

Determining The Determinants Customer Satisfaction of Digital Banking Services in Zimbabwe

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Abstract: COVID-19 pandemic has changed the way of doing business and living. In particular, banking services were not spared leading to increase in the adoption of digital banking. The study investigated the determinants of customer satisfaction of digital banking services in Zimbabwe. Privacy, convenience, ease of use, site organization, reliability and personal need were identified as determinants that affect electronic customer satisfaction of banking services and were subjected to an examination. Mixed methodology was adopted with a view to capture both qualitative and quantitative aspects of the phenomenon. A sample of 20 electronic banking customers in Harare were randomly selected. In-depth interviews and questionnaires were used as methods for collecting data. It was found that electronic customer satisfaction, ease of use, zero-rated application, privacy and reliability were the main determinants in Zimbabwe. The study recommends that when developing digital banking applications, banks should consider giving maximum attention to these determinants noted in the empirical study.

Key words: Customer satisfaction, digital banking, site organisation, banking services

I. Introduction and background to the study

The world's economy is undergoing rapid change right now and to address the needs and aspirations of consumers, it is becoming increasingly important to produce innovative digital products and services. Digitalization has also become popular, (Morabito, 2014) observes that digital firms have no geographical boundaries, in that the corporation can successfully conduct business in numerous nations worldwide. Company boundaries are becoming hazier due to digitalization. (Nupur 2018) pointed that businesses are collaborating more closely with their partners and clients. More customers have access to the global market, competition is therefore growing and becoming fiercer. (Morabito, 2014)

Digital banking refers to the delivery of all banking services via the internet, mobile devices, and other electronic channels. (Mukherjee & Nath, 2017) This includes both established banking services like balance inquiries, statement printing, fund transfers to other accounts, and bill payment as well as brand-new banking services like electronic bill payment and payment without necessarily visiting the bank (Mukherjee & Nath, 2017)

(Nupur 2018) observes that digital banking becomes popular, it is essential to conduct comprehensive surveys of the aspects that influence their customers' perceptions. To this end, more research is required to determine the variables affecting customer satisfaction with the internet banking system.

In this vein majority of banks designed their own banking websites as a move to boost their efficacy because the banking sector is one of the most significant industries in this nation. Researches concludes have shown that customers that use internet banking benefit from convenience and are encouraged to use the banking website to complete transactions more quickly and easily. Banks are able to lower their operating expenses thanks to internet banking. The features of new online banking, the speed of internet connectivity, and the frequency of e-banking use, all affect how e-banking develops in each country.(Nupur, 2018)

Historically, development of credit cards and ATMs opened the door for the digitisation of banks. Early in the 1990s, the commercial development of the internet significantly restructured the banking industry and introduced online banking to the world. At this point, conventional street-side banks began researching ways to offer limited online banking services in order to save operating costs. When everyone saw how successful these efforts had been, many banks decided to launch their own websites with a fresh design that offered a variety of services such online account opening, form downloads, and loan processing.

Several scholars have agreed that in today's competitive financial markets, creating lasting relationships with consumers has become a crucial strategy for most financial organizations. To thrive in the cutthroat retail banking market, the banking sector must build profitable, long-term relationships with its clients. Accordingly a bank's profitability is strongly correlated with client retention and loyalty, which are built on customer relationships (Ling et al., 2016).

The business press, regulators, and lawmakers have all begun to pay more attention to online banking as a form of digital banking, as have bankers and other players in the financial services sector. The belief that electronic banking and payments will reduce banks' expenses, boost banks' revenue growth, make banking more convenient for customers, and enhance bank customer relationships are some of the justifications for the adoption of digital banking (Altobishi et al., 2018). This study seeks to determine the determinants of customer satisfaction of digital banking in Zimbabwe.

Statement of the problem

Determinants affecting customer satisfaction are important in order to know the reasons or factors responsible for creating customer satisfaction. The importance of researching the factors that influence customer happiness with electronic banking is underscored by the high cost of gaining new electronic clients and the reportedly high customer turnover of many online services in Zimbabwe. In this regard, customer involvement is important. Any business is likely to lose market share and customers if it fails to satisfy customers effectively. This study therefore seeks to shed more light on the determinants of customer satisfaction of digital banking in Zimbabwe.

