig = .000), Reliability (Beta Coefficient = .229, Sig = .000), Responsiveness (Beta Coefficient = .150, Sig = .002), Assurance and Security (Beta Coefficient = .154, Sig = .002) and Ease of Use (Beta Coefficient = .316, Sig = .000) have significant positive effect on Continuous Intention of e-banking services among Federal Banking customers in Kerala, since all the significant values of predictor variables is less than 0.05.

The standard beta value shows that convenience has the highest influence on continuous Intention, whereas Responsiveness has the lowest impact. It reveals that the variables such as reliability, responsiveness, assurance and security, convenience, and ease of use have the highest significant favourable outcome on the continuous purpose of using online banking services of Federal Bank. Since every tolerance value exceeds 0.5, there is a significant problem with collinearity among the predictor variables. Then the regression equation is

$$Y (\text{Continuous Intention}) = 1.086 + .245X_1 + .154X_2 + .088X_3 + .092X_4 + .143X_5$$

Here  $X_1$  = Convenience,  $X_2$  = Reliability,  $X_3$  = Responsiveness,  $X_4$  = Assurance and Security and  $X_5$  = Ease of Use.

## 4. Conclusion

Consumers increasingly alter their preferences and tastes more frequently to keep up with the latest advancements and trends. To comply with the requirements of its clientele in this dynamic business landscape, banks have adopted the use of modern digital innovative technologies like e-banking. Here, the present research investigated the influence of e-banking service excellence on continuance intention among e-banking customers of Federal Bank. The researcher used five variables, such as reliability, responsiveness, assurance and security, convenience, and ease of use, for measuring the service quality of e-banking services of Federal Bank. According to the survey, the factors that determine service quality, such as dependability, promptness, certainty and security, convenience, and ease of use, have the biggest beneficial impact on consumers' intentions to use Federal Bank's e-banking services continuously.

The study recommended that federal banks should focus on incorporating personalization and customization features in their e-banking platforms. This includes customizable dashboards, notification preferences, and tailored recommendations to provide clients with an individualized and convenient banking experience. The bank should explore the integration of emerging technologies in its e-banking services. This may include features like artificial intelligence-driven chatbots for customer support, biometric authentication enhancements, and other technological advancements to enhance user experience and convenience. Federal Bank should update its e-banking app. Like G Pay, that means it is more user-friendly, which helps the customers become more loyal.

### 4.1 Limitations and Scope for Further Research

The researchers consider only five factors for measuring the service quality; other factors may also influence the service quality of e-banking. So future studies may be conducted with the inclusion of more factors. The researcher considers only one factor, which is the service quality of e-banking, for the continuous intention of mobile apps. Customer satisfaction also influences the continuous intention of usage. So, upcoming research may be conducted with the inclusion of customer satisfaction.

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