Research question

What are the determinants of customer satisfaction of digital banking in Zimbabwe?

II. Literature Review

According to Oliver (2020) customer satisfaction is defined as an evaluation of the perceived discrepancy between prior expectations and the actual performance of the product. Kim, Park and Jeong (2015) are of the view that customers evaluate the ongoing performance of a product. In the same vein, Turel (2017) notes that customer satisfaction is a customer's reaction to the state of satisfaction. Thus customer satisfaction is the ability of a service provider to create a high degree of satisfaction and in providing a strong relationship with customers.

Customers that are enthusiastic about new technologies are more likely to accept internet banking. Internet banking serves as a type of financial intermediary that facilitates online transactions (Ahager, 2017). Internet banking is the branch of the banking sector that makes use of computer technology to offer consumers improved services and advance banking standards (Lecturer et al., 2014). It has been argued that one of the most efficient ways to raise the level of service quality and meet consumer expectations is through technological advancements. (Singh et al., 2019) observed that customers of traditional banks are becoming more accustomed to using Internet banking thanks to advancements in financial and banking technology and innovation. In many industrialized nations, the retail banking sector offers internet banking, allowing consumers to conduct transactions without leaving their homes or places of employment (Munusamy et al., 2010). A study conducted in Malaysia found that internet banking can also assist users more effectively by managing their finances (Bank Negara Malaysia, 2007). In their study (Altobishi et al., 2018) listed convenience, personalization, cost of e-banking, security/privacy, Website Design/Site Organisation, and reliability as the six determinants that influence the use of digital banking. Each of these determinants are critically examined below.

Convenience

The term convenience was created by Copeland in 1923 in his HBR article suggesting the non-classic product typology: convenience shopping and specialty goods (Yale and Lavern 1986) Recently convenience has been empirically operationalized by various researchers although the meaning of the term is not that of Copeland but of time buying and time saving (Riley, 1982; Strober 1980)

According to Altobishi et al. (2018), convenience is a collection of service qualities that enable users to locate information quickly, easily, and with little effort.

Convenience is also cited by Lakshmi & Kavitha, (2020) as one of the main advantages of internet buying. For instance, e-customers value the ease of using e-services whenever they want, from their offices or homes, without having to travel to the business or make an appointment. According to Dharmesti & Nugroho, (2013), the convenience value of any website is evaluated based on the ability to navigate information more easily and quickly while downloading data. Thus, one can argue that consumers' effort and time expenses to complete an operation as well as energy expenditure impact their perception of convenience. Therefore, a convenient website saves customers' time and effort when finishing a transaction. As a result, clients are happier and start to trust the business' website (Dharmesti & Nugroho, 2013). Kim, (2012) also support this strong link. Additionally, the (Kim, 2012) predicts that for customers who value ease, the link between e-satisfaction and e-loyalty would be stronger.

Website Design/Site Organisation

Website design has been explored from a variety of angles; the majority of organizations have concentrated on the traits of successful creating (Ghali, 2021). According to (Hilaludin & Cheng, 2014) the act of building a website with an aesthetic focus on elements like layout, straight forward search paths, and visual images is known as web designing. From the viewpoint of the user, a successful website design should have all the elements that draw visitors and improve their online experiences. A successful website "is one that attracts customers, makes them feel the site is trustworthy, dependable, and reliable, and creates customer pleasure," in the context of e-commerce in particular (Liu & Arnett, 2000).

A website, is more than just a tool for finding information and placing orders for goods and services. It is also connected to the enjoyment that users derive from interacting with the website. This is possible by a number of means for example., images, graphic style, colours, logos, advertising slogans, animation, information content, ease of use. (Ghali, 2021) Therefore, a website can affect how users perceive the quality of the services they receive, which in turn affects how satisfied they are with their online experience as a whole (Kim, 2012). A website's simplicity and ease of use are found to inspire a positive navigation experience, hence gratifying the buying experience. Additionally, it has been discovered that e-trust is significantly influenced by trouble-free websites, information clarity, and effective and efficient indicators.(Ghali, 2021) This study however examines how website design as a determinant of digital banking affects customer satisfaction.

Security/Privacy

The most crucial elements of an e-quality service's are generally regarded as security and privacy (Parasuraman et al., 2005). Like many other information systems academics, we merge these two notions and employ them as a singular concept in the current study. Security/privacy describes the confidentiality of shared information and the security of credit card payments (Kim, 2012). One of the greatest obstacles to online exchanges is the possibility of clients losing their privacy and the security of their personal information(Altobishi et al., 2018). When considering e-banking services, this risk is more serious(Ghane et al., 2019). In truth, "customer privacy" ensures that all personally identifying information about customers relating to the transaction is kept private from third parties(Dharmesti & Nugroho, 2013). Customers must therefore feel safe and secure while accessing to a bank website. This security guarantee is essential for increasing customers' trust in business websites, reducing worries about the misuse and abuse of personal information and weakening the susceptibility of transaction data (Kim, 2019). This trust is more likely to get stronger with time and repeated website searches for businesses.

Shaw (2018) stated three goals for the company's website privacy protection strategy. The first goal is to minimize intrusiveness by making clear to customers what information is needed, collected, controlled, and secured on the firm website. The second goal is to maximize fairness by allowing customers to access their information for a second look and review.

The third goal is to establish legally enforceable privacy expectations by imposing security management requirements on all associated parties. Thus the foundation for increasing customer e-trust and e-satisfaction is provided by these three goals. This suggests that a website's ability to successfully manage users' personal information and payment information might increase users' online pleasure and trust (Nugroho et al.,2015).

Responsiveness

The responsiveness of a website is a measure of e-tail quality (Wolfenbarger & Gilly, 2017). It is described as "a responsive, friendly, and willing service that responds to consumer inquiries rapidly" by Kim et al. (2009, p. 242). Customers do in fact anticipate rapid responses from their e-banks when they make questions (Liao & Cheung, 2020). Konradt et al. (2018) highlighted a substantial positive relationship between responsiveness levels and client trust in this setting. Customers will trust their e-banks more if they receive timely, clear, exact, and helpful responses from e-services. Additionally, Wagner and Rydstrom (2019) claimed that confirming orders and promptly responding to consumer queries have a beneficial effect on gaining their trust. This is due to the fact that quick response times are more likely to boost perceived convenience and lower customer uncertainty (Gummerus et al., 2004). E-satisfaction is also proven to be significantly impacted by responsiveness (Devaraj et al., 2019). Indeed, numerous studies have shown that e-satisfaction is significantly influenced by the seller's empathy, the customer's assistance, and the response time (Al Dmour et al., 2019).

Reliability

The technical functionality of a website or app is referred to as reliability. According to Zeithaml et al. (2020), a reliable website will have all the necessary data and features to enable customers to use services effectively. Yang and Jun (2020) talked about and looked at the significance of reliability in their research. Reliable websites, according to Yang and Jun (2020), provide their customers confidence in their functionality. In this study, the dependability of a bank's website or mobile application would be

regarded as a crucial variable to ensure customer happiness since if users are unsure about a site's functionality, they won't want to utilize it.

Personalisation

As customer familiarity with digital banking increases so does expectation of an increased level of personalization. In this regard banks are using personalisation as a way of differentiate their services from competitors. (Ed Lin 201) defined personalisation as a customer perception to which an online service provider provide differentiated to notify specific individuals needs

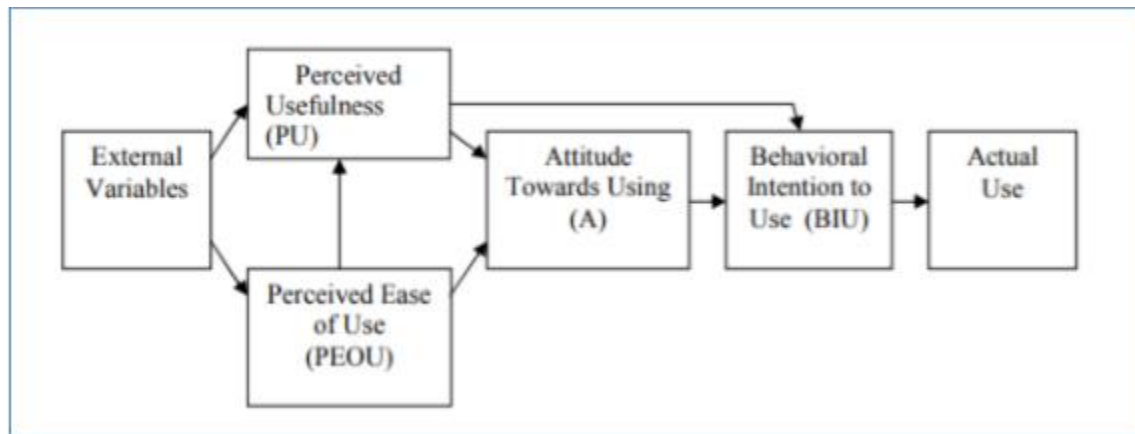
Not every customer is the same. They have various needs and demands; for instance, not all customers may favor the same investing strategy or may need a longer loan repayment period. Offering different services based on the needs and preferences of the consumer is what personalization means (Yang and Jun, 2020). Yang on the other hand, claimed that personalisation entails paying more attention to your customers' wants. To increase customer satisfaction, every bank should be able to offer personalized services. As a result, a bank can analyze a customer's past orders or preferences and give them new offers based on their most recent selection, giving them greater privileges. Therefore, it may be seen as a factor in the case of digital banking that greatly influences client happiness.

Cost of Ebanking

Low service fees are acceptable to customers who use banking services. Banks are not required to offer e-services for free, but if they want to charge for them, they must better convey the value and ease of these services. Even a satiny modest fee per group action will become a significant revenue generator (Valentine, 2019). Retail bank transactions that depend on the whole cost of performing a transaction are in high demand from customers. Customers are required to pay full price in three different ways: for value, for their preferred technology, and for the distance traveled to carry out a collective action.

III. Conceptual Framework

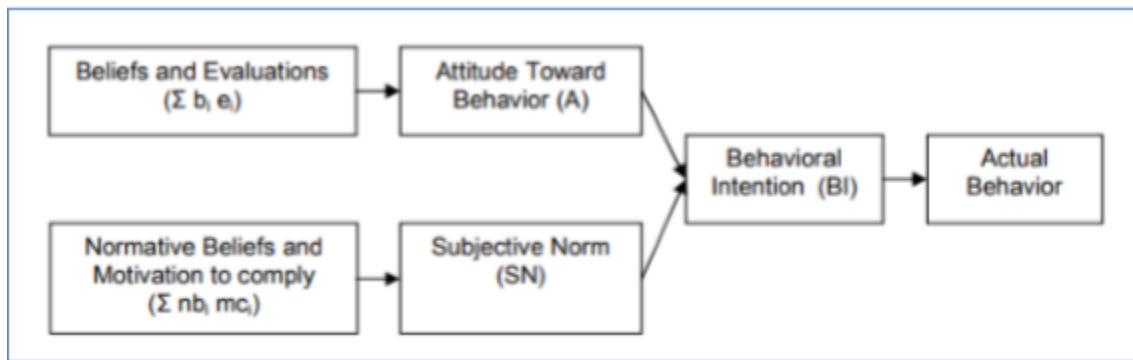
This study is based on the Technology Acceptance Model



Technology Acceptance Model (TAM) is was developed by Davis in 1989. This model was developed based on Theory of Reason Action. TAM is used to explain why people use technology. According to Chiu et al., (2009), TAM is the best for explaining the initial behaviour of a customer. The primary goal of TAM is to find out determinants of accepting new technology. TAM can be an appropriate model to elaborate behaviour and experience of a customer in case of new technology (Davis, 1989).

There are two factors in the Technology Acceptance Model. These are perceived usefulness (PU) and perceived ease of use (PEOU), according to Davis (1989). PU can be used to determine whether or not someone is receiving the right benefits in accordance with his needs. The main method for deciphering behavioural intention is PU. However, there are certain outside variables that affect PU, such as attitude and other things. PEOU, on the other hand, is a means to assess the utility of technology. PU and PEOU may be causally related even though they are different constructs. When utilizing new technology, the new user frequently runs into issues, but after he gets acclimated to it, he feels at ease.

The Theory of Reasoned Action also demonstrates how this behavioral aim functions. Fishbein and Ajzen developed the theory of reasoned action (TRA), a behavioral intention model that accounts for both internal and external causes of conduct. It exhibits the variety of actions and intentions.

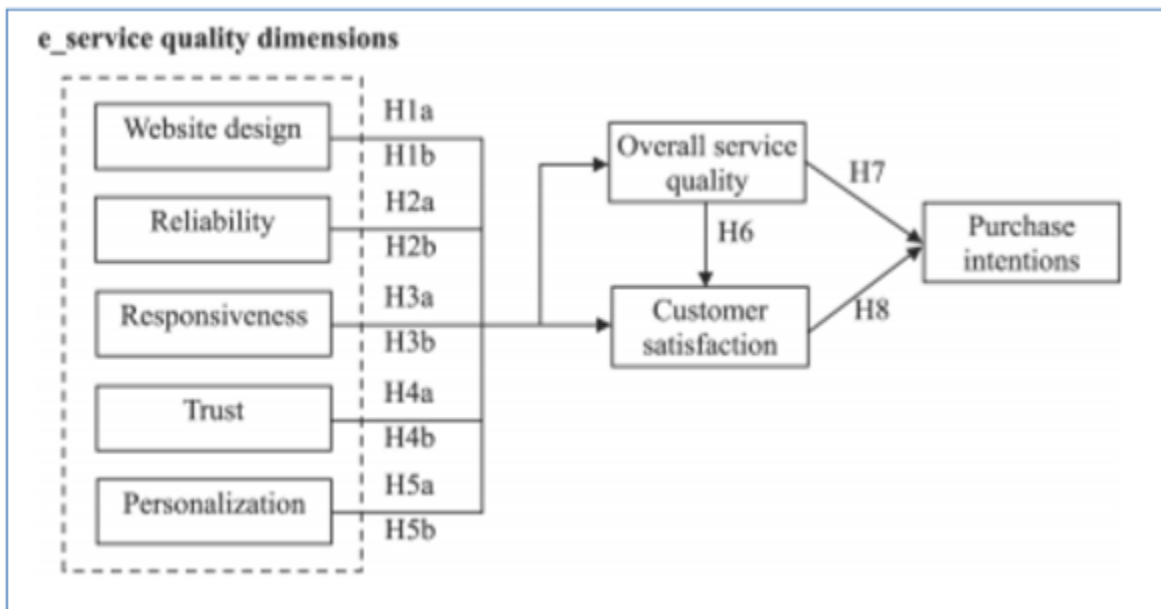


Source: Adopted by Fishbein and Ajzen (1975)

Two type characteristics developed by Fishbein and Ajzen are utilized to identify the behavioral intention. These are subjective norm and attitude. Simply said, attitude is the believe in the behavior, including the belief in the behavior's consequence and the appraisal of this kind of behavior. An individual's attitude toward engaging in a particular behavior might be either good or negative. It is very likely that someone will sell a product if they have positive feelings about it. The subjective norm or normative component, which is the social acceptability or desirability of the behavior, is another category of determinant. It consists of the urge to conform to the beliefs of others and the normative belief.

SERQUAL

According to Lee and Lin (2005), there are no established standards for evaluating the quality of e-services for online commerce. The SERQUAL scale was used to build this model. When Zeithaml et al. (2000) began their new research for measuring the quality of digital services, they discovered various shortcomings in earlier scales, including a lack of true online user interaction and other issues. Zeithaml et al. (2019) created the SERQUAL model, a new scale for evaluating digital services. Efficiency, Reliability, Fulfillment, Privacy, Responsiveness, Compensation, and Contact are the seven SERQUAL dimensions.



First off, having a website that users find appealing is important for having an online business (Than and Grandon, 2002). A company's website can increase their customer base if it is beautifully built. Second, Lee and Lin (2005) discussed reliability, which is defined as a site's capacity to meet a customer's need. These days, the customer expects access to all the amenities, including ordering, paying, leaving feedback, and so forth. The third factor is responsiveness, which measures how well a website responds to a customer's inquiry. The customer doesn't have to wait very long for any issue or service. As a result, banks want the issue or service resolved as soon as possible. Trust is the fourth. Building trust between a corporation and its consumers was emphasized by the authors of various studies since a customer would not complete an online transaction without trust (Gefen, 2021). The final one

is personalization, in which Lee and Lin (2020) stated that a business must deliver services in accordance with client demand because every customer is unique and has unique requirements and desires. Therefore, if a business wants to succeed, it must ensure that each consumer receives personalized treatment.

IV. Methodology

A mixed methodology was used. According to Creswell (2007) mixed methodology research provides a more complex understanding of the research problem than either quantitative and qualitative alone. A total of 10 banks took part in the study. Each bank was given 10 questionnaires making a total sample of 100 participants who were randomly sampled. According Merriam random sampling ensures that the sample is unbiased and reflects the diversity of the population.

Permission and informed consent was sought. Anonymity and confidentiality were assured to the participants as part of ethical considerations.

V. Discussion of Findings

Findings of the study are consistent with previous findings to a greater extent. Results of the study revealed that online customer satisfaction is positively and significantly influenced by the following factors convenience, personalization, cost of e-banking, security/privacy, ease of use, and reliability.

Participants were of the view that due to busy schedules and long working hours they do not want to visit banks so they prefer online channels. It was convenient for them to do the banking in the comfort of their homes or offices. This view was supported by (Kim, 2019) who argues that convenience is the main determinant on digital banking.

Participants also highlighted that they fear different forms of cyber crime as they use digital banking. This was also supported by Altobishi (2018) who said one of the greatest obstacles to online exchanges is the possibility of clients losing their privacy and the security of their personal information.

A number of participants noted that some websites are complex to maneuver therefore website design becomes a hindrance. Hilaludin & Cheng, (2014) highlighted that website design should have all the elements that draw visitors and improve their online experiences.

Participants also bemoaned the high cost of internet connectivity either mobile or fixed. The same view was noted by Valentine, (2019) low service fees are acceptable to customers who use banking services. Banks are not required to offer e-services for free, but if they want to charge for them, they must better convey the value and ease of these services.

This finding is consistent with the previous findings of Ranjbarian et al. (2012); Liu et al. (2008); Zeng et al. (2009); and Trong et al. (2014). According to the findings, there is a significant relationship between security, ease of use, reliability and digital banking customer satisfaction. Similar results have been reported by Liu et al (2010); Maditinos and Theodoridis (2010); Ting et al. (2016). Therefore, it is apparent that the findings of this study is consistent with previous findings. Results of the study indicate that there is a positive and significant relationship between security perception and digital banking customer satisfaction. These findings are consistent with the previous findings of Eid (2011); Ranjbarian et al. (2012); and Evanschitzky et al. (2014). In addition, results concluded that other two variables used in this study (convenience and website design) do not have significant effect on online customer satisfaction. Thus, results revealed that there is no significant relationship between product information quality and customer satisfaction. This finding is consistent with the previous findings of Evanschitzky et al., (2004).

VI. Recommendations

In light of the above discussion and finding these are the recommendations of the study:

- Banks must invest on website design/site organization and develop or design platforms that are easy to use trustworthy, dependable reliable and creates customer pleasure.
- It is recommended that banks must develop digital banking systems that are fool proof and give security and privacy assurance to all its customers.
- Banks are recommended to come up with low service fees for digital banking.
- It is recommended that a another study be conducted focusing on how website design affect women as digital banking customers

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